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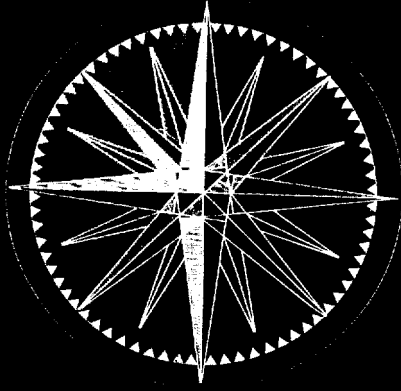
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13 August 1965

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WEEKLY SUMMARY

CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE

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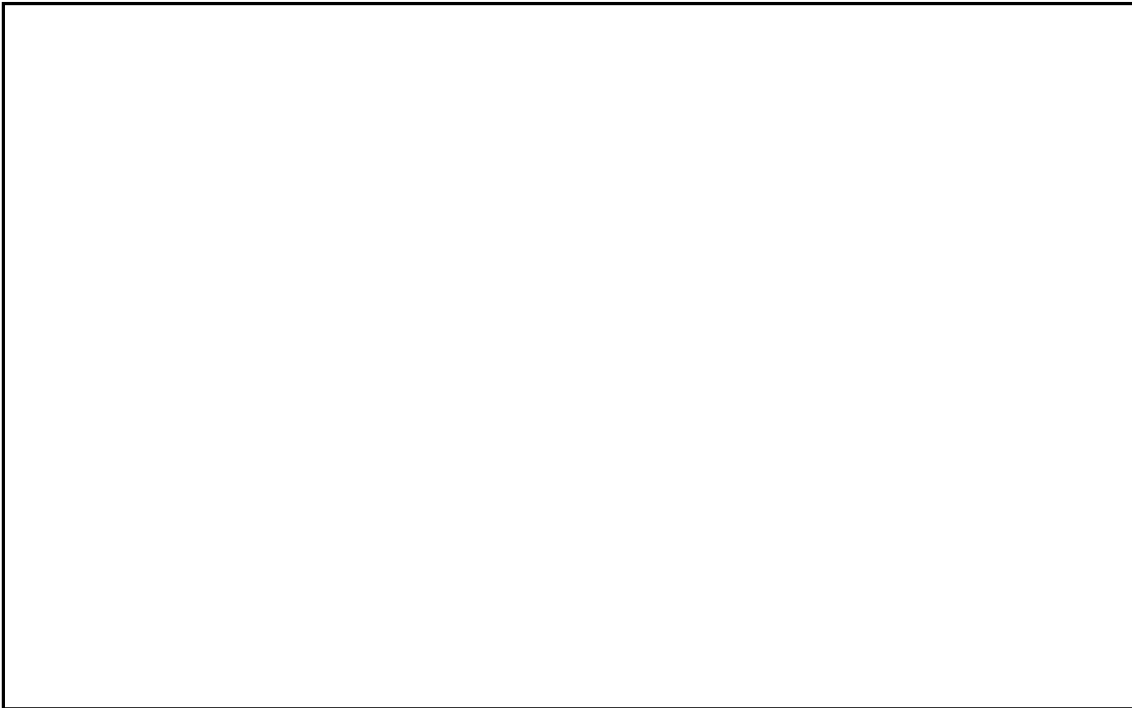
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C O N T E N T S

(Information as of noon EDT, 12 August 1965)

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VIETNAM	1
<p>Military activity has focused on the continuing engagement between increasing numbers of South Vietnamese troops and Viet Cong units around a government outpost at Duc Co in Pleiku Province. The South Vietnam political picture is still clouded with rumors of rivalry apparently stimulated by suspicions among diverse Vietnamese political and religious circles, but there continues to be no firm evidence of an early move against Premier Ky. Hanoi and the Liberation Front are parroting propaganda attacks on the US build-up as well as strong suggestions of the impending entry of foreign volunteers. The eighth SAM site has been discovered but it was a mobile installation and eluded air strikes. A Soviet 100-mm. anti-aircraft site with eight guns has been spotted between SAM sites six and seven.</p>	

The Communist World



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- NEW INFILTRATION ROUTE TO SOUTH VIETNAM** 5
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- SHADDOCK MISSILE USED IN COASTAL DEFENSE** 7
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- SOVIETS CONTINUE TO IMPROVE DISTANT MILITARY ACTION CAPABILITY** 9
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Asia-Africa

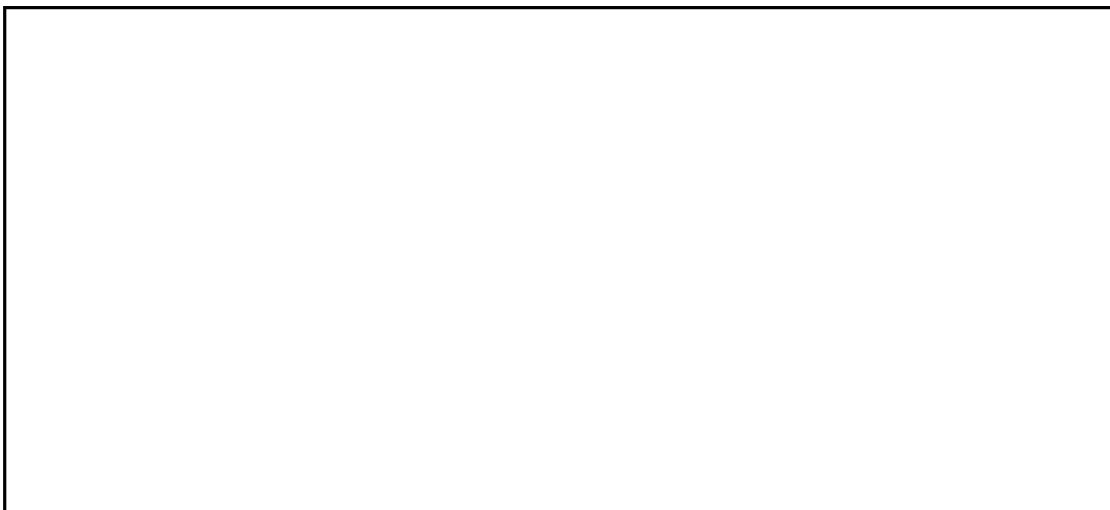
- SINGAPORE SECEDES FROM MALAYSIAN FEDERATION** 11
The rupture was apparently forced by Malaysian Prime Minister Rahman, who feared the political aggressiveness of Singapore's Prime Minister Lee. Lee has promised the continuation of British bases in Singapore, and apparently will follow a friendly but cautious policy toward Indonesia and Communist China.
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- THE CHINA ISSUE AGAIN AGITATES JAPANESE POLITICS** 13
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YEMENI PEACE MOVES CONTINUE 16
Egypt and Saudi Arabia continue to exchange peace feelers while Yemeni royalists and anti-Egyptian republicans work on a possible political solution.

GREEK POLITICAL CRISIS APPROACHING CLIMAX 17
The King's position has become critical and he is reported considering the early institution of military rule. Violence may occur if Papandreou and the Communists carry their campaign to the countryside.



KHARTOUM FRUSTRATED BY SOUTHERN SUDANESE REBELS 19
Khartoum is frustrated by its inability to control the security situation in southern Sudan and is accusing foreign "imperialist" powers of assisting the rebels. The government is said to be considering asking Egypt for military equipment.

NEW KASAVUBU-TSHOMBE CONFRONTATION LOOMS 20
Kasavubu and Tshombé are still maneuvering about the premier's tenure of office and a new clash may come before the September meeting of Parliament. A sizable rebel build-up may be underway near Lake Tanganyika.

Europe

FRANCE CONTINUES ITS "QUIET DIPLOMACY" ON VIETNAM 20
Cultural Affairs Minister Malraux's recent trip to China was the latest in a series of moves designed to illustrate France's availability to undertake "good offices" and its access to interested parties. There is no evidence of any agreement with Peiping on specific moves toward negotiations.

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THE GENEVA DISARMAMENT TALKS

22

Little or no progress has been made in the disarmament talks during the past three weeks. Neither side has presented any new proposals or suggested possible compromises. The nonaligned urge short term agreements and discussions on general and complete, rather than partial, disarmament.

THE POLITICAL SITUATION IN BRITAIN

23

The Conservative Party's prospects have improved with the resignation of Douglas Home and the election of Edward Heath as party leader. Prime Minister Wilson is having trouble with his own supporters but, with all his problems, he still has a good chance of avoiding elections until next spring.

Western Hemisphere

PERUVIAN GUERRILLA ACTIVITY INTENSIFIES

24

Movement of the Revolutionary Left guerrillas and Indian peasants have ambushed another Civil Guard detachment and have attacked more haciendas. There are also signs a new guerrilla front has been opened in the southern department of Cuzco.

POLITICAL ACTIVITY RENEWED IN GUATEMALA

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The prospect of presidential elections in March 1966 and the lifting of the state of siege have revived political activity. The government has selected an unpopular candidate.

