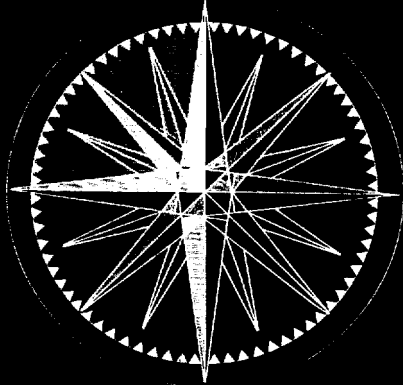


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8 October 1965

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WEEKLY SUMMARY

CENTRAL INTELLIGENCE AGENCY OFFICE OF CURRENT INTELLIGENCE

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C O N T E N T S

(Information as of noon EDT, 7 October 1965)

Page

VIETNAM

1

At least nine missiles were fired on 5 October at US aircraft attacking the vital transportation lines linking Hanoi with China to the northeast. One plane was shot down. Most of the SAMs came from an unconfirmed site on Cat Ba Island off the coast east of Haiphong. The same day the Chinese claimed they too downed one of four US aircraft allegedly over Chinese territory. North Vietnamese commentary on negotiations continues to stress that the US must accept Premier Pham Van Dong's four points before there can be any "political settlement" of the war. In the South, Viet Cong military activity is still at a relatively high level, and the political situation in the northern provinces remains unsettled.

The Communist World

SOVIET INDUSTRIAL REORGANIZATION ENHANCES BREZHNEV'S POSITION 5

The Supreme Soviet, which met last week to enact the industrial reorganization presented at the party central committee plenum several days earlier, also made several top-level appointments which appear to reinforce Brezhnev's influence in the hierarchy.

TITO'S VISIT TO BULGARIA

7

Despite persistent basic policy differences between the Bulgarian and Yugoslav regimes, state relations have improved somewhat in the past year. Tito's visit--his first since 1947--was to re-establish contacts between the two national parties.



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NEW ELEMENTS IN THE CHINESE COMMUNIST LEADERSHIP

10

Two tough veteran revolutionaries--Tao Chu, chief of the party's central-south regional bureau, and army Chief of General Staff Lo Jui-ching--have reached positions which will make them important figures in the event of a struggle for the succession after Mao goes.

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PEKING BACKS AWAY FROM AFRO-ASIAN CONFERENCE 12
It now is extremely doubtful that the long-heralded Second Afro-Asian Conference will be held as scheduled in Algiers on 5 November.

Asia-Africa

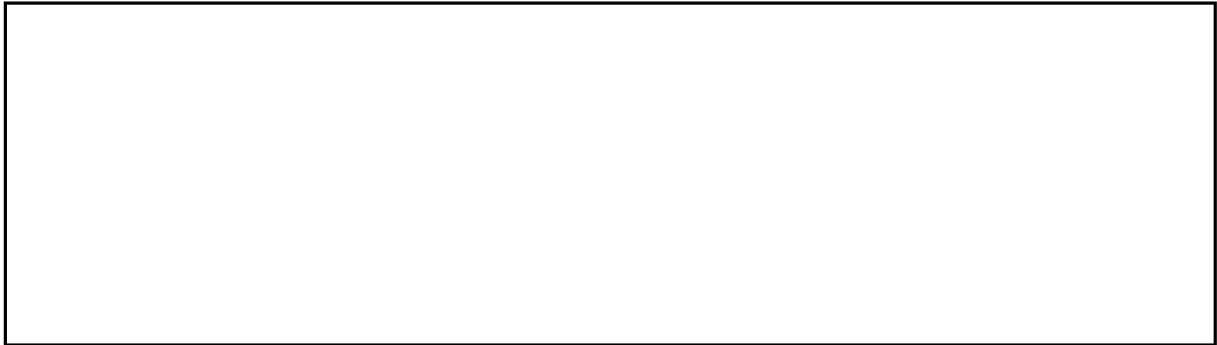
THE INDIA-PAKISTAN SITUATION 13
Violations of the cease-fire have declined, but neither India nor Pakistan has withdrawn its forces from forward positions. Pakistan is still trying to keep the Kashmir issue in the public eye, and continues to infiltrate guerrilla forces into Indian-held Kashmir. The Indians are increasingly insistent that the issue is not negotiable. Economic repercussions of the fighting are becoming more apparent. Peking and New Delhi have stepped up diplomatic countercharges, and the Chinese also are evincing irritation over Pakistan's recent actions.

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The army, having countered a leftist coup on 1 October, is for the time being firmly in control of Indonesia. The question remains as to whether it now will follow President Sukarno in a conciliatory political settlement or whether it will insist on major moves against the Communists.

ADDITIONAL SOVIET ECONOMIC AID FOR BURMA 18
A new Soviet economic aid offer, details of which remain to be worked out, resulted from Premier Ne Win's recent visit to Moscow. Past Soviet aid totals only about \$14 million. Peking has provided six times as much.

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- NASIR RESHUFFLES CABINET IN EGYPT** 18
His removal of the left-leaning Ali Sabri from the premiership may have been intended in part to placate the US. Nasir probably hopes that the new cabinet under Zakariya Muhieddin, who evidently will concentrate on internal problems, will increase efficiency and revivify the nation's spirit.
- RHODESIAN INDEPENDENCE AT ISSUE IN LONDON** 19
As the talks between Harold Wilson and Rhodesian Prime Minister Ian Smith opened, their positions seemed as conflicting as ever.
- ANTI-TSHOMBE POLITICIANS JOIN IN CONGO** 20
A new party led by the interior minister has won one of the four top positions in Parliament. The mercenaries' offensive against rebels in Fizi is moving slowly.
- MAJOR PARTIES CLASH IN NIGERIAN REGIONAL ELECTIONS** 21
A conservative alliance seems ahead by a small margin because it controls the electoral apparatus, but the frustrated progressive opposition may resort to violence.
- NYERERE TIGHTENS CONTROL IN TANZANIA** 22
Following an overwhelming election victory, President Nyerere has assumed control of foreign affairs himself and is balancing off rival radical factions.

Europe

- COMMON MARKET EDGING TOWARD HARDER LINE WITH FRANCE** 23
The other five members still hope to end the crisis in the EEC before the mere passage of time does serious damage to the organization, but they appear increasingly unwilling to accept De Gaulle's terms.

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BRITISH LABOR PARTY CONFERENCE SHOWS FIRM WILSON CONTROL 24
Prime Minister Wilson's successes in strengthening the economy and controlling the Labor Party organization have dissipated Conservative hopes for an early return to power.

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Western Hemisphere

DOMINICAN GOVERNMENT STILL CHALLENGED FROM LEFT AND RIGHT 25
Left- and right-wing forces continue to block progress is establishing the authority of the provisional government and returning the country to normal conditions.

OPPOSITION GAINS IN BRAZILIAN GUBERNATORIAL ELECTIONS 26
Supporters of former President Kubitschek have apparently won the elections in Guanabara and Minas Gerais, causing a strong reaction within the military.

GUEVARA'S FALL FROM POWER IN CUBA 27
Guevara has been dropped from the leadership apparently because his opposition to Castro's views on ideology and practical policies, particularly the economic ones, made him too dangerous and disruptive an influence. His whereabouts remains a mystery.

PROBLEMS OF BOLIVIAN JUNTA INCREASING 28
Dissatisfaction among the miners remains, additional political disturbances are threatened, and some military officers are urging political changes.

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VIETNAM

The North Vietnamese again demonstrated their acute sensitivity to attacks on the vital lines of communication between Hanoi and the Chinese border to the northeast by reacting vigorously to a US air strike in that area on 5 October. At least nine missiles were fired while US Air Force and Navy planes were conducting strikes against important bridges and an ammunition depot near Kep. One US aircraft was shot down by a missile--the fifth lost to a SAM thus far.

A Chinese Communist news release claimed that Chinese fighters shot down one of four US aircraft which allegedly penetrated Chinese airspace the same day.

