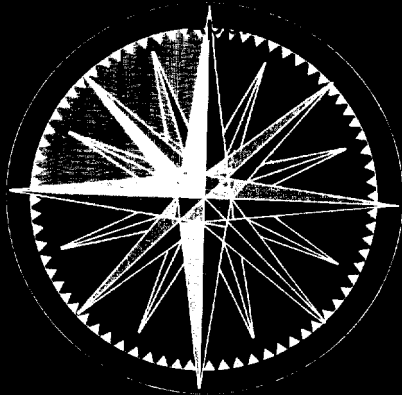


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2007/03/07 : CIA-RDP79-00927A005000130001-4

5 November 1965

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WEEKLY SUMMARY

CENTRAL INTELLIGENCE AGENCY OFFICE OF CURRENT INTELLIGENCE

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(Information as of noon EST, 4 November 1965)

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FRENCH FOREIGN MINISTER'S VISIT TO MOSCOW

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The growing French-Soviet contacts serve the foreign policy interests of both sides to some extent, but there appears to be little prospect at present of an entente that would seriously affect East-West issues.

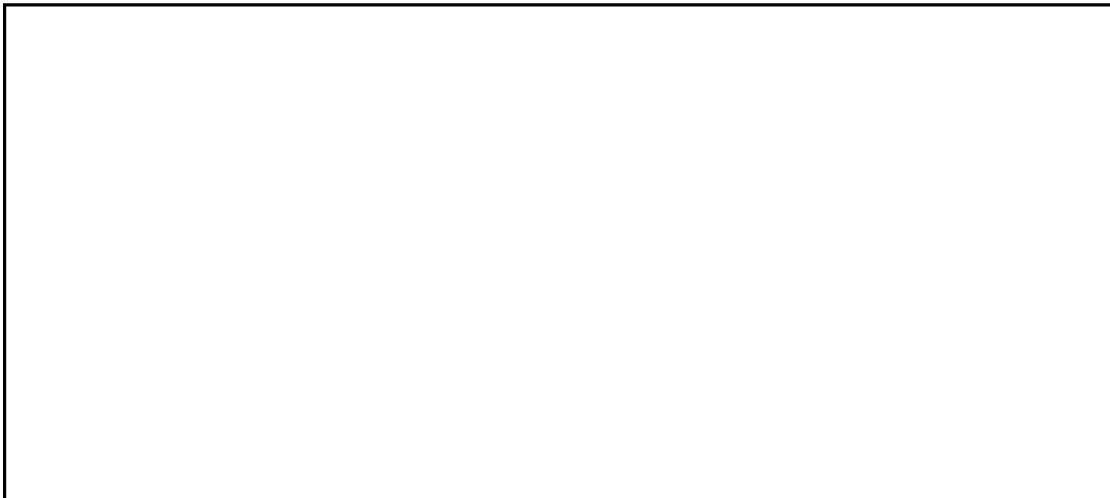
SOME PROGRESS MADE IN NATO-MALTA RELATIONS

20

The NATO resolution accepted by Malta last week is a step toward an eventual permanent association and strengthens an earlier tentative agreement to keep NATO's top Mediterranean naval headquarters in the new island nation.

Western Hemisphere

22



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THIS WEEK IN THE DOMINICAN REPUBLIC

22

The government is planning to make some changes in the military high command and to send leading rebels into diplomatic exile--moves that may improve the outlook for short-term political stability. The most serious obstacle is still the attitude of military leaders.

BRAZILIAN PRESIDENT USING BROAD NEW POWERS CAUTIOUSLY

24

Castello Branco apparently intends to achieve his goals by persuasion, where possible. Administration leaders emphasize that there will be no intervention in the state governments or removal of congressmen "unless demanded by the situation."

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VIETNAM

Reports of infiltration by additional North Vietnamese (PAVN) units into South Vietnam and of regrouping of enemy forces in the I, II, and III Corps areas may foreshadow large-scale Communist activity.

The three regiments of the PAVN 325th Division, believed to have been operating in the central highlands area of South Vietnam during the summer months, have moved into the coastal provinces of Binh Dinh and Phu Yen and into Quang Duc Province. Within the last two months, they have been augmented by the arrival from the DRV of one and possibly two PAVN regiments now located in Pleiku Province, and another regiment in Quang Duc Province.

Other reports have pointed to the continuing presence of a sizable Communist force in the Ba Long valley area of Quang Tri Province, recently the scene of an unsuccessful Viet Cong - multibattalion attack.

There have been no major Communist military initiatives since the Viet Cong's sabotage effort directed at US Marine air installations at Da Nang and Chu Lai on 27-28 October.