BRAZILIAN PRE-ELECTION POLITICAL ACTIVITIES

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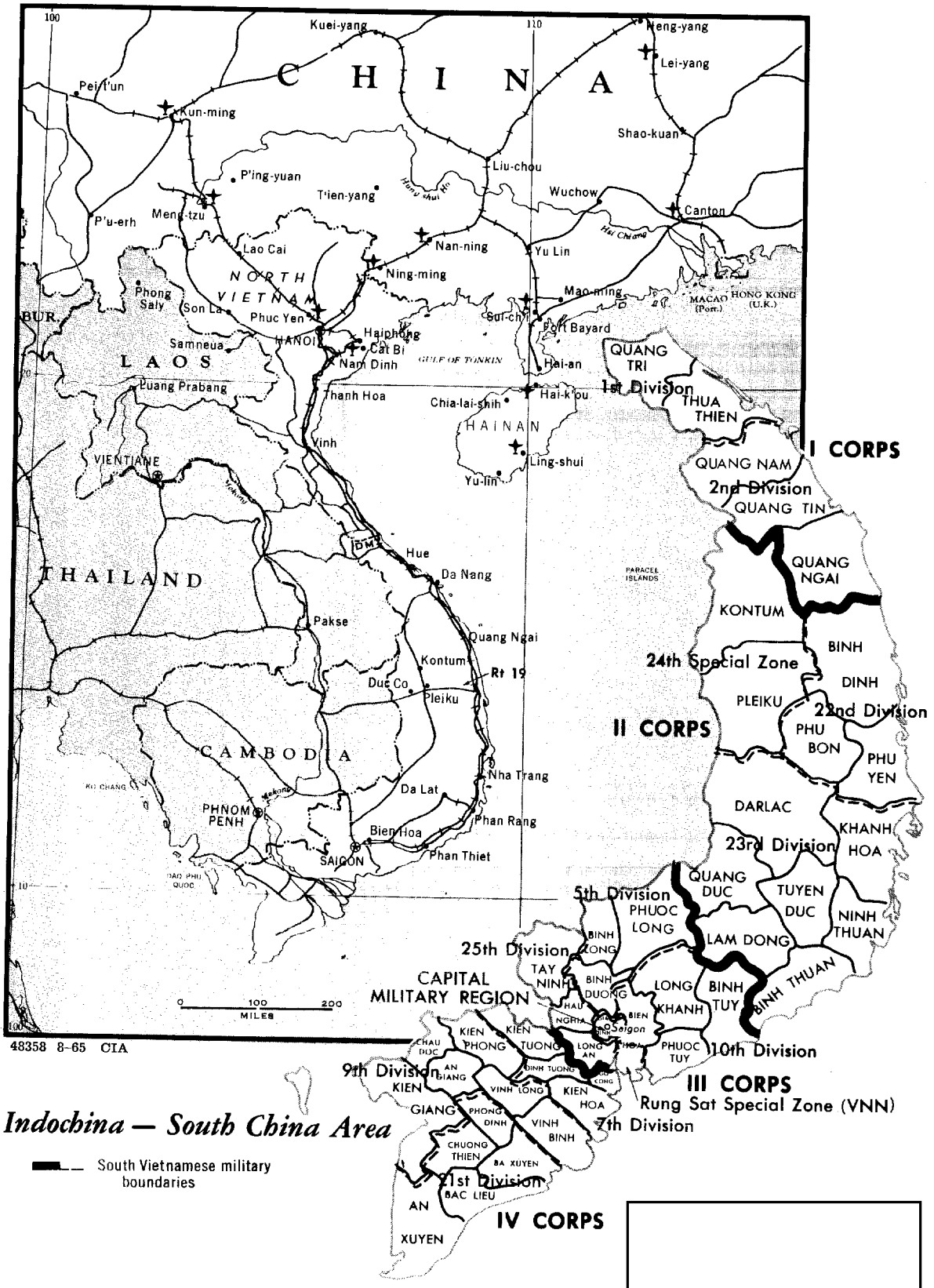
The federal government has been concerned about the nomination of certain gubernatorial candidates who are allegedly corrupt or tied to Communism. In some powerful states, the accomplishments of the administration and the philosophy of the revolution are key election issues.

DOMINICAN LEADERS WEIGH OAS COMMITTEE PROPOSAL

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Imbert has implied he would sign. Some elements in the rebel camp favor acceptance with semantic changes. Others are demanding complete rejection.

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VIETNAM

The focus of military activity in South Vietnam during the past week has been on the continuing engagement between increasing numbers of South Vietnamese forces and Viet Cong units at the government outpost of Duc Co in Pleiku Province. On 3 August, two government airborne battalions reinforced the camp's small garrison, which had been under enemy pressure since early June. After unsuccessful efforts by these forces to lift the siege, a strong relief column began moving over Route 19 from Pleiku on 8 August. Three days later, the column reached Duc Co after a series of running battles with the Viet Cong who fired from ambush positions along the road. In this fierce action two government tanks, several trucks, and one 105-mm. howitzer were destroyed. Casualties in the Duc Co fighting for the past week now stand at 76 killed (2 US) and 233 wounded (2 US) on the government side, and more than 200 Viet Cong killed.

The situation at Duc Co is still unresolved, and Viet Cong capabilities and intentions are largely unknown. As a contingency measure the US 173rd Airborne Brigade, consisting of one artillery and two infantry battalions, was ordered from its defensive deployment around Bien

Hoa Air Base near Saigon to a ready reserve position in Pleiku town, 35 miles from Duc Co. At last report, elements of the airborne brigade had moved toward Duc Co over Route 19, reaching a point 12 miles east of the camp.

Viet Cong activity elsewhere has been characterized by an increased number of attacks on isolated outposts and district towns throughout South Vietnam. Areas immediately west and southwest of Saigon as well as Chuong Thien Province in the delta area were subjected to particularly heavy pressure. The most costly attack, however, occurred on 5 August when the Esso oil storage facility near Da Nang was severely damaged.

Political Situation in
South Vietnam

The two-day meeting of the ruling military Directory on 4-5 August, and Premier Ky's subsequent press conference dominated last week's political scene in Saigon. Contrary to advance speculation, there was no indication that the Directory had expressed dissatisfaction with Ky's performance. However, some of the decisions

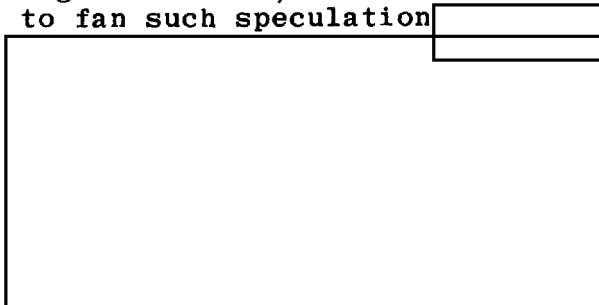
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at the meeting--particularly those projecting the possible punishment of once-powerful officers now "exiled" abroad or in disfavor at home--did little to dispel rumors of continuing political rivalry.

These rumors appear to have been stimulated by suspicions among diverse Vietnamese political and religious circles that the return of Ambassador Lodge presages some new US political move, and that Premier Ky's mid-August mission to Taiwan and Thailand--about which few details have been provided--was timed so that he would be absent when Lodge arrives. Ky's extemporaneous remarks, at his press conference, concerning the proper limits of friendship with foreign countries, further served to fan such speculation

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Communist Political Reactions

Hanoi and the Liberation Front continued their propaganda attack on the US build-up in South Vietnam this week and edged closer to an explicit call for the entry of foreign volunteers into South Vietnam. Although the phrasing still stopped short of making an actual request, it

conveyed a strong suggestion that the arrival of North Vietnamese troops into South Vietnam might be imminent.

Responding to the Liberation Front's 3 August call for regrouped southerners in North Vietnam to get "ready" to return southward, Hanoi on 8 August claimed "the entire North Vietnamese people and army" are prepared to respond. In addition, the high command of the North Vietnamese (DRV) Army on 5 August declared itself "ready to fulfill any task assigned by the party at any place." Although these statements still manage to be oblique, they constitute the strongest hint yet by the DRV military of involvement in South Vietnam.

The Front communiqué of 3 August also implied a need to build up Viet Cong forces through increased recruitment of local South Vietnamese. "We are resolved," said the communiqué "to arm the entire people and to rapidly multiply the fighting forces." This emphasis on the need to meet the new challenge of the US build-up may indicate a growing awareness on the part of the Vietnamese Communists that the US is determined not only to stay in South Vietnam but to commit extensive military resources. It may also be a tacit admission by the Vietnamese that the US build-up could change the military balance of power in South Vietnam.

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Hanoi continued to show disinterest in peace talks this week by taking several personal swipes at both Tito and Shastri for being spokesmen for US interests.

Peiping has also bitterly attacked Tito and Shastri as US "errand boys." The Chinese seem primarily concerned that Egypt (UAR) might support new efforts by the nonaligned states to promote Vietnam negotiations. The UAR ambassador in Peiping left for home suddenly following a meeting with Chou En-lai on 3 August--only a day after the Cairo press had played up stories that Tito and Shastri had asked Nasir to sound out Peiping and Hanoi about a Vietnam settlement.