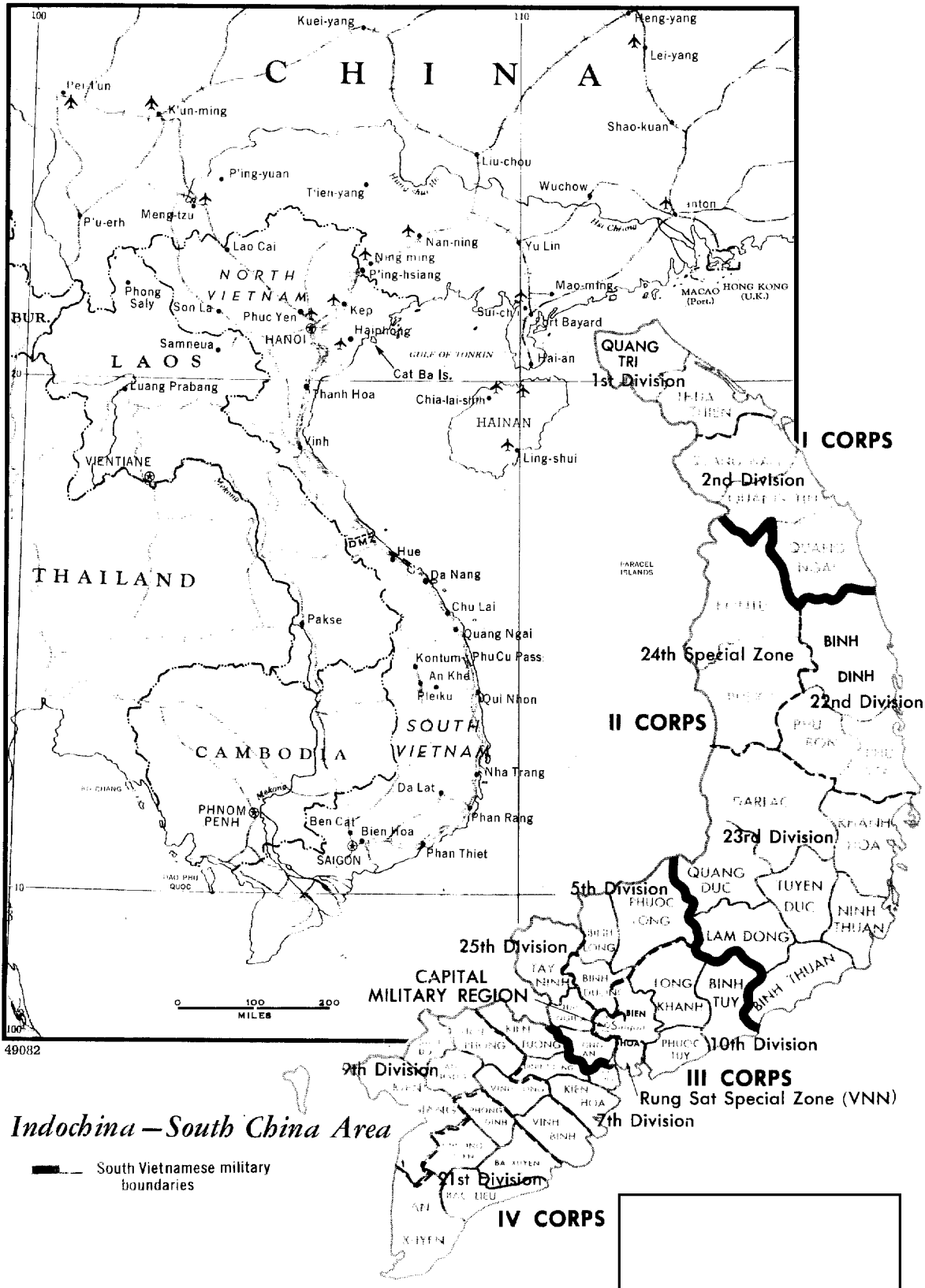
At least seven of the missiles fired on 5 October were seen to come from Cat Ba Island, off the North Vietnamese coast east of Haiphong. This probable SAM site has not yet been confirmed by photography. A navy pilot acting as coordinator for one of the strikes reported seeing another missile being launched from an area southwest of Kep Airfield. This site also lacks photographic confirmation.

Hanoi Comment on Negotiations

Hanoi continued its public commentary on negotiations this week. Although the comments reflected no change in its basic terms on a political settlement, the frequency with which the subject was discussed suggests an effort to justify the DRV's position, and to counter any impressions that it is unyielding or negative. The discussion may also represent a continuation of what Hanoi considers a public dialogue with the US.

Following last week's official Foreign Ministry memorandum which re-emphasized the DRV's insistence on its four-point proposal of last April, Premier Pham Van Dong this week restated DRV terms for a settlement on two separate occasions. At a Hanoi reception celebrating Communist China's National Day on 1 October, the premier demanded not only American recognition of the four points but also that the US "prove it by practical deeds" before any talk about a political solution can take place.

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The Indochina - South China Area

— South Vietnamese military boundaries

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In an interview with an Egyptian journalist on the 5th, broadcast by Radio Hanoi, the premier returned to the less precise language of the 23 September DRV memorandum on negotiations, asserting that the US must "declare" its acceptance of the four points before a "political settlement can be considered."

The Liberation Front (NFLSV), has again joined in the commentary on negotiations after several weeks of ignoring the subject. An NFLSV central committee statement of 29 September condemned US "acts of aggression" and said that there can "be no contact or political solution" as long as they continue. On 2 October, in a statement to the Red Cross on prisoner-of-war treatment, the front used the POW issue to try to pressure the US into direct talks with it. The statement said "as long as the US refuses to recognize the NFLSV as the only authority competent to settle all questions concerning South Vietnam there can be no basis for any contact to discuss prisoners of war."

Peking Maintains Hard Line

Peking continues to manifest its hard line on Vietnam. In a four-hour press conference on 29 September, Foreign Minister Chen Yi attempted to refur-

bish the image of a resolute and formidable China--an image which has been dimmed by Peking's failure to follow through publicly on its commitments to North Vietnam. He declared that China was ready for an invasion by the US and its henchmen, including the Soviet Union. Chen asserted that the war in Vietnam was going well for the Viet Cong and reiterated Peking's opposition to negotiations except on its own terms.

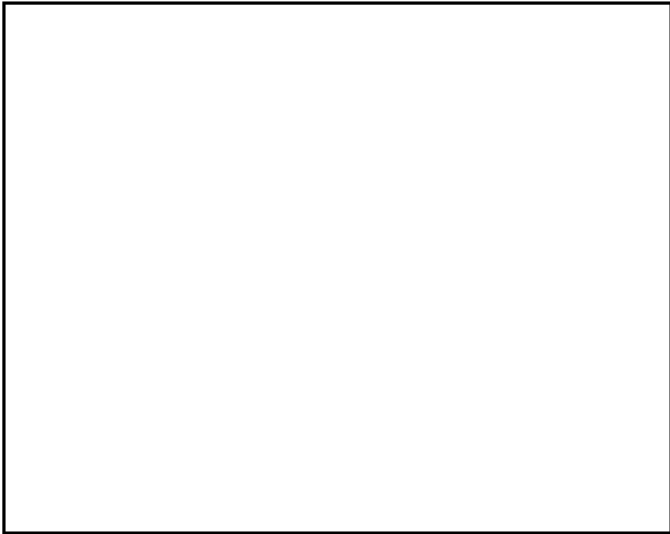
On 3 October Premier Chou En-lai reformulated the Chinese position on assisting the Vietnamese Communists in what appears to be another effort to harden Peking's public warnings without actually increasing the Chinese commitment. Chou declared that if the US presses ahead along the "dangerous path" of war expansion, China "will unhesitatingly" join the "Indochinese people" in "completely driving the US aggressors out of Indochina and the whole of Southeast Asia."

The Chinese treatment of the alleged shutdown of the US aircraft over China on 5 October followed the pattern of previous such incidents and reflected no escalation of Peking's earlier open threats. New China News Agency quoted a responsible official of the Chinese Defense Ministry as declaring that the

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US "air intrusion" was "another extremely serious war provocation" and another step toward "imposing war on the Chinese people in disregard of the repeated warnings of the Chinese Government." The official, however, concluded with the standard warning implying that China would not take the initiative in provoking a war, declaring that if the "US dares to come, we will dare to hit back."



South Vietnam 25X1

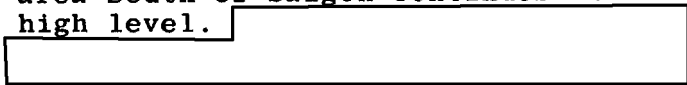
In a major address on 1 October reviewing his first 100 days in office, Premier Ky characterized the military situation as improved, and spoke of plans for social and economic betterment in the future. Several cabinet changes were also announced, including the elevation of General Co to deputy premier for pacification, in addition to his duties as minister of war. The simultaneous announcement of a new secretary for rural construction and subsequent discussions of rural

pacification with US Embassy officials indicate a renewed interest by the Vietnamese Government in this key aspect.

