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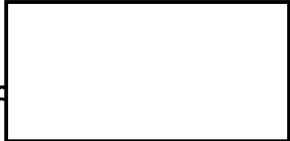
(Information as of noon EDT, 1 July 1965)

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**VIETNAM**

The Viet Cong summer offensive regained its momentum last week. The weekly incident rate was the highest this year. Battalion-size or larger attacks were resumed on a countrywide basis, and guerrillas attacked Da Nang Air Base. Both Hanoi and Peiping continued to reject all moves for negotiations, such as the Commonwealth Peace Mission proposals and President Johnson's UN speech.

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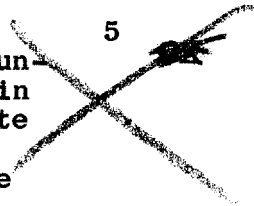


United Nations

**CHARTER AMENDMENTS MAY LEAD TO EMERGENCY ASSEMBLY SESSION**

If, as expected, amendments enlarging the Security Council and Economic and Social Council become effective in the next few weeks, any UN member anxious to complicate the US-Soviet dispute over Article 19 could demand an emergency session of the General Assembly to elect the additional members.

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The Communist World

**AGRICULTURAL PROSPECTS IN COMMUNIST COUNTRIES**

At mid-June, prospects for the winter grain crop were generally good in the USSR, China, and North Vietnam, and uncertain in Eastern Europe. All will continue to be net importers of grain in 1965.

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**SOVIET PURCHASES OF WESTERN INDUSTRIAL PLANTS**

The USSR is stepping up purchasing activity in the West for industrial plants to be delivered during the next two or three years, presumably to fulfill needs generated by its new five-year plan (1966-70).

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**SOVIETS MAKE INTENSIVE EFFORT AT PARIS AIR SHOW**

As a result, some sales of Soviet helicopters may develop, but most Western manufacturers probably will not encounter serious Soviet competition in the commercial aircraft field before the 1970s.

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ARMY Review Completed

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MORI/CDF

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UNRESOLVED ECONOMIC ISSUES MAY HAVE DELAYED SOVIET PLENUM 10

Earlier rumors that the long-awaited central committee plenum expected to deal with industrial organization and management was scheduled for June or July have been succeeded by rumors suggesting it will not be held until some time in August or September.

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EAST GERMANY PRESSES CLAIMS TO SOVEREIGNTY 11

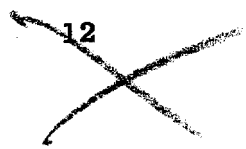
The apparent aim of current Soviet and East German moves affecting land and air communications is to draw the West Germans into piecemeal concessions without posing a direct challenge to basic Allied rights in Germany.

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Asia-Africa

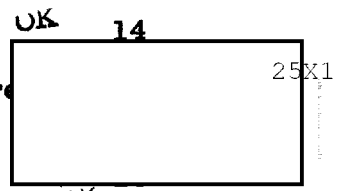
ASSEMBLY ELECTIONS SCHEDULED IN LAOS 12

The Souvanna government hopes to form a new assembly with a minimum of open opposition. Minor military operations meanwhile continue in both the northwestern and southern sections of the country.



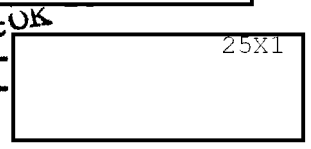
NEW INDONESIAN OPERATIONS IN SARAWAK 14

The Indonesians have for the first time effectively used indigenous Chinese elements in guerrilla warfare against Malaysia.



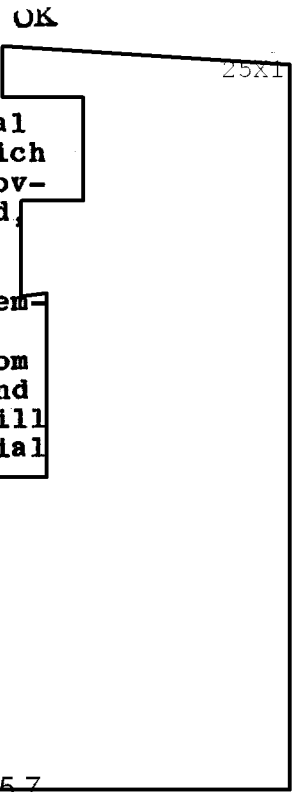
NEW SOVIET ECONOMIC AID FOR INDIA

The increased Soviet aid widely anticipated as a result of Prime Minister Shastri's recent negotiations may total as much as \$1.2 billion during India's fourth five-year plan (1966-70)--an amount which would approximate all Soviet economic aid to India since 1955.



PROBLEMS OF THE NEW SUDANESE GOVERNMENT

After eight months of political turmoil, the Sudan has elected a constituent assembly and installed a government made up of the generally moderate Umma and National Unionist parties to replace the transitional regime which took over after the overthrow of the Abboud military government in October. The government parties are divided, however, by the same basic conflicts which created a stalemate in 1958 and led Abboud to seize power. The new regime, moreover, has inherited from Abboud the seemingly insoluble problem of integrating the dissident southern Negroid provinces with the Arab north, and from the transitional regime both a deteriorating economy and a radicalism in foreign policy which the new leaders will be hard put to disavow. (Published separately as Special Report OCI No. 0296/65B)