The Chinese and North Korean Government's statements issued on 7 August are the latest in a series of formal Communist reactions to President Johnson's announcement on new troop commitments to Vietnam but neither contains any basically new elements. The Peiping pledge to send Chinese to fight "shoulder to shoulder" with the Vietnamese people "according to their need" adds nothing to China's existing conditional commitment to dispatch fighting men when a "call" comes.

The first official Soviet reaction to President Johnson's 28 July press conference was a restrained 6 August TASS statement denouncing the planned US troop build-up as a futile but dangerous, decision which tended

to widen the war. The statement warned that US policy makers should not delude themselves that American "aggression" would go unpunished, but did not go beyond customary expressions of Soviet determination to provide the DRV with "all necessary" assistance. The TASS statement --which referred to the damaging effect Soviet assistance has already had on US forces-- was followed on 8 August by a Pravda article underscoring Moscow's assumption of the "main burden of expenditures for organization of the common defense of the countries of socialism." The tenor of these statements suggests that they were aimed in part at blunting Peiping's repeated charges that the Soviet Union is rendering only grudging and half-hearted support to Hanoi.

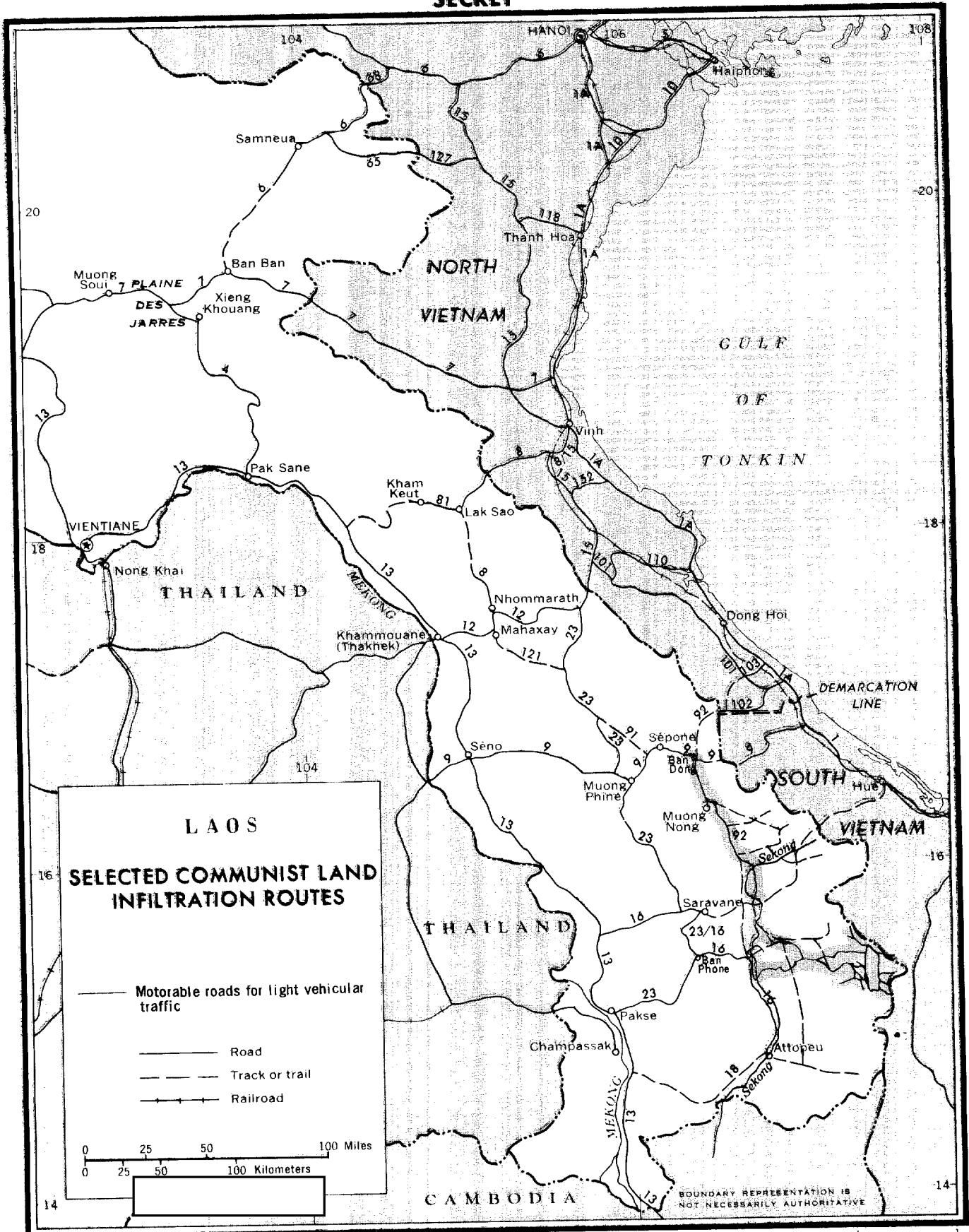
Military Situation in the DRV

Another new surface-to-air missile (SAM) site--the eighth --was detected about 33 miles northwest of Hanoi in low-level photography [redacted] It contained six launchers with missiles, a FAN SONG guidance radar, and eleven associated vans which were partially camouflaged.

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On 9 August a strike was conducted against this site. Pilots reported that their ordnance was delivered on target, but the missile equipment had been removed. This was subsequently confirmed in photography.

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It is evident that the Communists are effectively using the mobility of their SAM equipment to elude US air strikes.

On 11 August a Navy A4E was shot down about 52 nautical miles south-southwest of Hanoi. Preliminary reports indicate that the aircraft might have been hit by a SAM. SAM equipment had not been previously detected in this area.

The first confirmed Soviet 100-mm. antiaircraft artillery weapons were identified in low-level photography [redacted] Subsequently, one other possible 100-mm. site was noted. The confirmed site is located about

a mile south of SAM sites 6 and 7 and has eight guns. It has long been suspected that the DRV had a few of these weapons [redacted]

[redacted] Their effective range is estimated to be 39,000 feet.

US air strikes and armed reconnaissance missions continued to strike many of the same targets which have been struck previously. Eight US aircraft were lost during the past week, bringing the total downed since last August to 84. [redacted]

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The Communist World

NEW INFILTRATION ROUTE TO SOUTH VIETNAM

Aerial photography shows that [redacted] the Communists had finished the greater part of a motorable route through southern Laos to the South Vietnamese border opposite Quang Tin Province. When completed, the route will permit truck movement much farther south than was possible on the older infiltration routes.

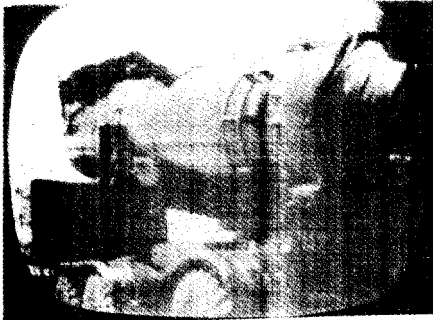
Earlier evidence had indicated that Route 92 in Laos had been extended to the Saravane

region. The photography showed that trails from the Ban Phone region also had been improved. Cargo was moved over the remaining 30-mile gap by using pirogues on the Se Kong River. Construction of a road to close this gap was interrupted by the rainy season, but it will probably be quickly completed after the advent of the next dry season, when extensive supply activities can resume.

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Shaddock missile launcher being raised into firing position



Shaddock missile being fired from cannister



Shaddock missile displayed in Moscow Parade

Estimated Characteristics and Performance of Shaddock

Type	Surface to surface cruise missile
Length	36 feet
Diameter	2.5 feet
Maximum Range	300 nm
Warhead Weight	approximately 1,500 pounds (nuclear or HE)
Cruise Altitude	1,000-3,000 feet
Propulsion	Turbo-jet

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SHADDOCK MISSILE USED IN COASTAL DEFENSE

A recent Soviet film shows a Shaddock missile, or a variation thereof, being used in a coastal defense role. This film, released for the 25 July Navy Day celebration, provides the first firm evidence that the 300-nautical-mile system can be used in a coastal defense role as well as for a tactical ground forces weapon.

The Shaddock-type vehicle was shown being positioned and fired by a navy crew during a coastal defense exercise. The firing order was given by a navy colonel, which suggests that at least one regiment with four launchers probably was involved in the exercise.

The Shaddock was first observed in a 1961 Moscow parade. The position of the missile in the line of march of that and subsequent parades, [redacted]

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[redacted] indicated that it was a ground forces weapon. Both the coastal defense and ground forces versions of the Shaddock probably are similar to the SS-N-3 mis-

sile used on submarines and surface ships.

The coastal defense missile probably would be equipped with an active radar homer which would not be used against ground targets. To be effective beyond 50 miles, the coastal defense version of the Shaddock would also require some means of forward observation--such as air or sea reconnaissance--to detect targets and report their locations back to the missile control center.