The political situation in northernmost I Corps, meanwhile, remains unsettled. Buddhist resentments have focused on the civilian chief of Quang Tri Province--a Catholic and Dai Viet party member. Further nonviolent pressure for his removal seems likely, according to the US consul in Hue. For the first time, I Corps commander General Thi has been openly criticized by militant students in Hue. A newspaper published by these elements also criticized US policies and military presence in South Vietnam. This may foreshadow a renewed antigovernment campaign, although the student group responsible presently does not have a large following.

Despite record high casualties during the past two weeks, Viet Cong military activity continues at a relatively high level, including several recent battalion-size attacks. Heavy fighting flared again during the week in the Phu Cu Pass area of Binh Dinh Province--the scene of two major engagements during the previous week. Further heavy fighting in this area seems likely in view of the concentration of government and Communist forces, including probable elements of the North Vietnamese 325th Division.

Viet Cong forces are also showing increased resistance to US Army and Marine patrols in Bien Hoa Province and near Da Nang. Meanwhile, the number of incidents in the delta area south of Saigon continues at a high level.



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The Communist World

SOVIET INDUSTRIAL REORGANIZATION ENHANCES BREZHNEV'S POSITION

The USSR Supreme Soviet, meeting last week to enact the industrial reorganization presented by Premier Kosygin at the party central committee plenum several days earlier, also made several top-level appointments which appear to have a political overtone. Belying rumors which had been widely current, Kosygin and party First Secretary Brezhnev emerged from the meetings with their positions intact. Brezhnev, in particular, has managed to reinforce his influence in the Kremlin hierarchy.

The Supreme Soviet swept away the system of regional economic councils (sovnarkhozy) established by Khrushchev and created 28 vertically organized industrial ministries. The USSR Council of Ministers remains an oversize body of 100 members, despite the shuffling of ministerial personnel. Changes at the deputy premier level, the actual locus of governmental power, should have the effect of strengthening Brezhnev politically.

Dmitry Polyansky, a close associate of Brezhnev and a major architect of the agricultural program put forward by the first secretary last March, was promoted from deputy to first deputy premier, a post he now shares with Kirill Mazurov. His elevation, together with the promotion earlier in the week of Fedor Kulakov--believed to be close to Polyansky--constitutes a reaffirmation of the regime's commitment to a new approach in agriculture.

With his promotion, Polyansky now outranks in the Council of Ministers Aleksandr Shelepin, another of the ambitious younger leaders, who now is the sole party presidium member serving in the council below the rank of first deputy premier. Moreover, the speeches of both Kosygin and Brezhnev at the plenum contained no mention, as might have been expected, of Shelepin's party-state control apparatus. Indeed, Brezhnev's call for a large role for primary party organizations within the new ministerial system, suggests that the power of Shelepin's organization may be weakened.

Nikolay Tikhonov, one of three newly appointed premiers, has old ties with Brezhnev. In the past a deputy chairman of Gosplan, he now is probably serving as minister without portfolio, much as Polyansky has served for three years. The two other new deputy premiers, Nikolay Baybakov and Vladimir Kirillin, have no obviously close connections with any of the top leaders. Baybakov, however, was chairman of Gosplan from 1955-1957, a period when Kosygin became involved in central planning prior to his chairmanship of Gosplan in 1959 and 1960. Kirillin has had important positions in both the party and government.

The election of Brezhnev to the Presidium of the Supreme Soviet gives him a formal government post from which he can

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USSR COUNCIL OF MINISTERS

2 October 1965

PRESIDIUM

CHAIRMAN

A. N. Kosygin

FIRST DEPUTY CHAIRMAN

K. T. Mazurov

FIRST DEPUTY CHAIRMAN

D. S. Polyansky

DEPUTY CHAIRMAN
N. K. Baybakov
(Chm. of State Planning Committee)

DEPUTY CHAIRMAN
V. E. Dymshits
(Chm. of State Committee for
Material & Technical Supplies)

DEPUTY CHAIRMAN
V. A. Kirillin
(Chm. of State Committee for
Science & Technology)

DEPUTY CHAIRMAN
M. A. Lesechko
(Chm. Presidium Commission for Questions Relating
to the Council for Mutual Economic Assistance (CMEA))

DEPUTY CHAIRMAN
I. U. Novikov
(Chm. of State Committee
for Construction)

DEPUTY CHAIRMAN
V. N. Novikov
(Chm. Presidium Commission
for Foreign Economic Questions)

DEPUTY CHAIRMAN
A. N. Shelepin
(Chm. Party State Control
Committee)

DEPUTY CHAIRMAN
I. V. Smirnov
(Chm. Presidium Commission for
Military Industrial Questions)

DEPUTY CHAIRMAN
N. A. Tikhonov

and individuals personally designated by the Council of Ministers

COMMISSIONS OF THE PRESIDIUM

CMEA QUESTIONS
M. A. Lesechko

FOREIGN ECONOMIC QUESTIONS
V. N. Novikov ?

CURRENT QUESTIONS
?

MILITARY INDUSTRIAL QUESTIONS
I. V. Smirnov ?

TRANSPORT COORDINATION
B. P. Beshchev

SERVICE UNIT

ADMINISTRATION OF AFFAIRS
(Housekeeping Functions)
M. S. Smiryukov

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P. V. Dementyev

CIVIL AVIATION
Ye. F. Loginov

DEFENSE INDUSTRY
S. A. Zverev

ELECTRONIC INDUSTRY
A. I. Shekin

GAS INDUSTRY
A. K. Korzunov

HEAVY, POWER & TRANSPORT
MACHINE BUILDING
V. F. Zhigalin

MACHINE BUILDING FOR LIGHT &
FOOD INDUSTRY & PRODUCTION OF
HOUSEHOLD APPLIANCES
V. N. Doyenin

MEDIUM MACHINE BUILDING
Ye. P. Slavsky

RADIO INDUSTRY
V. D. Kalmykov

SEA FLEET
V. G. Bakayev

TRACTOR & AGRICULTURAL
MACHINE BUILDING
I. F. Sinitsyn

CHEMICAL & OIL MACHINE BUILDING
K. I. Breshkov

CONSTRUCTION, ROAD & COMMUNAL
MACHINE BUILDING
Ye. S. Novoselov

ELECTRICAL ENGINEERING INDUSTRY
A. K. Antonov

FOREIGN TRADE
N. S. Pastolichev

GENERAL MACHINE BUILDING
S. A. Afanasyev

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AUTOMATION & CONTROL SYSTEMS
K. N. Rudnev

MACHINE TOOL BUILDING
& TOOL INDUSTRY
A. I. Kostousov

MOTOR VEHICLE INDUSTRY
A. M. Tarasov

RAILWAYS
B. P. Beshchev

SHIPBUILDING
H. Ye. Dutoma

TRANSPORT CONSTRUCTION
Ye. F. Kozhevnikov

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V. V. Matakovich

BUILDING MATERIALS INDUSTRY

I. A. Grishmanov

COAL INDUSTRY

B. F. Bratchenko

CULTURE

Ye. A. Furszeva

FERRIC METALLURGY

I. P. Kazanets

FISH INDUSTRY

A. A. Ishkov

FOREIGN AFFAIRS

A. A. Gromyko

HEALTH

B. V. Petrovsky

LIGHT INDUSTRY

N. N. Tarasov

MEAT & DAIRY INDUSTRY

S. P. Anzhanov

OIL EXTRACTING INDUSTRY

V. D. Shakhin

POWER & ELECTRIFICATION

P. N. Neporozhny

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CHEMICAL INDUSTRY

L. A. Kossanov

COMMUNICATIONS

N. D. Pustayev

DEFENSE

R. Ya. Malinovsky

FINANCE

Y. P. Garbuzov

FOOD INDUSTRY

Y. P. Zotov

GEOLOGY

A. V. Sidorenko

HIGHER & SPECIALIZED SECONDARY EDUCATION

V. P. Yelyutin

LUMBER, CELLULOSE, PAPER & WOODWORKING INDUSTRY

N. V. Timofeyev

NON-FERROUS METALLURGY

P. P. Lomako

OIL REFINING & PETROCHEMICAL INDUSTRY

V. N. Fedorov

RECLAMATION & WATER ECONOMY

Ye. Ye. Alekseyevsky

TRADE

A. I. Struyev

STATE COMMITTEES

PLANNING
N. K. Baybakov

MATERIAL & TECHNICAL SUPPLIES
V. E. Dymshits

CINEMATOGRAHY
A. V. Romanov

CULTURAL RELATIONS WITH
FOREIGN COUNTRIES
S. K. Romanovsky

LABOR & WAGES
A. P. Volkov

PRICES
Y. K. Stenin

PROFESSIONAL &
TECHNICAL EDUCATION
A. A. Balgakov

CONSTRUCTION
I. T. Novikov

SCIENCE & TECHNOLOGY
V. A. Kirillin

CIVIL CONSTRUCTION & ARCHITECTURE
M. V. Posokhin

FOREIGN ECONOMIC RELATIONS
S. A. Skachkov

PRESS
P. K. Romanov

PROCUREMENTS
I. R. Koniyaeva

RADIOBROADCASTING &
TELEVISION
N. N. Mesyayev

UTILIZATION OF ATOMIC ENERGY
A. M. Porozhny

OTHER COMMITTEES, ADMINISTRATIONS, ETC.