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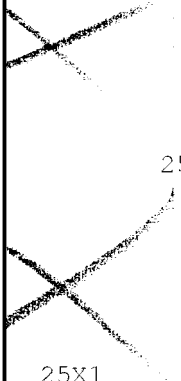
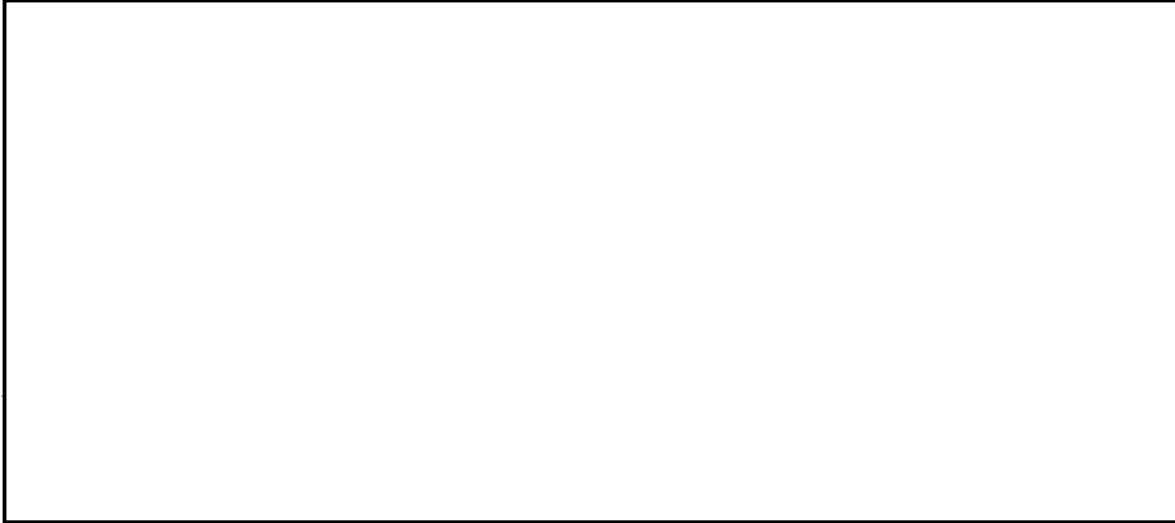
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**STRUGGLE BETWEEN CONGOLESE GOVERNMENT LEADERS CONTINUES**

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President Kasavubu appears to be slowly increasing the political pressure on Premier Tshombé in their wrestle over the powerful office of the presidency.



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**NEW ALGERIAN REGIME STILL ORGANIZING**

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Colonel Boumedienne may be having some difficulty reconciling differences among the various opponents of the old Ben Bella government, but at least the much-publicized demonstrations against his coup have slackened.



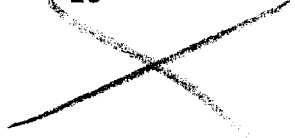
Europe



**COMMONWEALTH PRIME MINISTERS CONFERENCE**

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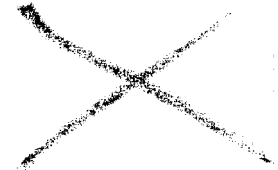
Organization of the Vietnam peace mission marked the first serious effort to exploit the Commonwealth's potential as a force for peace. Other substantive disagreements, however, indicate continuing national and regional interests among the members.



**US RELATIONS WITH EURATOM AND ITS MEMBERS**

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Some progress may have been made toward substituting a single US-EURATOM agreement for the bilateral accords the US now has with five EURATOM members, but several of the five continue to have reservations and France is opposed to any move like this that would enhance the supranational status of the European communities.



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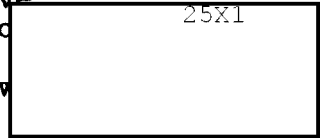
Western Hemisphere

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**SITUATION IN THE DOMINICAN REPUBLIC**

21

Extremists dissatisfied with rebel leader Caamano's willingness to negotiate a political solution have attacked loyalist positions in the interior. These incidents have heightened the Imbert regime's demands for a military solution. Imbert is resisting suggestions that he step down, but several military chiefs say they will withdraw their support from him if an acceptable interim government can be formed.



**SECOND INTER-AMERICAN CONFERENCE IN JEOPARDY**

22 OK

A number of OAS members, opposed to the role of the US and the Organization of American States in the Dominican crisis, are against holding the conference as scheduled on 4 August in Rio de Janeiro.

**POSSIBLE SPLIT IN JAGAN'S PARTY IN BRITISH GUIANA**

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Jagan's apparent decision to direct violent opposition to independence under the Burnham government may have come too late to prevent extremists from leaving his pro-Communist People's Progressive Party.

**COLOMBIA'S FINANCIAL AND ECONOMIC PROBLEMS REMAIN UNSOLVED**

25

President Valencia now proposes to send to Washington a "high commission" of several ex-presidents, party and union leaders, and technical advisers, but many of its members are pessimistic about accomplishing anything.

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**SUGAR PRODUCTION AND THE GROWTH OF THE CUBAN ECONOMY**

Sugar not only makes the largest single direct contribution to Cuba's gross national product but, indirectly, provides the imports on which the rest of the economy depends. Assuming that sugar production reaches the regime's current goal of 10 million metric tons annually by 1970, the least favorable circumstances relating to bloc aid and world sugar prices in the intervening period would mean a stagnation of Cuban import capacity. The most favorable circumstances, on the other hand, could provide an average annual increase in imports of nearly 9 percent, enough to support considerable economic growth. (Published separately as Special Report OCI No. 0296/65C)

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