The long range and mobility of this system will significantly improve Soviet capabilities against amphibious landings. The missile probably has replaced, or will largely replace, the 35-mile-range Kennel missile which has been deployed around Soviet ports and naval bases. [redacted]

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[redacted] a 300-mile coastal defense missile would enable the Soviets to completely control the inland seas and seaward approaches to the USSR. [redacted]

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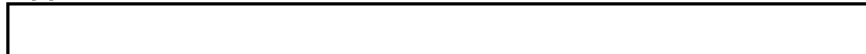
**RED STAR PHOTOS OF RECENT SOVIET COMBINED
AIRBORNE AND AMPHIBIOUS EXERCISE**



Motorized rifle troops being landed by AN-12 (CUB) transport aircraft



Motorized rifle troops riding tanks ashore from Polnocny-class tank landing ships



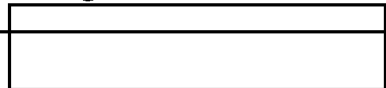
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SOVIETS CONTINUE TO IMPROVE DISTANT MILITARY ACTION CAPABILITY

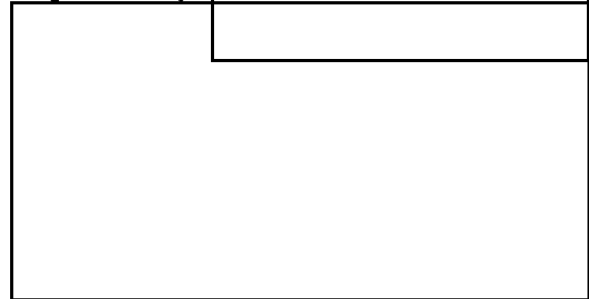
The recent use of motorized rifle (infantry) troops in airborne and amphibious roles suggests that the Soviets are attempting to improve the distant action capability of these non-specialized forces.

The unusual landing of motorized rifle troops from large transport aircraft and the use of such troops in amphibious landings were demonstrated in a recent Soviet exercise. In the late July issue of Red Star, photographs of this exercise show motorized rifle troops with an armored personnel carrier being landed from an AN-12 (Cub) transport, and other motorized rifle troops riding tanks ashore from Polnocny-class tank landing ships. The exercise was probably held in the vicinity of the Saaremaa Island in the northern Baltic, the site of most of the important combined airborne and amphibious exercises conducted inside the USSR in recent years.

Soviet transports have normally carried only regular airborne troops in exercises. The recent airlift of motorized rifle troops by these aircraft probably presages the development of a more general airlift capability



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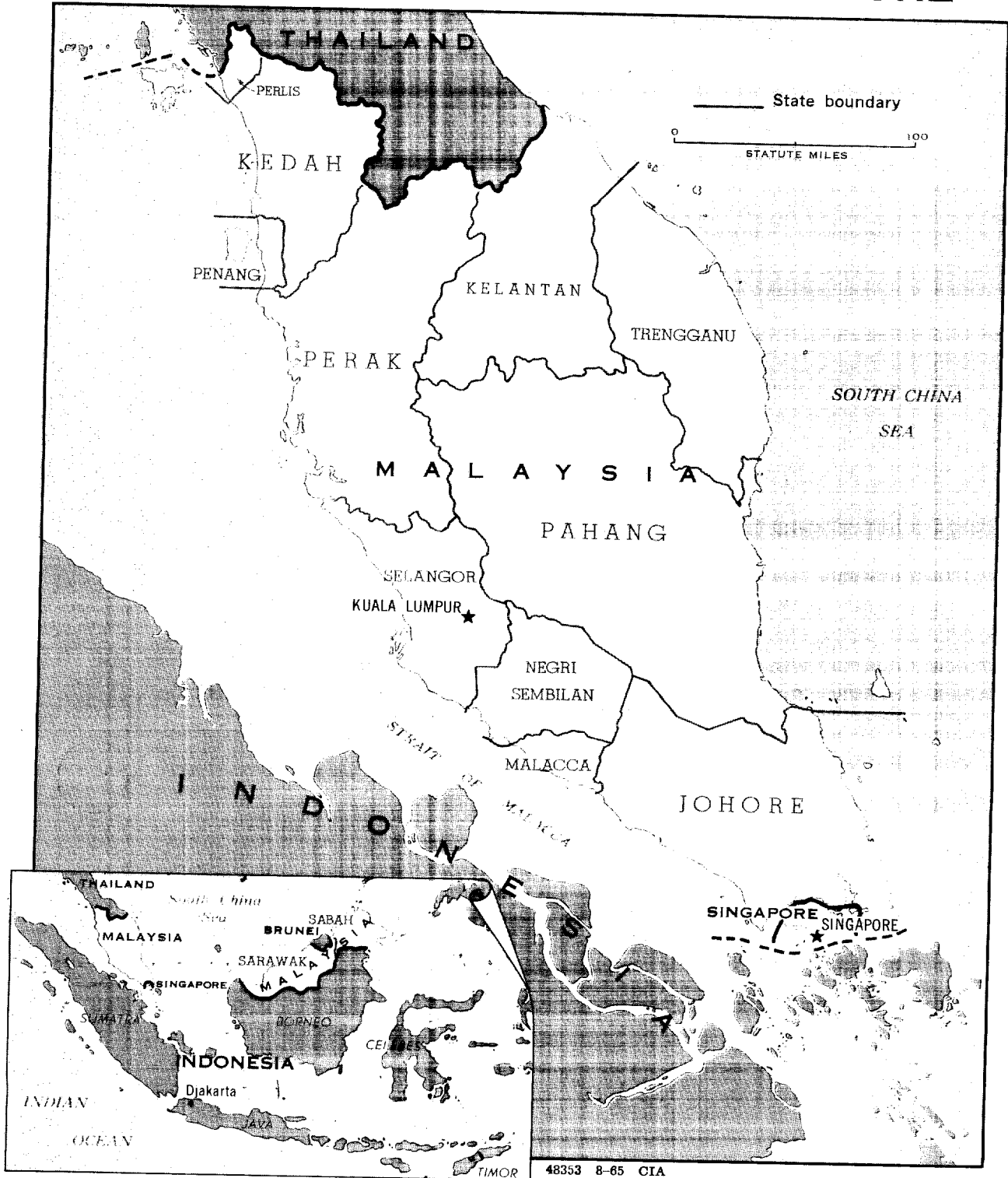
Specially trained army motorized rifle units have been employed in amphibious exercises in the past. Some of these units may have been used to form the as yet small marine forces, which function as advance parties and assault waves.



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MALAYSIA - INDONESIA - SINGAPORE



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Asia-Africa

SINGAPORE SECEDES FROM MALAYSIAN FEDERATION

Singapore's secession from the Malaysian Federation on 9 August was the climax of two years of increasingly bitter differences. The rupture apparently was forced by Malaysian Prime Minister Tunku Abdul Rahman, who has explained that his only alternatives were to take repressive action against the Singapore Government or to sever all connections.

Rahman and fellow Malays within the federation had become apprehensive over the political aggressiveness of the Singapore Chinese, who constitute 80 percent of Singapore's total population and 42 percent of the former Malaysia's total population. Specifically, Rahman feared that Singapore's Prime Minister Lee Kuan Yew would succeed in establishing his Chinese-dominated People's Action Party (PAP) in the other states of the federation and eventually gain control of the central government.

Lee apparently intends to pursue a cautious policy toward both Indonesia and Communist China. His foreign minister has announced that at present Singapore will not establish relations with either country. Lee, however, is under local pressure to ease restrictions on trade with Djakarta, with which Singapore conducted a flourishing exchange before the creation of Malaysia. Lee has declared that Singapore would welcome trade with all countries, including Indonesia and Communist China. He is permitting Peiping's Bank of China to retain its branch in Singapore, which the Malaysian Government had scheduled for closing this month.

Alluding to Indonesia's efforts of the past two-and-one-half years to bring about Malaysia's breakup, Lee expressed a wish to be friendly with Indonesia but said he wanted assurance that "we won't be invaded or knocked out by rockets." He emphasized that any understanding Singapore might reach with Indonesia could not be at the expense of Malaysia or jeopardize the federation's security. Lee said that any relationship with Indonesia would have to be based on the latter's recognition of Singapore as a sovereign state, not as a "neo-colonial creation," Indonesia's accusation against Malaysia.

Indonesian Foreign Minister Subandrio announced quickly that Indonesia was prepared to recognize Singapore, but some reservations appear to be developing. According to the eight-point secession agreement between Singapore and Malaysia, British and Malaysian troops will continue to use existing military bases and installations in Singapore in order to protect Malaysia and other UK interests in Southeast Asia. Indonesian officials apparently are now set to demand the removal of the British-Malaysian bases as the price of Indonesia's recognition. Singapore is hardly expected to accede to this condition, which would weaken the defense posture of Singapore and Malaysia and produce a serious rupture with both Malaysia and Great Britain.