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A. N. Shelepin

CENTRAL STATISTICAL ADMINISTRATION
V. T. Slavovskiy

COMMITTEE OF STATE SECURITY
V. Ye. Semichastov

BOARD OF THE STATE BANK
A. A. Poskonev

ALL-UNION ASSOCIATION
"Soyuzselkhozkhimik"
A. A. Yezhovskiy

OTHER MINISTERS (without Portfolio)

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V. D. Lebedev

N. P. Guzev

N. V. Malozov

V. A. Kalamkarov

A. Ye. Ryabenko

G. A. Karavayev

V. M. Ryabikov

A. V. Korobov

S. A. Stepanov

N. M. Tikhomirov

EX OFFICIO MEMBERS (Chairmen of Republic Councils of Ministers)

A. Ye. Kochiyayev (Azerbaijan SSR)

M. B. Beysabaevov (Kazakh SSR)

G. I. Voronov (RSFSR)

E. N. Aliekanov (Azerbaijan SSR)

B. M. Mambetov (Kirgiz SSR)

A. K. Kakhlov (Tadzhik SSR)

T. Ya. Kizilev (Belorussian SSR)

V. P. Ruben (Lithuanian SSR)

M. N. Gapsuev (Uzbekian SSR)

V. I. Klavuzov (Estonian SSR)

M. Yu. Shumanskaya (Lithuanian SSR)

I. P. Kazanets (Ukrainian SSR)

G. D. Dzhanabekov (Georgian SSR)

A. F. Diodorov (Moldavian SSR)

R. K. Durbatov (Uzbek SSR)

● Full Member, Central Committee, CPSU

● Candidate Member, Central Committee, CPSU

● Member, Central Auditing Commission, CPSU

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participate in high-level meetings with leaders of other governments. Khrushchev, before he became premier in 1958, used the same device. Conceivably, this might be preliminary to Brezhnev's also taking the post of chairman of the Supreme Soviet Presidium should Mikoyan, as persistently rumored, retire from that post on his 70th birthday in November.

Some differences in emphasis and approach to policy questions can be detected in Kosygin's and Brezhnev's speeches at the plenum. The program launched there shows, however, that there is unity enough in the collective leadership to enable it to act decisively on pressing current questions. 25X1

TITO'S VISIT TO BULGARIA

The major accomplishment of Yugoslav President Tito's 22-27 September official visit to Bulgaria--his first since 1947--was to re-establish contacts between the two national parties. Such contacts had remained in abeyance despite limited improvement of state relations in the past year.

The essential problem has been the conservatism of the Bulgarian party hierarchy, many of whose members fear the possible divisive effects of Yugoslav doctrinal unorthodoxy on the Bulgarian party. Their apprehensions will not quickly disappear.

Although Yugoslav-Bulgarian economic relations were not stressed in the joint communiqué signed at the end of the visit, increased economic cooperation apparently figured prominently in the talks. When addressing itself to the international scene, the communiqué reflected positions

more identifiable with Belgrade than with Sofia. Thus, the moderate references to US aggression in Vietnam contrasted sharply with Sofia's customary hard stand on this issue. The communiqué also repeatedly stressed the Yugoslav position that "national peculiarities" require different approaches to Communism, and made no reference to the unity of "the socialist movement."

There were also gains for Sofia, however. Tito's visit to Bulgaria, as well as the one by Rumanian party chief Ceausescu earlier in September, probably strengthened Bulgarian party boss Zhivkov's domestic position. By inviting two such independent-minded leaders, Zhivkov may have been responding in part to Soviet advice to improve Sofia's external posture in the wake of the anti-regime conspiracy discovered last April. The visits also are consonant with Zhivkov's efforts over the past 20 months to promote

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the normalization of relations in the Balkans and to ease Sofia's political isolation from her neighbors.

Nevertheless, strains in Yugoslav-Bulgarian ties are still apparent, and basic policy differences persist. Friction periodically arises over the Macedonian minorities resident in each country. In addition, Yugoslav diplomats in Sofia have frequently

complained that while it is relatively easy to establish innocuous contacts such as sending Yugoslav musicians to Bulgaria, it is quite difficult to develop contacts in the journalism and publishing fields, and particularly to exchange political information. These long-standing difficulties are unlikely to be easily or quickly resolved.

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NEW ELEMENTS IN THE CHINESE COMMUNIST LEADERSHIP

Two tough veteran revolutionaries--Tao Chu, chief of the party's central-south regional bureau, and army Chief of General Staff Lo Jui-ching--are becoming increasingly important figures in the Chinese Communist regime. They have a strong background in party, propaganda, or security work and are probably representative of the kind of men being groomed for major leadership roles. Each is 58, several years younger than most of the 71-year-old Mao Tse-tung's immediate lieutenants.

Neither man is on the politburo, the Chinese equivalent of the Soviet presidium, but this may mean merely that they were second-ranking officials in 1958, when formal additions were last made to the body. Both would almost certainly be included in a public listing if a new one were issued today.

Tao Chu, a former political commissar in the army, was secretary of the Kwangtung provincial party committee in the 1950s. In 1961 he was named first secretary of the central-south bureau, one of six newly created and powerful regional bureaus of the party. He acquired a major government position for the first time in December 1964 when he was named vice premier.

In the summer of 1965 Tao emerged as an influential party figure of national importance when half a dozen articles presenting his views on agriculture and various aspects of culture, obviously mirroring views held by Mao Tse-tung, were published in authoritative newspapers and journals in Peking. Such exposure of an individual's name in national publications is unprecedented in recent years, and apparently reflects an effort to build up Tao's stature as a party leader capable of formulating concrete policies which put Mao's high-flown and nebulous precepts into practice.

Tao's articles urge a greater role for politics in agriculture--a prescription that allegedly will bring about a "new great leap forward" throughout China--and adoption of an extremely stiff anti-intellectual line in cultural affairs. Tao's exhortation demanding a political solution to rural problems was fol-

lowed closely by the establishment of a new central committee unit named the Political Work Department for Agriculture and Forestry. Its formation completes a process begun in 1964 to establish an army-style political structure throughout the economy.



LO JUI-CHING

TAO CHU

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Tao Chu has a harsh, colorful style that evidently appeals to Mao Tse-tung. In a recently published speech to a group of theatrical workers he asserted that a "little coercion" of intellectuals is a good thing. Noting that people generally condemn Emperor Chin Shih Huang Ti for burning books and burying scholars alive 2,200 years ago, he defended the right of the Communists to do "the same sort of thing," in order to consolidate their rule and their ideological position. In the same speech Tao declared flatly that he was imposing a total ban on performance of traditional plays and opera in the central-south region. He said: "Only revolutionary modern plays now will be allowed to be written and produced. Is that not too crude and arbitrary? No. Man is like that. Sometimes he has to be put under pressure."

According to a Soviet propaganda blast at Chinese leaders made in 1963, Tao Chu once callously advised a visiting Czechoslovak official to accept philosophically the possible loss of his entire country in a thermonuclear war, and to think instead of the benefits such a war would bring to the world Communist movement.

Lo Jui-ching is not a theoretician like Tao Chu, but his numerous positions and influence in the army, party, and security apparatus make him one of the most powerful men in China. He is chief of general staff of the People's Liberation Army (PLA); secretary general of the military affairs committee, the party's supreme organ for making military policy; a member of the party's key secretariat; and a vice premier. Lo was minister of public security from 1949 to 1959, and there is evidence that he is still actively involved in public security work.

In addition, Lo Jui-ching has to function as a de facto military commander most of the time since his superior, Minister of National Defense Lin Piao, is chronically ill. Lo rather than Lin usually represents the military at ceremonial affairs and often makes important military pronouncements.

Both Tao and Lo appear to be Mao's personal favorites and are not closely associated with the other leaders. Both appear to have reached positions which will make them important figures in the event a struggle develops over the succession after Mao goes.

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PEKING BACKS AWAY FROM AFRO-ASIAN CONFERENCE

It now is extremely doubtful that the long-heralded Second Afro-Asian Conference will be held as scheduled in Algiers on 5 November. There is a marked lack of enthusiasm among most moderate African and Asian nations and a growing resentment of heavy-handed Chinese efforts to stage-manage the proceedings. This is evident even among the more militant and radical nations that are normally sympathetic to Peking.

Algeria, the host country, has not yet issued formal invitations, and the 15-nation preparatory committee has not met since late June when it announced postponement of the conference until November. Officials in Algiers have indicated both publicly and privately that they would just as soon the whole thing were postponed or dropped altogether. The Chinese also now appear to be having doubts about the desirability of the conference.

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The Chinese had hoped to duplicate their success at Bandung ten years ago, but have recently become disenchanted because it now is clear that they would not be able to control the Algiers conference. Peking has adamantly insisted that the Soviet Union be excluded and

that all participants agree on an explicit condemnation of "US imperialism."

On both issues Peking appears to have received resounding rebuffs. The UAR endorsed Soviet attendance in the communiqué at the conclusion of Nasir's visit to Moscow on 1 September, although the Egyptians are not anxious that the conference be held next month.

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Foreign Minister Chen Yi apparently came a cropper during his visits to Algeria, Guinea, and Mali in early September and seems to have antagonized his hosts in all three countries. In Bamako he reportedly railed against Moscow's "defection to the imperialists," and lectured angrily on Mali's shortcomings as a socialist state.

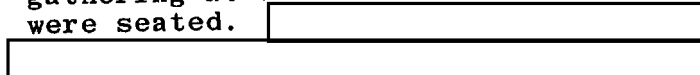
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Chen appears to have been equally tactless in Guinea, and both visits ended without the customary joint communiqué, apparently as a result of sharp differences over the Afro-Asian Conference.

In Algeria, Chen is reported to have castigated officials for inviting the UN Secretary General as an observer, and in his wide-ranging press conference on his return to Peking he delivered a virtual ultimatum that China would not attend an Afro-Asian gathering at which the Soviets were seated.

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Asia-Africa

THE INDIA-PAKISTAN SITUATION

Violations of the cease-fire have declined and both India and Pakistan now seem willing to see the incidents along the front further reduced. Neither has withdrawn its forces from forward positions, however, and tensions remain high.

President Ayub has issued strict instructions to Pakistani troops to observe the cease-fire, and Pakistani officers reportedly now are more willing to comply. The Pakistanis continue, however, to stress the extreme fragility of the cease-fire arrangement in an effort to keep the Kashmir issue before the public eye. They have most recently alleged an Indian build-up for an attack near Ferozepore.

Infiltration of Azad (free) Kashmir forces into Indian-held Kashmir apparently continues. Pakistani newsmen in Azad Kashmir reported recently that they had observed several companies of men without insignia who were described by a local official as being regular Azad Kashmir units trained as guerrillas and preparing to infiltrate Indian lines. Although India continues mopping-up efforts, upwards of 3,000 infiltrators, who began their intrusions in early August, are believed still at large behind Indian lines in Kashmir.

The UN observer mission which is to supervise the cease-fire is

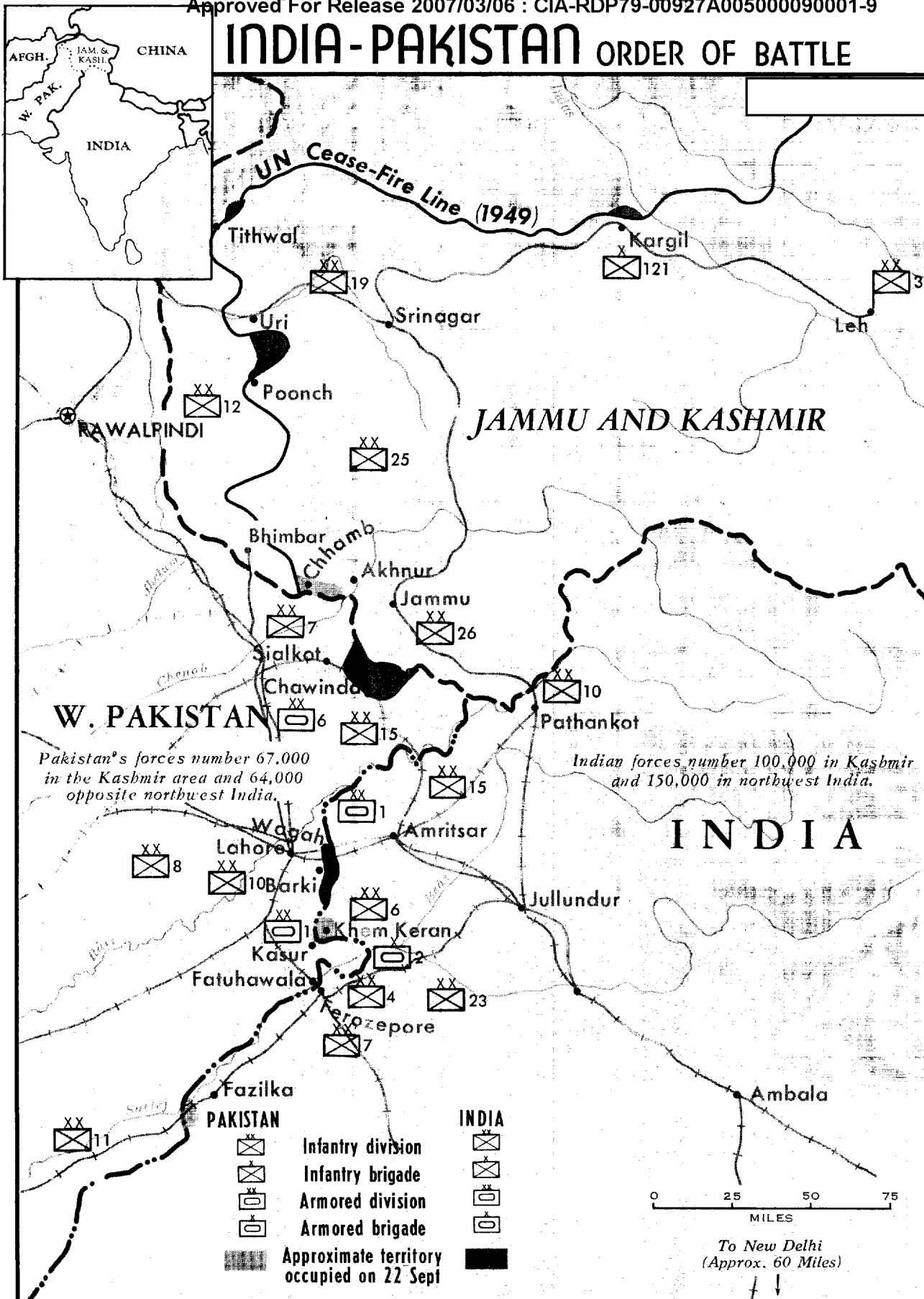
still far from fully operational, and fewer than half its members have arrived. The US Embassy in New Delhi reports the impression that the UN operation is still wobbly, uncertain, and ineffective. The embassy states that strong and creative leadership by General MacDonald and his mission is needed at the various points of conflict, since Indian politicians and civil servants seem poorly informed and somewhat baffled as to how to proceed.

There is still no sign of give by either side on the basic issue underlying the recent conflict--Kashmir. Pakistani officials stress that progress on this issue is vital if peace is to be maintained on the subcontinent. The Indians, on the other hand, are increasingly insistent that the Kashmir question is not negotiable. Backed by a buoyant public opinion and obviously reflecting a sense of having "won" the war, Prime Minister Shastri, Congress Party boss Kamaraj, and Defense Minister Chavan have all taken an adamant public position on this issue in the past week. Chavan and Kamaraj in addition have reflected Indian sensitivity to possible Western pressure on India to compromise. Kamaraj has declared that any power which aids Pakistan is an "enemy" of India, and Chavan has threatened to "go it alone" if the West seeks to cut off aid to India.