The British have reacted with surprise and regret to the announcement of Singapore's separation from Malaysia. They feel that Tunku

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deliberately refrained from consulting them to prevent their intervention, and they acknowledge that the action undermines their defense of Malaysia. They fear

that Chinese Communist influence will grow in Singapore, thereby endangering their military facilities and providing a base for subversion against Malaysia. [REDACTED]

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ECONOMIC IMPLICATIONS OF SINGAPORE'S WITHDRAWAL FROM MALAYSIA

Singapore's recent withdrawal from the Federation of Malaysia is unlikely to have much immediate economic effect on the remaining states of the federation. The member states have retained a substantial degree of autonomy within the federation, and the integration of economic activities has proceeded slowly, hindered by political and racial friction between Malay and Singapore. Little action has been taken in implementing the planned common market area, and each state is still operating under its own development plan.

Prime Minister Lee has announced that Singapore will trade with all the nations of the world. He has also said that the Bank of China, which was to close before the end of August on orders from the federal government, will remain open. Freed from conservative Malaysian influences, Singapore is likely to push for the expansion of trade with Communist China and apparently hopes to regain some of its former entrepot trade with Indonesia.

All legal trade between Singapore and Indonesia was halted after a trade embargo was imposed in September 1963, although some smuggling continued. Rubber was the most important commodity involved, and by August 1964 Singapore had regained about 70 percent of its former trade in Indonesian

rubber, either through smuggling or unscheduled off-loading. Subsequently, both Indonesia and Malaysia imposed stringent restrictive measures, and smuggling is now almost nonexistent. Shipments through third countries continue, but these too have diminished.

Indonesia's small producers may hope that trade between Singapore and Indonesia can be legalized, or that Indonesia will now exercise less care in policing the embargo. There has been no indication as yet, however, that Indonesia will be willing to make these concessions.

If a broad economic cooperation agreement can be worked out between Singapore and Malaysia, the long-run economic situation may be more advantageous to both sides than it was under the federation, which was hampered by racial and political rivalries. The maintenance of a common-market arrangement would tend to alleviate pressing development problems. Manufactured products from Singapore and the agricultural and manufactured products of Malaya will find wider markets, thus stimulating industrial and agricultural expansion. There could also be some coordination of industrial development plans, resulting in a more economical allocation of resources. Sarawak and Sabah, while not making an immediate contribution to the growth of the area, provide potential markets for manufactured goods from both Singapore and Malaya.

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On the other hand, if Singapore and Malaysia agree to cooperate on a basis comparable to that which prevailed between Singapore and Malaya prior to the federation's formation, Singapore's development problems would persist and Malaysia would also be adversely affected.

Singapore's growing unemployment has been created largely by the continuing decline in its entrepot trade, not only because of Indonesia's confrontation policy, but

also because most neighboring countries are attempting to develop direct trading relations. To solve the unemployment problem, manufacturing activity must be expanded. Without the prospect of wider markets created by a common market, there would be little incentive for industrial expansion. Competition between Singapore and Malaysia for foreign capital would also emerge, and development efforts would be duplicated in many instances

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THE CHINA ISSUE AGAIN AGITATES JAPANESE POLITICS

The possibility of closer relations with the Chinese Communists is once more agitating Japanese politics, with almost all elements of the ruling Liberal Democratic Party (LDP) including the prime minister, anxious to exploit it.

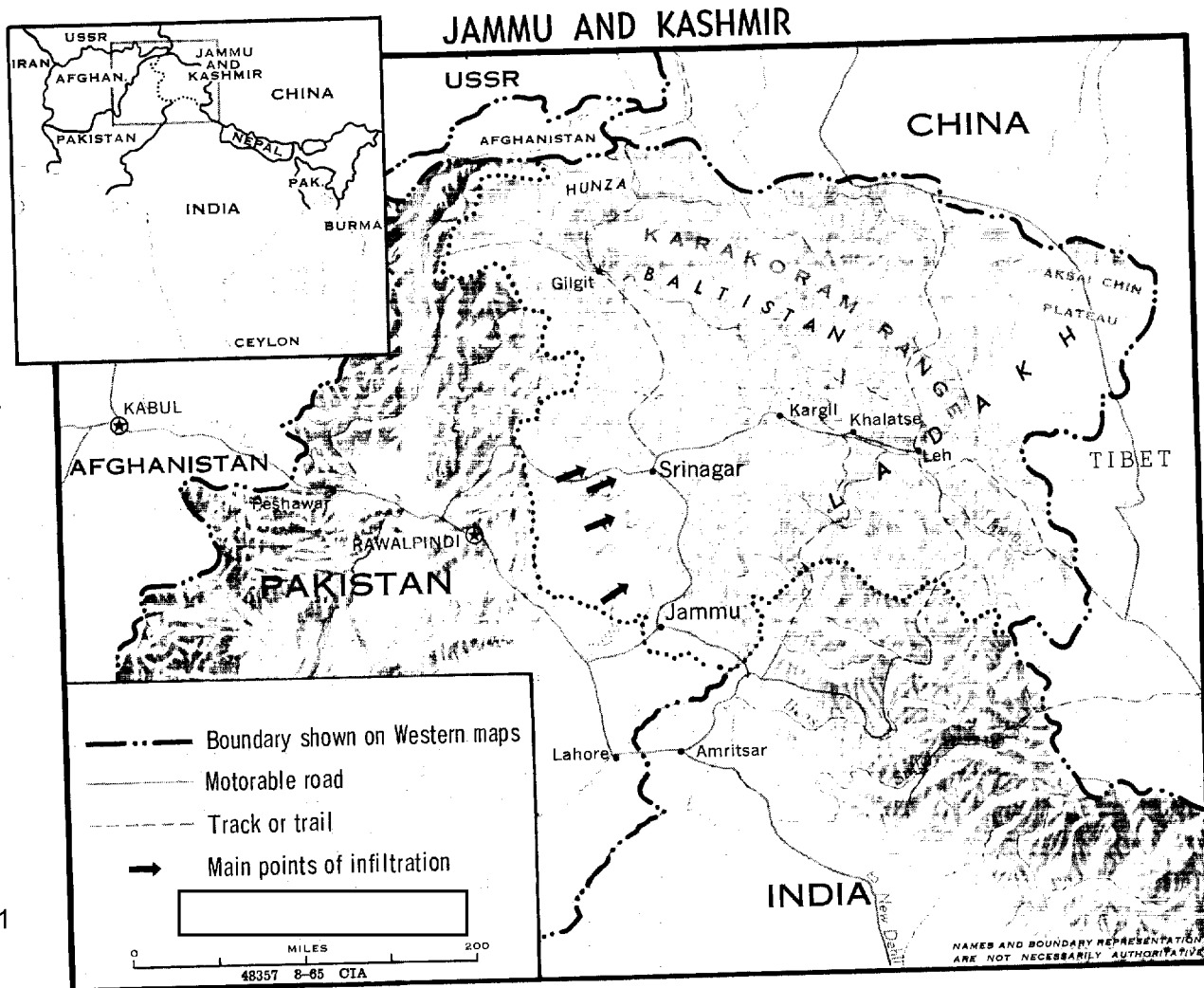
As a result of Japan's rapid postwar rise to economic pre-eminence in Asia and to a place among the top industrial powers of the world, the Japanese people are demanding that their leaders assert more dynamic leadership and independent initiative in world affairs. Prime Minister Eisaku Sato is well aware of this trend and anxious to capitalize upon it. Sato has buttressed his position by a treaty settlement with South Korea and by a \$150-million loan to Nationalist China, and may now feel it is timely to deal with the Communist China issue.

Sato's predecessor, Ikeda, took the initiative in providing deferred-payment credits by the semigovernmental Export-Import Bank for the

sale of a synthetic textile plant to Peiping. This provoked threats of retaliation from Taipei. To smooth relations with the Chinese Nationalists, Ikeda, as a temporary move, decided in early 1964 not to permit government financing of credits to Communist China. Sato committed himself to this domestically unpopular policy by inept handling of the issue early in his term. He is now being pressured by intraparty rivals, and he appears to be seeking means to escape his commitment.

Since late July, Japanese international trade officials--including the trade minister, Takeo Miki, a factional rival who hopes to succeed Sato--have called for the use of Export-Import Bank funds to facilitate trade with Peiping. A trade delegation is to go to Peiping early in September to negotiate the fourth annual trade agreement for 1966. The current economic recession makes Japanese businessmen more eager than ever to trade with Red China.

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There is also a more general interest in keeping the door to Peiping open, related partly to the Japanese desire to do something to help end the war in Vietnam. Late this month, nine LDP leaders will precede the trade mission for informal discussions with top Chinese officials on the world situation and China's plans for construction. None of these nine --among whom are several former ministers, including both an ex-foreign minister and a former

head of Japan's defense agency-- belongs to Sato's faction of the LDP.



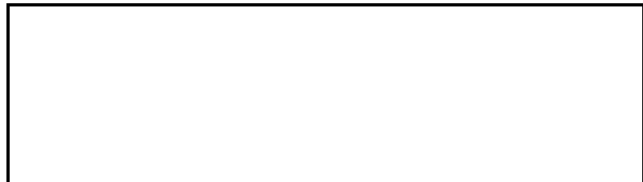
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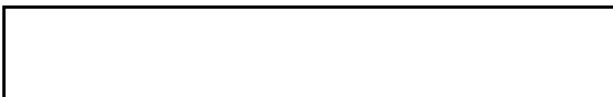
KASHMIR QUESTION AGAIN IMPERILS INDIA-PAKISTAN PEACE

Pakistan dispatched more than 1,000 Kashmiri infiltrators across the cease-fire line into Kashmir this week in an attempt to stimulate and simulate an armed uprising. The action has imperiled the recent calming of Pakistani-Indian relations and threatens to produce another dangerous military confrontation.

The Pakistani effort is a symptom of acute frustration. It seems to be a long-delayed reaction to steps taken by New Delhi over the last year to wipe out the last vestiges of Kashmiri "separateness" within the Indian Union.



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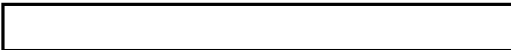


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Inside Kashmir, the infiltrators apparently have not had much success. Indian security forces, numbering more than 100,000, apparently have repelled the infiltrators, while keeping the restive civil population cowed by their strength and presence.

With an aroused Parliament opening on 16 August, Prime Minister Shastri will find little support for a reasoned response to Pakistan's venture, although initial indications are that New Delhi will try to keep its reaction limited to rounding up the infiltrators and bringing diplomatic pressure on Pakistan to halt the operation.

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YEMENI PEACE MOVES CONTINUE

Egypt and Saudi Arabia continue to exchange peace feelers over Yemen, while Yemeni royalists and anti-Egyptian republicans work on a possible political solution.

Egyptian-Saudi peace negotiations on Yemen were recessed last week as Cairo awaited a reply from King Faysal. Nasir's envoy had met briefly with Faysal, and returned to Cairo after a hopeful but inconclusive exchange of views.

This week the Saudi Arabian ambassador relayed Faysal's message that he was interested in meeting with Nasir, but that the current press of business detained him. He pointed out that in any event the two leaders will be meeting on 13 September at the Arab summit meeting in Morocco.

Egypt's Field Marshal Amir recently warned reluctant republican tribes that their failure to fight alongside the Egyptian troops would result in an Egyptian withdrawal from these tribal areas, leaving the tribes to face the royalists alone. President

Sallal then embarked upon a recruiting campaign among southern Yemeni tribes.

Republican tribal leaders, who have hardened their resistance to Egyptian domination since the fall of the Numan government, met in Saudi Arabia this week with some pro-Numan republicans and a group of Yemeni royalists. The meeting appears to represent a belated recognition by all anti-Egyptian groups that they might well find a compromise solution to their differences and unite against the foreign intervention of the Egyptians. Faysal encouraged the meeting and advised its participants, probably hoping they will come up with some workable ideas to aid the peace negotiations.

The result of the meeting has not been announced. Its proposals may be strong on organization, but weak in practical methods of application. However, the conclave represents progress in bringing together tribal leaders who have fought each other for almost three years.

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GREEK POLITICAL CRISIS APPROACHING CLIMAX

The King's position in the current crisis has become critical. Unless current efforts to form a non-Papandreou government, possibly headed by former minister of the interior Tsirimokos, succeeds or a rapprochement between the King and Papandreou is reached, the King may shortly institute a military dictatorship with a civilian figure-head as prime minister. Meanwhile, the Athanasiadis-Novas government, which fell in a vote of confidence on 5 August, is serving in a caretaker role. Government business is largely at a standstill.

Former prime minister Papandreou, who was ousted in a quick maneuver by King Constantine on 15 July, has repeatedly demanded that he be returned to power or that national elections be held immediately. Thus far he has frustrated all attempts by the Palace to form a non-Papandreou government. Nonetheless, debates within Papandreou's Center Union apparently have chipped away at his parliamentary support. Papandreou is reported to be under strong pressure from within the CU to reach an accommodation with the Palace.

A weak coalition government made up of CU defectors, the opposition National Radical Union (ERE), and the Progressive Party is now numerically possible. In a show-down vote, however, Papandreou might still be able to block a confidence motion. Although such a coalition would consist of diverse elements and could easily break up, it would have the advantage of postponing elections until tempers cool and personal interests and power struggles possibly weaken Papandreou's position.

King Constantine, whose family line is non-Greek, is reported to have lost much popularity during the current crisis. In recent days the monarchy has come under increasing attack. Both Papandreou and the leftist Lambrakis youth organization have indicated their intention to take their struggle to the countryside. Increasing tension could result in widespread disorders, especially if Communist elements abandon their restraint.

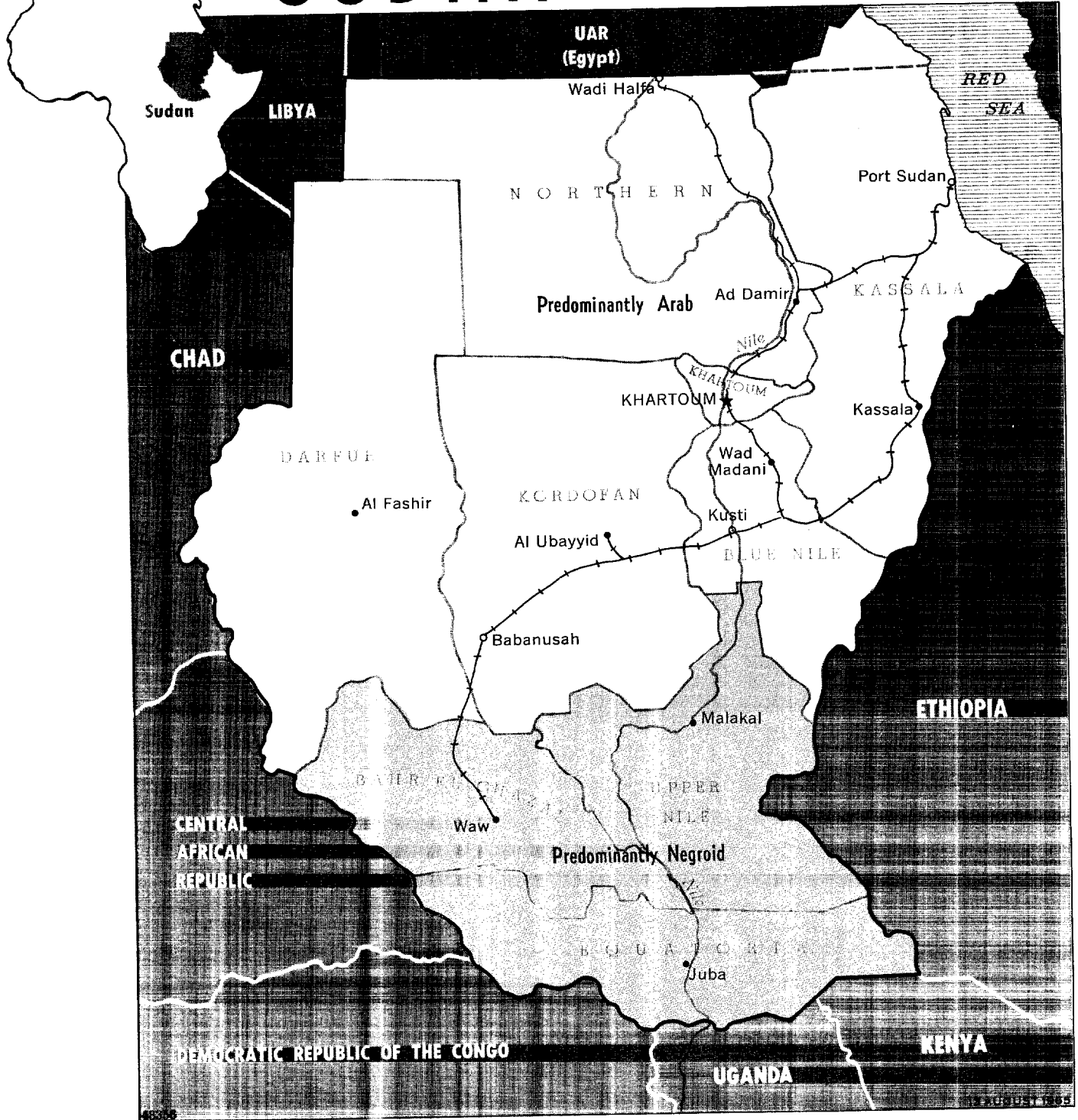
Despite the tense atmosphere in Athens, the police have been able to keep the situation under control. Security forces, recently moved into the Athens area as a "guarantee against anarchy," should be able to cope with any situation that arises. Nonetheless, the repressive measures necessary to maintain order could seriously damage the image of the monarchy and lessen the chance of an early restoration of order.

The continuing crisis is also being exploited to damage Greek-American relations. Unidentified elements, believed to be Communist, have distributed two fabricated documents implicating the US in an incident which resulted in 13 deaths and 51 injured last November, and in alleged plans of the monarchy to overthrow Cypriot President Makarios. The Greek Government has officially labeled the documents forgeries. No adverse popular reaction has thus far been reported, but the Communists will exploit the alleged documents in every way possible.