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INDIA-PAKISTAN ORDER OF BATTLE

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Attempts to make progress on the Kashmir issue within the UN have also made little progress. Secretary General Thant says that last week Soviet Foreign Minister Gromyko was "somewhat" negative concerning a proposed four-power Security Council committee to assist Thant in implementing the recent Security Council resolutions. UN Under Secretary Bunche, describing the idea as "moribund," attributed Moscow's stand to India's "stiff opposition." The Soviets probably are also concerned that their participation in such a commission would give Peking new ammunition to charge US-Soviet collusion.

Satisfied that a cease-fire of sorts has been effected, the Soviets will probably now move cautiously and avoid any initiatives which run the risk of alienating Pakistan or especially India. Recent Soviet protests concerning the organization and financing of the UN cease-fire observer mission seem intended to underscore the standard Soviet contention that only the Security Council--with its big-power veto--has the authority to establish the guidelines of UN "peacekeeping" operations.

Economic repercussions of the recent conflict are becoming more

apparent in both India and Pakistan and are likely to multiply. The military confrontation has caused disruptions in both land transport and ocean shipping. Production cutbacks or shutdowns in many factories have increased unemployment. A tight credit situation is also evident in Pakistan, and in parts of western India rice and wheat rations have been cut.

On the Sino-Indian border there has been almost no activity on the ground, but both sides have stepped up the tempo of diplomatic charge and countercharge. Almost daily Peking and New Delhi exchange notes alleging frontier incursions.

Sino-Pakistani relations appear on the surface to be as warm as ever, and Peking is evidently seeking to consolidate and increase its ties with Rawalpindi. The Chinese, however, are evincing signs of irritation with recent Pakistani actions. They were probably angered by Pakistan's reported last-minute request that they not intervene, and they doubtless find Pakistan's agreement to a cease-fire under UN auspices particularly galling.

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THE COUP IN INDONESIA

The Indonesian Army, having countered a leftist coup on 1 October, is for the time being firmly in control of the country. It would like to use the opportunity to take major steps against the Communists, including the banning of their party and probably the execution of party leaders.

President Sukarno, however, in the interest of national unity and fearing the political ascendancy of the army, has asserted that the present situation is a political problem that requires a political solution and that he wishes to settle it himself. In a statement following a cabinet meeting on 6 October at Bogor Palace, he stressed the need to avoid divisiveness in Indonesia's political life or between the military services. He apparently hopes to return the Communist Party to the favorable political position it enjoyed before 1 October.

The major question is whether the army will follow Sukarno in a conciliatory political settlement or whether it will insist on anti-Communist action.

The coup was carried out by a group which called itself the "30 September movement" and was led by Lt. Col. Untung of Sukarno's palace guard. The action

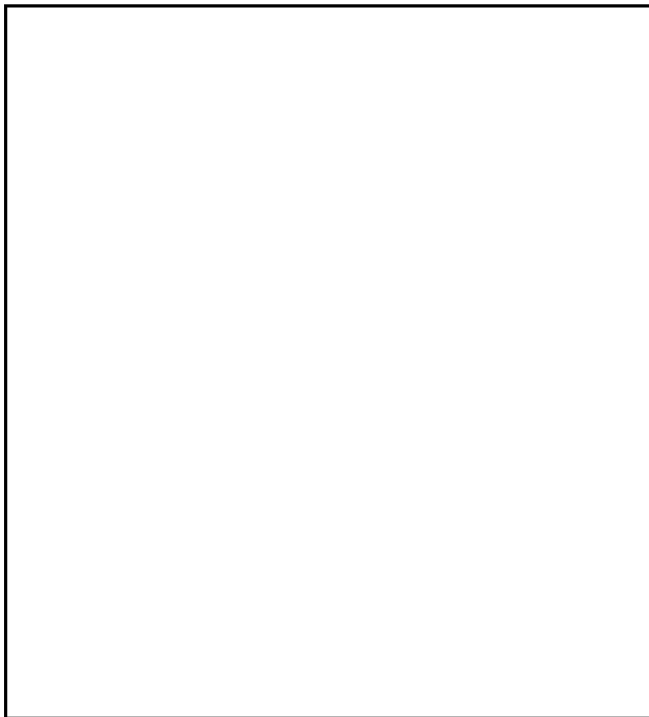
particularly outraged the army because it involved the torture and murder of six of the army's top generals.

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--has issued a statement on 5 October through its information bureau declaring that the PKI central committee did not participate in the 30 September movement and that the coup group did not request the approval of party members whose names were included in the short-lived "Revolutionary Council." The party fully supports the "message of President Sukarno"--presumably his call to preserve unity and not take revenge--and calls on all members and sympathizers to help carry it out.

Although the army has tried to suppress the statement, it has become public knowledge. Subandrio alluded to it on 6 October, and the world press is reporting it. Internally it may take a few days to filter down to lower levels in view of presently disrupted party communications. Militant PKI elements in Central Java meanwhile are engaged in skirmishes with the army.

Meanwhile the PKI is trying to undercut the army's efforts to move against it by denying complicity in the coup. The party--officially silent since 1 October

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ADDITIONAL SOVIET ECONOMIC AID FOR BURMA

More Soviet economic aid will be extended to Burma as a result of Premier Ne Win's recent visit to Moscow.

Burma's minister of mines, now touring the USSR studying mining and fishing industries, indicated that Soviet aid may be forthcoming for such enterprises in Burma. The USSR may also provide aid for industrial construction, oil exploration, and geological surveys. However, details of the new Soviet credit remain to be worked out.

Total Soviet economic aid extended to Burma since 1956 has amounted to only about \$14 million, accounted for mainly by the Kyetauktaung dam, a technical institute, a hospital, agricultural equipment, and a hotel.

Most of these projects have been completed except for the dam, a modest project which is in the final stages of construction. Several other Soviet aid projects agreed to in the mid-1950s were canceled by Burma as uneconomic.

By way of comparison, the Chinese aid effort in Burma totals \$84 million, one of Peking's largest economic aid commitments in the free world. Chinese aid projects include paper, textile, and plywood plants, bridges, sugar mills, and irrigation projects. Other Communist economic aid to Burma has been provided by Poland, which recently extended a \$10-million economic credit and Czechoslovakia, which has supplied a small amount of agricultural equipment.

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NASIR RESHUFFLES CABINET IN EGYPT

President Nasir, in pursuit of a plan nourished since his re-election in March, last week designated Zakariya Muhieddin to form a new cabinet to increase efficiency and revivify the nation's spirit. The regime evidently intends to concentrate on solving internal problems. No changes in foreign policy have been announced, but Cairo may be considering a reduction of its

involvement in expensive foreign operations.

Prime Minister Muhieddin has been a close and loyal associate of Nasir's since the 1952 revolution, and he is expected to administer Nasir's policies faithfully. Previously head of Egypt's security service as well as a vice president, Muhieddin will probably tighten

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up the regime's surveillance and control of subversive groups like the Muslim Brotherhood, which has recently re-emerged as a focus of public discontent and disorder.

The retention of a highly qualified group of economic ministers implies that the economic rationality they have recommended may now gain greater acceptance. In the past Nasir's concern for rapid economic growth and for influence in world affairs frequently led him to reject the advice of his economists. Now, however, Egypt's precarious economic position is forcing him to face realistically this greatest threat to his regime.

Former prime minister Ali Sabri has been appointed secretary general of the floundering Arab Socialist Union (ASU),

Egypt's sole legal political organization. Nasir created this state party to instill revolutionary consciousness and fervor in the people, and hopes that the energetic, ideologically oriented Sabri can provide the forceful leadership the ASU needs if it is to have any chance of overcoming the apathy that has gripped it since its inception in 1962.

The shift of the left-leaning Sabri to a position of essentially internal significance may have been motivated in part by a desire to placate the US from whom Nasir desperately needs to obtain a new PL-480 food assistance agreement. Without this aid, which has amounted to \$150 million annually, Egypt's economy would have to undergo sharp cutbacks, slowing growth and leading to public disaffection.

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RHODESIAN INDEPENDENCE AT ISSUE IN LONDON

As Harold Wilson and Rhodesian Prime Minister Ian Smith opened talks this week in London, the Wilson government appeared determined to talk tough.