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SUDAN



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KHARTOUM FRUSTRATED BY SOUTHERN SUDANESE REBELS

The government of the Sudan is increasingly frustrated over its inability to control the security situation in the southern Negroid provinces. Various government officials are now accusing foreign "imperialist" powers of actively assisting the southern rebels, and anti-Western sentiment is growing in Khartoum.

Press reports that American and Cuban-exile mercenaries have been seen along the Congo-Sudan border are apparently widely believed in Khartoum. The US is sharing the blame as a supporter of Tshombé, and Israel has also been accused of playing an active role in assisting the rebels.

Communists and radical Africans are capitalizing on the growing anti-Western trend. Moscow has pledged support for the government's hard-line southern policies, and Cairo last week publicly offered the Sudan "all the help needed." Khartoum is said to be considering asking the Egyptians to provide some military equipment. Prime Minister Mahjub plans to travel to other Arab capitals to enlist additional support.

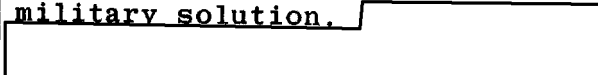
A well-organized rebel offensive is unlikely, however.



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Some groups are in contact with southern political leaders in Kampala, but many seem to operate without political direction. Nevertheless, the rebels have acquired a wide variety of modern weapons, many of them from the Congolese rebels, and have established a training center and base camp just over the border inside the Congo.

A political settlement seems impossible for the moment, and the military situation is a near stalemate. The army can probably hold on to major garrison towns, but the current rainy season would make any large-scale government offensive into the rebel-controlled areas extremely difficult. The government, however, is reportedly determined to plunge ahead "like a blind buffalo" in search of a military solution.



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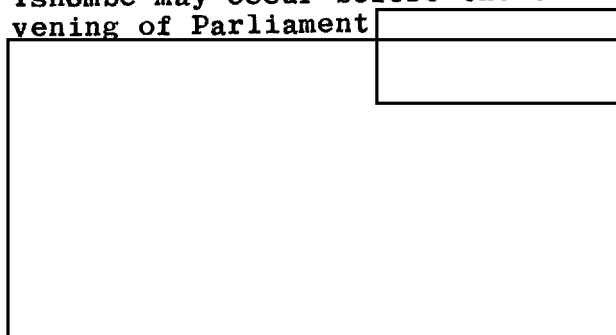
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NEW KASAVUBU-TSHOMBE CONFRONTATION LOOMS

The Congo is presently in a restless interlude, awaiting the completion of rerun elections in three provinces and the early convocation of Parliament.

A new confrontation between President Kasavubu and Premier Tshombé may occur before the convening of Parliament

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Tshombé has consistently maintained that his present government must remain in office until presidential elections, now set for six months after Parliament meets. A tussle over the composition of the new government may also follow, as

Kasavubu appears determined to insert some of his key supporters into any new cabinet.

Meanwhile, Tshombé has departed for a short visit to Europe, where he will probably seek financial and political support in his struggle with Kasavubu.

On the military scene, most of the Congo remains quiet, but the rebels may have started a substantial build-up in the Fizi area.

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Europe

FRANCE CONTINUES ITS "QUIET DIPLOMACY" ON VIETNAM

The visit to China by French Minister of Cultural Affairs Andre Malraux was probably part of Paris' campaign of "quiet diplomacy" on the Vietnamese question. The visit, which ended on 5 August, is in keeping with Paris' interest in highlighting

French potential for getting negotiations started at some future date, while playing down the prospects for an early Geneva-type conference, which De Gaulle feels is premature at present. There is no evidence that Malraux's broad

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exchange of views with Chinese leaders produced any agreement on specific moves toward negotiations.

The Malraux trip was the latest in a series of moves designed to illustrate France's availability to undertake "good offices" and its access to all interested parties. De Gaulle discussed the Vietnam problem in June and July with Indonesian President Sukarno, Laotian Premier Souvanna Phouma, Soviet Ambassador to Paris Zorin, Japanese Foreign Minister Shiina, and with Vice President Humphrey. According to Shiina, De Gaulle believes that negotiations are not feasible now but that the time might be "ripe" in another year or so. At that point, he might take a new initiative.

Earlier this year Paris had made a concerted effort for an international conference on

Vietnam. Once the US began to bomb North Vietnam on a regular basis, however, the French apparently decided that prospects for bringing the combatants to the conference table had faded.

France doubtless hopes that such exchanges as De Gaulle's talks with foreign leaders, and the Malraux trip will lead to a general recognition that Paris is the logical channel through which all concerned can eventually reach the conference table. In line with this, French officials have disparaged the efforts of all other possible intermediaries. The emphasis is likely to remain on low-key diplomatic efforts coupled with discreet hints that Paris is still very much in the picture. France will be especially anxious, however, to avoid the embarrassment of being rebuffed on any formal offer of itself as a mediator.

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THE GENEVA DISARMAMENT TALKS

The Eighteen-Nation Disarmament Committee (ENDC) has made little or no progress in its talks in Geneva, now in their third week. The Soviet and East European delegations have continued to attack US policies in Vietnam and neither Moscow nor the West has presented any new proposals or indicated possible areas of compromise. The prolonged haggling among the Western allies over the terms of a nonproliferation treaty has contributed to the prevailing pessimism.

The present negotiations will probably be recessed early in September so the committee may report to the General Assembly. The eight nonaligned members of the ENDC are therefore increasingly impatient to discuss some of the issues inherited from the UN disarmament talks in New York earlier this year.

The Indian delegate, who usually acts as the spokesman for the nonaligned group, has indicated that nonproliferation is of less interest to India than to the Atlantic community and to the USSR. He claims that the best hope for agreement in the ENDC is a comprehensive test ban treaty to cover underground testing. He has accordingly urged the US to consider accepting a short-term agreement with no on-site inspections except by invitation.

The eight would also like to discuss a freeze on nuclear delivery weapons as proposed by the US in the disarmament talks in New York. They have been reluc-

tant to speak out in the meeting so far, but they want the ENDC to discuss general and complete disarmament rather than concentrating on partial measures.

The difficulties among the Western powers over the nonproliferation draft have continued to come primarily from the UK's insistence that the nuclear members of any Allied nuclear force retain absolute control of that force. The British now appear willing to concur, however, in the tabling of the US draft which would freeze the number of nuclear powers and other organizations having independent control of nuclear weapons. This formulation would be compatible with the desire of several NATO members to keep open the possibility of majority control in any multilateral nuclear force. Nevertheless, London still feels obliged to make fully known its opposition to majority control--however much this may exacerbate frictions within the Alliance.

There is little chance that the USSR will agree to the Western draft, and thus discussion will then turn to other issues.

One proposal that may come up is Italian Foreign Minister Fanfani's suggestion for a "nuclear moratorium." This proposal calls for nonnuclear states to renounce unilateral acquisition of nuclear weapons for a definite period after which freedom of action would be regained should a nonproliferation treaty not be accepted in the interim.

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THE POLITICAL SITUATION IN BRITAIN

The Conservative Party's prospects have improved with the resignation of Douglas Home as leader. The party confounded its critics by efficiently and democratically choosing Edward Heath as party leader. He probably is the best man in the party to dispel the "landed gentry" image which has damaged the Tories in the eyes of middle-class voters, and to lead a really aggressive attack against the government.

Heath's shadow cabinet is somewhat more conservative than might have been expected from a "modernizing" leader, and important foreign affairs posts have gone to men who probably are more interested in Britain's ties with Europe than with its overseas role. Enoch Powell, shadow minister for defense, has been an outspoken critic of Britain's attempts to maintain worldwide commitments on diminished resources. Christopher Soames, who fills the foreign affairs job, has been suspected of wanting Britain to apply for Common Market membership on De Gaulle's terms.

Heath's purpose in retaining all the old familiar faces may be to enhance party unity and to allay fears of the old guard Tories about Heath's progressive tendencies.

Prime Minister Wilson finished the parliamentary session in mounting difficulty with his own supporters. His support of US action in Vietnam, and the essentially conservative measures he has taken to deal with Brit-

ain's financial difficulties, have cost him Labor Party support. He has not been able to deliver union cooperation on his wage stability program or to show any other dramatic progress on curing Britain's basic economic ills. Many Labor supporters probably agree with the Tory criticism that his is a government "by gimmick," rather than the reforming, innovating, peacemaking government they thought they were electing last October. This disenchantment is reflected in the latest Gallup poll, which gives the Conservatives a seven-and-a-half-percent lead over Labor.

For all his problems, Wilson still has a good chance of avoiding an election, if he chooses, until next spring. He is relieved of the daily danger of surprise defeat by the Tories, or of open rebellion in his own party while Parliament is in recess. The encouraging July export figures also give him breathing space in his defense of sterling.

Parliament will not get back down to business until November, and Britons traditionally avoid winter elections. Nevertheless, Wilson will have to justify himself to his party conference--in which left-wing union leaders have a dominant role--in late September. Heath no doubt will use the interval before Parliament reconvenes to finish his review of Conservative policies and prepare for battle.