The British prime minister, with the full support of his cabinet, will threaten severe economic sanctions if Rhodesia makes a unilateral declaration

of independence (UDI) as expected within the next few weeks. Although a definite course of action apparently has not been decided on, US Embassy officials in London believe that a UK embargo on Rhodesia's major export crop, tobacco, would be a virtual certainty, and that this might in turn lead to a wide-scale trade embargo.

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The UK is concerned lest sanctions provoke Rhodesian retaliation against Zambia, from which the UK imports 50 percent of its copper. Zambia relies on Rhodesia for coal, rail access to the sea, and electric power. Zambia's moderate president Kenneth Kaunda would prefer to continue his policy of restraining the Rhodesian nationalists based in Zambia and avoiding an open conflict with Rhodesia. However, a UDI would put him under heavy pressure

from domestic militants and from the Organization of African Unity, which would probably call for a government in exile for the nationalists and military action against Rhodesia.

The Rhodesian security forces are considered fully capable of preventing widespread insurgency, and only a comprehensive and sustained embargo by the UK and other Western nations would seriously endanger the Rhodesian economy. [REDACTED]

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ANTI-TSHOMBE POLITICIANS JOIN IN CONGO

Intensive political maneuvering following the opening of the Congolese Parliament has led to an open challenge to Premier Tshombé.

On 1 October, Interior Minister Nendaka announced the formation of a new group--the Congolese Democratic Front (FDC) to oppose Tshombé's national coalition, Conaco. Tshombé's opponents had been attempting to organize such a voting bloc since early last month. An FDC candidate narrowly defeated a Conaco man for the Senate presidency. However, Tshombé-supported candidates won the Senate vice-presidency and both top positions in the more powerful Chamber of Deputies. Conaco is

still the largest voting bloc in Parliament, but Congolese political alliances are fragile.

Meanwhile, Colonel Hoare's offensive against the rebels' Fizi redoubt on the northwestern shores of Lake Tanganyika is still proceeding slowly. [REDACTED]

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MAJOR PARTIES CLASH IN NIGERIAN REGIONAL ELECTIONS

All four major Nigerian parties are involved in a campaign for regional parliamentary elections to be held in the country's Western Region on 11 October. The conservative, incumbent party appears to hold a slight edge by virtue of its control of the election machinery and its backing by the group which dominates the federal government. The frustrated opposition may resort to violence.

The Western Region has been politically unsettled since 1962 when a split in the then ruling Action Group brought an unpopular splinter party to power. This splinter, now known as the Nigerian National Democratic Party (NNDP), probably would not win a majority of the 94 parliamentary seats in a fair election. Its major liability is the serious economic situation in the West--once the federation's richest region--brought on mainly by the decline in the price of cocoa, the state's main crop.

The election pits the NNDP, allied with the Northern Region's powerful conservative Northern People's Congress (NPC), against a progressive alliance of the Action Group and the National Convention of Nigerian Citizens (NCNC) which controls the Eastern and Mid-Western Regions.

In an effort to retain power, the NNDP has turned to general pressure tactics and apparently to electoral rigging. It has banned all public meetings and demonstrations. On 30 September the electoral commission announced that 15 NNDP candidates had been returned unopposed. The opposition is challenging this in the courts, and may yet turn to more drastic measures. A similar development in the federal elections last December resulted in a boycott and a major political crisis.

Sporadic violence has already been reported in the West, although the region has been flooded with police and army units. Despite federal Prime Minister Balewa's promise to use whatever force is necessary to maintain order, a major uprising would seriously tax federal security forces and could severely strain the federation itself.

Barring a major upheaval, the postelection period will probably see defections to the winning side and possibly the West's return to a virtual one-party system such as prevails in the other three regions.

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NYERERE TIGHTENS CONTROL IN TANZANIA

President Nyerere, strengthened by the outcome of Tanzania's national elections late last month, has tightened his control of the government. His reorganized cabinet reflects his determination to concentrate on domestic development and may presage a period of improved relations with the US.

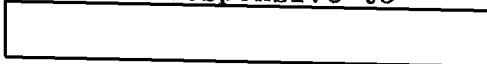
Nyerere's overwhelming personal endorsement at the polls gave him freedom to make extensive changes in his one-party state. He has assumed the external affairs portfolio and transferred his radical nationalist foreign minister, Oscar Kambona, to the Ministry of Regional Administration. Nyerere is likely to continue his policy of non-alignment and his support for southern African liberation, but he may try to tone down his more extremist countrymen in order to improve Tanzania's image in the West, particularly the US.

During the past year the emphasis on supporting Congolese rebels and other "liberation" movements has drained the country's resources, jeopardized its security, and strained relations with Washington. Nyerere's expectations of Communist economic aid have not been fulfilled, and he has become increasingly aware that only the major Western powers can provide the bulk of the aid he needs. His appoint-

ment of a top-notch, trusted career officer to be the new ambassador to Washington is indicative of the impression he is trying to create. The new finance minister is an able, long-time confidant of Nyerere. Other changes have improved the government's competence and energy in the development field.

Nyerere apparently is continuing to balance the factions represented on the one hand by Kambona and on the other by party leaders allied with Vice President Kawawa. Those on the Kawawa group resent the ambitious Kambona, who was studying in England while they were building the preindependence party, and they have been maneuvering to oust him as party secretary general. By relieving the overworked and ailing Kambona of his foreign affairs role instead, Nyerere has put him in a position to control and consolidate party and government structures at the regional level.

At the same time the transfer of Kambona's closest cohort from the Ministry of Home Affairs, which controls police, refugee movements, and clandestine arms, places all security and defense under the Kawawa faction which is as radical as Kambona but more responsive to Nyerere.



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Europe

COMMON MARKET EDGING TOWARD HARDER LINE WITH FRANCE

A more determined opposition to De Gaulle's efforts to recast the Common Market may be emerging from talks among France's five EEC partners. The loose "coalition" is still eagerly looking for an end to the crisis before the mere passage of time does serious damage, but it appears unwilling to accept De Gaulle's terms or even the toned-down interpretations which some French officials have been passing out.

New instructions which Bonn has given its EEC delegation in Brussels reject any revision of the EEC treaty to diminish the role of the commission or to eliminate the provisions for majority voting. Bonn is willing to talk about improving cooperation between the commission and the member governments, but it is wary of any formal understanding on either issue. With respect to financing the common agricultural policy--the question which sparked the French walk-out on 30 June--the Germans will insist that satisfaction of the French on this be linked to progress on matters of interest to the other members.

Although still under consideration, Belgian Foreign Minister Spaak's proposal for at least one meeting of the Six without the commission is also being treated with greater caution. The Dutch and the Germans are insisting that any such meeting be in the EEC framework, that it be a regular session of the EEC Council, and that the commission be called in on any discussion of matters

under its purview. The Italians also want the five to reach agreement on agricultural financing before they talk to the French.

If the five decide to proceed with the Spaak offer, it is questionable that the French will accept, even though [redacted] 25X1

De Gaulle might welcome an agricultural agreement just before the French presidential elections on 5 December. When council President Fanfani met with French Foreign Minister Couve de Murville in New York on 29 September, Couve was emphatic that the EEC treaty must be "adapted to the realities of intergovernmental relations" through gentlemen's agreements negotiated in an intergovernmental framework before an agricultural settlement is reached. He also made it clear that France would not attend a meeting of the Six during the electoral campaign.

The five thus face the possibility that the French boycott will continue until at least early next year, and although they are exasperated with De Gaulle's blowing hot and cold, it is uncertain how far their courage will permit them to go. Pressure to take pending community decision, some with unavoidable deadlines, may be equaled by pressures to avoid decisions in hope something will turn up, or out of fear that they might provide De Gaulle the excuse to leave the community. [redacted] 25X1

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BRITISH LABOR PARTY CONFERENCE SHOWS FIRM WILSON CONTROL

Prime Minister Wilson emerged from the Labor Party's conference last week with increased stature as a national leader and a tight grip on the party organization. He successfully turned back left-wing attempts to put the conference on the record criticizing the government's foreign and domestic policies. His success helped to dispel the public's belief that the trade unions and the party's left wing exercise a veto over the government's policies.

With the approach of a new parliamentary session, Labor Party supporters are increasingly optimistic that the Wilson government will remain in office despite its extremely narrow majority in Commons. The pound sterling's position is stronger, and there is improvement in Britain's balance of payments compared with the same period last year.

As a result, the optimism which filled Conservative Party ranks following the election of their new leader, Edward Heath,

has been dissipated. In addition, faulty tactics by Heath--notably in condemning out of hand the government's new economic plan which leading businessmen helped to draft--have tarnished his public image. The US Embassy in London reports that Heath now realizes that such attacks on government policy have been too broad and negative. He therefore intends to use the Conservative Party conference--opening next week in Brighton--to spell out a constructive prescription for Britain's economic health and to build the groundwork for a vigorous attack on the government's program when Parliament assembles on 9 November.

In the meantime two by-elections are expected, one in the Tory stronghold of London/Westminster and the other in the Labor seat of Erith/Crayford. Both results will be carefully scrutinized to detect any shift in party standings.

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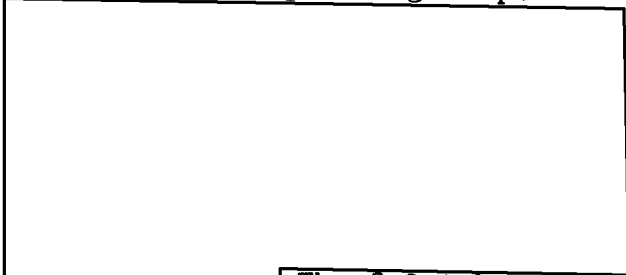
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Western Hemisphere

DOMINICAN GOVERNMENT STILL CHALLENGED FROM LEFT AND RIGHT

Incidents in Santo Domingo during the past week suggest that Communist groups have begun carrying out their reported terrorist campaign to delay elections and create anti-US sentiment by provoking clashes between Dominicans and US troops. In four separate incidents, six US soldiers and nine Dominicans were wounded.

Former president Joaquin Balaguer claims, however, that the terrorist strikes are not the work of extreme leftists or Communists but rather of the "reactionary element," which hopes, by spreading fear and panic, to establish an atmosphere conducive to a violent right-wing coup.

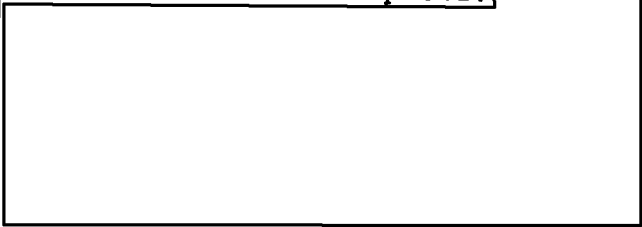


The 6 October bombing of the offices of the pro-rebel weekly magazine Ahora may have been carried out by rightist elements.

The propaganda chief of Juan Bosch's Dominican Revolutionary Party (PRD), José Pena Gomez, has stressed to Ambassador Bennett his concern over the mounting pressures from the extreme left. Pena Gomez painted a picture of

intense Communist effort to succeed to the PRD's pre-eminent position in the rebel camp. He said the Communists were especially active in the labor field and had taken over the leadership of the PRD labor movement. Pena Gomez termed the arms collection program almost a total failure, although he did indicate that rebel leader Caamano has made a good try.

The program for integrating rebel officers into the armed forces remains stalled, although 27 rebels who individually requested integration this week were accepted at the ranks they held in April and assigned to army posts outside the capital.



The hassle over control of the University of Santo Domingo continues unresolved. The postponement of a scheduled meeting of the university's governing body until 9 October leaves the campus in the hands of the Communist-influenced insurgent university council. The delay indicates the weakness or disorganization of the legitimate authorities, who apparently still hope for forceful support from Garcia Godoy. The President's intentions, however, remain unclear.

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The slanted newscasting and use of a rebel slogan on commercial radiobroadcasting which resumed on 4 October give little indication that the stations intend to abide by the political truce called for in the institutional act. Even the official Radio Santo Domingo has been critical of the US and the Inter-American Peace Force for the

continued occupation of several public school buildings by IAPF troops. Also, the continued operation of the Voice of the Dominican Armed Forces at the San Isidro Air Base in defiance of a government order to close remains as a challenge to Garcia Godoy's position as supreme authority of the armed forces.

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OPPOSITION GAINS IN BRAZILIAN GUBERNATORIAL ELECTIONS

The gubernatorial elections in Brazil on 3 October have resulted in apparent victories in the key states of Guanabara and Minas Gerais by candidates connected with forces in opposition to the Castello Branco government. In both states, nearly complete returns show supporters of former president Kubitschek far ahead. The outcome may also undercut the presidential aspirations of the incumbent governors, Carlos Lacerda of Guanabara and Magalhaes Pinto of Minas Gerais, who had campaigned for other candidates.

The strong showing by Francisco Negroao de Lima in Guanabara and Israel Pinheiro in Minas Gerais, both Social Democrats, presents serious problems for the administration. In addition to his close ties to Kubitschek, Negroao de Lima has

accepted Communist Party support in the campaign.

The final results in the other nine states involved probably will be unavailable for at least several days, but incomplete returns show one or two disturbing trends as far as the government is concerned. The strong showing in Alagoas of Social Democrat Muniz Falcao, for example, suggests a continuation of corrupt local politics that the administration has been determined to eliminate.

Military leaders have reacted strongly to the election results, which they regard as representing a resurgence of leftist influences and corruption. President Castello Branco is under pressure to take some action that will "reassert the authority" of the government.

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GUEVARA'S FALL FROM POWER IN CUBA

Ernesto "Che" Guevara has been dropped from the Cuban leadership, apparently because his opposition to Castro's views on ideology and practical policies, particularly the economic ones, made him too dangerous and disruptive an element. Guevara's views on future Cuban economic development, the part Cuba should play in the Sino-Soviet dispute, and Cuba's role as a catalyst and supporter of revolutions in Africa and Latin America all seem to have been determining factors.

Guevara was the chief architect of Cuba's economy and the policy of accelerated industrialization at the expense of agricultural production. By late 1963, the new industries had proven inefficient and the Cuban economy was in chaos. Soviet advisers, among others, recommended a "rationalization," with heavy stress on agricultural production, economic decentralization, and the use of material incentives to increase production. Castro has been implementing this change, but Guevara apparently continued to oppose it.

By excluding Guevara and four of his close associates from the new central committee of the Cuban Communist Party, Castro has renounced the economic

policies they once represented. In a speech on 28 September, Castro revealed that he would shortly explain Guevara's six months' absence and constitute a party central committee. When the 100 members were announced three days later, Guevara and four of his protegés--two of whom are still government ministers and another a vice minister--had been excluded. No other minister or high official was so slighted. Moreover, the new party's five-man economic committee is headed by Carlos Rafael Rodriguez--a long-time opponent of Guevara's economic policies.

In addition to following precepts in internal matters which reflected Chinese more than Soviet inspiration, Guevara apparently continued to press for Castro's acceptance of the more militant Chinese policies in international affairs. Here, too, Castro's policies have undergone a significant shift, however, and Guevara's views have been ignored. Guevara's disappearance last March, immediately after his return from Africa and Peking, suggests that the positions he took there were a factor in Castro's decision.

In another speech on 2 October, Castro read what he said

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was a letter from Guevara. Although it specifically expressed support for Cuba's foreign policy, it indicated differences with the Cuban leader since the early days of the revolution. In an attempt to convey the impression that his withdrawal was voluntary, the letter said Guevara was abdicating all of

his official positions in Cuba because "other lands of the world" demanded his efforts. There is, however, no evidence to support rumors which have located Guevara in a number of Latin American countries or in the Congo. Indeed there is no concrete evidence to permit conjecture whether he is still alive.

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PROBLEMS OF BOLIVIAN JUNTA INCREASING

Despite its success in quelling the September rebellion in the mines, the Bolivian junta faces multiplying problems. Dissatisfaction among the miners remains, additional political disturbances are threatened, and some military officers are urging political changes.

In an attempt to pacify the miners, the junta has offered them a small basic wage increase. Initial reaction to the proposal appears to be favorable at some mines/

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Trouble of another kind may develop in Cochabamba this week end in connection with a meeting of top-level leaders of the center-right Bolivian Socialist Falange (FSB).

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Growing concern on the part of ranking officers with military involvement in politics also presents a potentially serious problem for the junta. A group of senior officers recently presented a memorandum asking the junta to: (1) announce immediately the date for elections; or (2) set up a mixed cabinet including civilians; or (3) turn the government over to the supreme court. Barrientos apparently dissuaded this group from pressing the issue, but he admitted to US Ambassador Henderson that the memorandum is an accurate reflection of a sentiment which is spreading from officers to the lower ranks.

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