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Western Hemisphere

PERUVIAN GUERRILLA ACTIVITY INTENSIFIES

After a period of relative inactivity during late July, the Movement of the Revolutionary Left (MIR) has stepped up its guerrilla offensive in east-central Junin and Huancavelica departments, and may have opened a new front in the southern department of Cuzco.

Guerrillas, aided by scores of Indian peasants, ambushed a Civil Guard detachment some 25 miles east of Satipo in Junin Department on 9 August. At least three policemen were killed. The detachment had been sent to investigate the killing of four persons by MIR-led Indians the previous day at the village of Kubantia.

Thirty additional civil guardsmen and 270 army rangers have been sent to Satipo to reinforce units already there. Terrified hacienda owners in the area reportedly are planning to abandon their homes and move to town for protection.

Some 50 MIR-led Indian peasants also attacked a hacienda in nearby Huancavelica Department early this week, stealing cattle and wounding the owners. There are also

unconfirmed press reports that a police post has been attacked by "extremists" in the Santa Ana district of Cuzco Department, and that on 31 July a bridge was destroyed in the same area, presumably by MIR guerrillas. If these reports are correct, it would suggest that the MIR has launched its long-anticipated offensive in the south.

The participation of numerous Indians in the recent raids and ambushes suggests that the MIR has greater ability to incite Indian discontent than was heretofore believed, and to utilize the peasants for subversion. A large-scale Indian rebellion in the sierra would be extremely difficult, if not impossible, to control.

The recent outbreak of insurgency gives further evidence of the security forces' inability to contain or isolate guerrilla activity. Moreover, the opening of a new front in the south will compound their difficulties and severely tax the government's limited counterinsurgency capability.

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POLITICAL ACTIVITY RENEWED IN GUATEMALA

Guatemalan politics entered a new phase after two and a half years of relative quiet because of the recent lifting of the state of siege and the prospect of presidential elections in March 1966. The first days of the campaign suggest that chaos remains a hallmark of Guatemalan politicking. Political infighting on the eve of the last presidential campaign resulted in the military coup of March 1963.

Guatemalans last voted for a president in the two inconclusive elections in October 1957 and January 1958. President Ydigoras was finally selected by congress in February 1958.

Early political moves indicate trouble for the government's nominee. The official Democratic Institutional Party (PID) announced as its candidate Juan de Dios Aguilar de Leon, an inactive army colonel who currently heads the National Electrification Institute. Aguilar is an unpopular choice, and his nomination is characteristic of the regime's political ineptness. Chief of Government Peralta's insistence on the Aguilar candidacy cost the regime its last chance to sponsor a candidate jointly with other parties, and reports indicate that the PID may split over the choice of Aguilar.

The ex-chief of staff of the armed forces, Col. Ponciano, is the candidate of the rightist

National Liberation Movement (MLN), which refused to join the PID in sponsoring Aguilar. Peralta is highly displeased with Ponciano's bid for the presidency. The moderate leftist Revolutionary Party (PR) is expected to nominate its director, Mario Mendez Montenegro. So far, no other party has the legal status to participate in the campaign.

Peralta's chronic distrust of an unfettered normal political process is likely to grow with pre-election maneuvering. Unofficial returns from the 1 August single-slate by-elections, held to fill vacancies in the Constituent Assembly, indicate that about 50 percent of the ballots were voided as protest votes--a development which has greatly buoyed all opposition elements. The country's worsening balance-of-payments situation may require the Peralta government to impose controls which are likely to alienate business groups who, along with the military, are the sole remaining supporters of the regime.

Elements within the military are concerned over their identification with a regime whose popularity is steadily waning. Peralta's failure to rectify some of his political errors will endanger the unity of the armed forces on which the regime's viability depends.

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BRAZILIAN PRE-ELECTION POLITICAL ACTIVITIES

The Brazilian political scene is becoming increasingly heated as a result of intensified maneuvering for the gubernatorial elections scheduled for 3 October in half of the nation's 22 states. The electoral activities in several important states --and the federal government's reactions to them--are expected to produce prolonged and extensive repercussions. The elections will probably be most important in helping to shape the outlines of the Castello Branco government's political strategy to ensure that a prorevolutionary regime is elected in 1966.

In most of the states, local rather than national issues are predominant. In a few politically or economically powerful states, however, the accomplishments of the Castello Branco administration--and indeed the very philosophy of the revolution it leads--have come to be key election issues. Federal authorities have been especially concerned by the nomination of certain candidates who, because of their reputed corruption orties with Communism, are unacceptable to revolutionary leaders. Administration leaders have strongly implied that the revolution will be preserved even at the expense of normal democratic practice. The government clearly would prefer, however, to rely on strictly legal methods to nullify these candidacies.

The attention of the revolutionary authorities is per-

haps riveted most closely on the candidacy of retired Marshal Henrique Teixeira Lott for the governorship of Guanabara--the state comprising the former federal district of Rio de Janeiro.

The 70-year-old Lott is an avowed leftist and former minister of war who unsuccessfully sought the presidency in 1960. He won a surprise victory on 3 August in a close contest for the nomination of the Brazilian Labor Party formerly headed by ex-President Joao Goulart. Lott can be expected to wage an active campaign on openly antirevolutionary themes and probably would receive the support of a wide range of opposition elements.

Government efforts to bar his candidacy on the legal technicality that he cannot demonstrate compliance with a newly promulgated residence requirement are now under consideration. If this does not work, other measures--perhaps even the suspension of the election in Guanabara--are likely to be used. Similarly, gubernatorial candidates in the states of Minas Gerais and Goias will probably be challenged in the courts on the basis that their candidacies were prohibited under the terms of the recently passed "law of ineligibilities."

Such infringements of local politics by federal

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officials are bound to increase criticism of the Castello Branco government. Overriding this, however, is the fact that they will strengthen the support of the government by its main power base--the Brazilian armed forces.

On the other hand it remains to be seen whether these tactics will prevent the triumph of candidates who vehemently oppose the aims of the revolution in either the 1965 or 1966 elections.

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DOMINICAN LEADERS WEIGH OAS COMMITTEE PROPOSAL

The OAS Committee on 9 August submitted its proposal to end the three-and-a-half-month-old Dominican civil war to both contending factions and the general public.

The proposed settlement retains the principal element of the committee's June proposals, the installation of a provisional government followed by elections in about nine months. The new proposal, termed the Act of Reconciliation, provides for the rebels to disband their defenses and empowers the provisional government to police the former rebel zone, utilizing the Inter-American Peace Force if necessary. It also calls for the rebels to voluntarily turn over their arms to the interim regime, with the proviso that the provisional government can take necessary steps to recover with-

held weapons. The proposal permits the reintegration into the armed forces of rebels who were on active military duty when the revolt broke out; and states that the new regime, headed by Hector Garcia Godoy, will initiate negotiations with the OAS regarding the IAPF's withdrawal.

Initial reactions from leaders of both the Government of National Reconstruction (GNR) and the "Constitutional" Government were unfavorable. GNR leader Antonio Imbert, however, under increasing pressure from his military chiefs, business and civic leaders, and the diplomatic community, has implied that he would sign the act, provided he could be assured of minimum rebel influence in the military.

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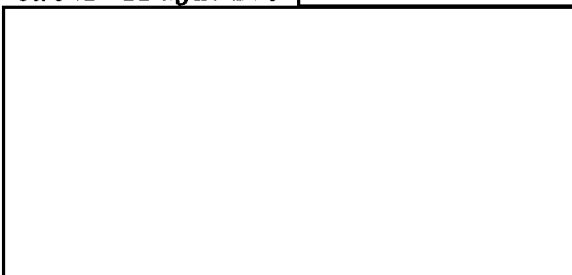
Top military officers indicated their approval of the proposals despite grumbling from some subordinates. Armed Forces chief Rivera indicated that he would step down 30 days after the installation of a provisional government. The rebels, however, are demanding that all top officers be removed.

Diverse elements in the rebel camp are apparently divided over whether to accept the act with some semantic changes or totally reject it. More moderate rebel elements, such as members of the Dominican Revolutionary Party (PRD), favor acceptance after a few face-saving modifications. The Communists, elements of the rebel military, and opportunists such as Hector Aristy have been openly critical of the proposal and are trying to rally rebel opposition to it. Rebel leader Francisco Caamano is probably under considerable pressure from these obstructionist elements to take a hard line in negotiations.

The Dominican Communist Party (PCD), formerly the Dominican Popular Socialist Party (PSPD), announced it was opposing the new OAS proposal

and was demanding that Caamano seek several significant changes. The PCD is probably trying to gain support from the two other extremist parties which have opposed earlier OAS proposals. The PCD has suggested a unified extreme leftist party utilizing the title "Communist" but it received an initial negative reaction from the two other groups. Joaquin Balaguer, head of the Reformist Party (PR), last week released a manifesto urging public support of the OAS formula. The specific mission of the proposed provisional government, in his view, is to lead the country to honest and early elections, elections which PR officials are confident Balaguer would win.

Although Balaguer is one of the country's most popular political figures, he has bitter enemies who hate and fear him because of his close collaboration with the former dictator Trujillo.



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