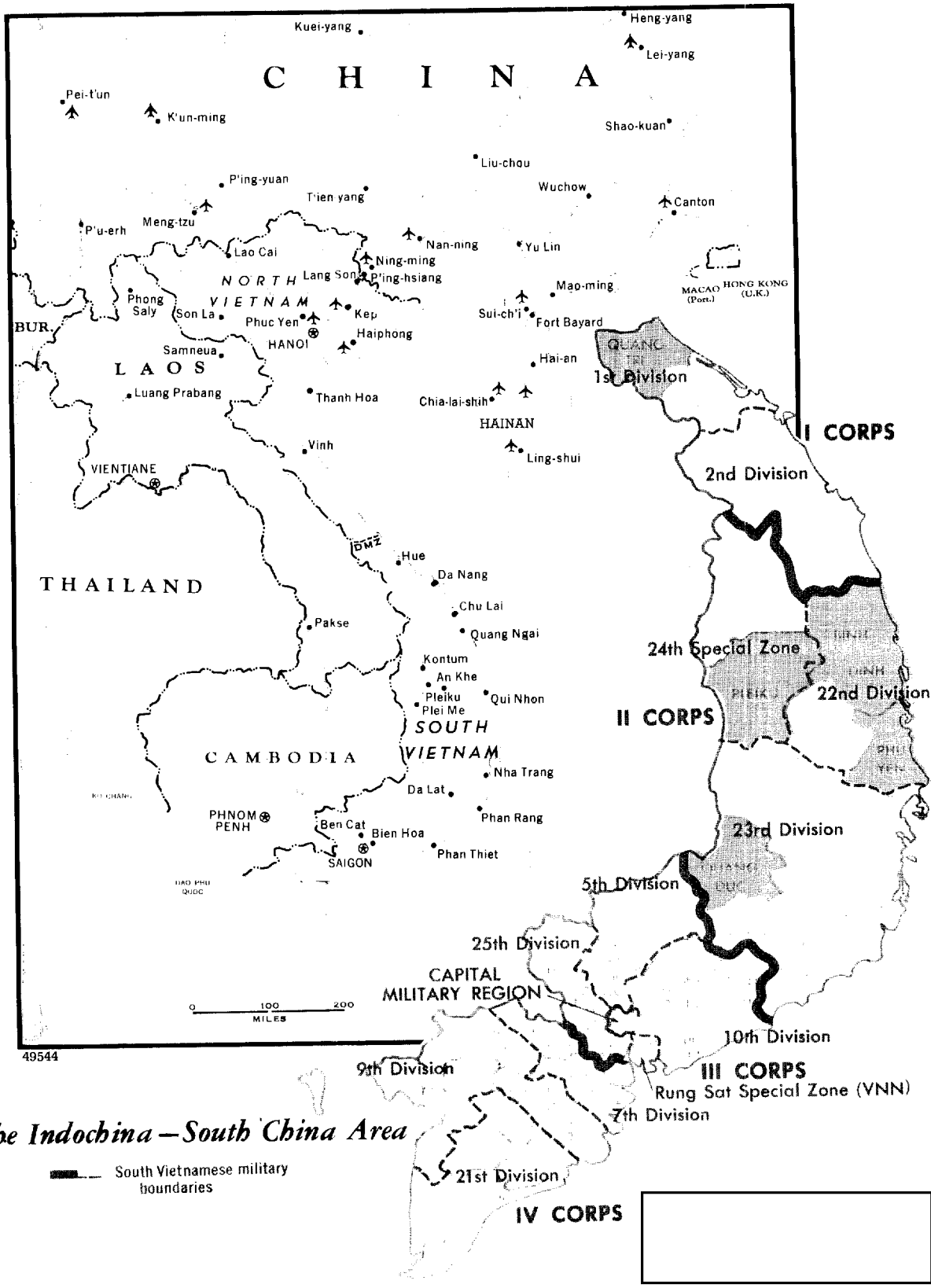
On 30 October US troops killed more than 50 Viet Cong during an attempted night attack by several enemy companies against the main air base at Da Nang. In the central highlands area, elements of the First US Cavalry Division conducting clearing operations near the Plei Me Special Forces camp suffered only light losses while killing some 95 Communist troops and capturing 40 others on 31 October and 1 November. Elsewhere, major US and Vietnamese operations continued without significant enemy contact, but Viet Cong terrorism and small-scale sabotage remained widespread.

North Vietnamese Air Defense

US Air Force and Navy aircraft provoked a vigorous but unsuccessful defensive effort by North Vietnamese missile and anti-aircraft artillery installations on 31 October in the vicinity of Kep. Strike aircraft completely demolished a major highway bridge and heavily damaged three SAM sites. Some 13 missiles were fired at US aircraft but all missed their mark. The spirited defense put up by the Vietnamese underscores their concern over keeping open the vital lines of communication between Hanoi and China.

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The Indochina - South China Area

— South Vietnamese military boundaries



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Hanoi Defends VC Capabilities

Vietnamese Communist propaganda is showing some sensitivity over the growing number of reports which imply that the US build-up in South Vietnam is taking the military initiative from the Viet Cong. Last week Hanoi took special pains to refute allegations that the Viet Cong's monsoon campaign was a failure, calling the claims a "propaganda stunt." According to Hanoi, the VC have been achieving spectacular victories regularly in all types of climate and further disastrous defeats are in store for the US and South Vietnamese forces as dry weather settles in for the next few months over much of South Vietnam. Radio Hanoi played up last week's attacks on Plei Me, Chu Lai, and Da Nang as proof that the Communists still retain the military initiative and that they had not been reduced to "just hit-and-run guerrilla skirmishes."

The defensive tone of this propaganda is apparently not solely a reaction to Western press reports. It probably also reflects the mixed advice that Hanoi is getting from its Communist allies.

The East European press last week ran several commen-

taries which cast some oblique aspersions on Viet Cong invincibility. On 25 October a Sofia daily claimed that with the passing of the monsoon season, the Communists had lost a tactical advantage. The paper contrasted the great energy of the Americans in waging defensive operations during the monsoon season with the small unit operations of the guerrillas. The article was implicitly critical of this strategy, noting that the guerrillas "did not commit themselves to large operative tasks."

A series of eyewitness reports on Vietnam by a Hungarian correspondent also presented a rather sober assessment of the Communist military situation. Although the commentary routinely argued that there can be no doubt of the final victory of the Vietnamese insurgents, it also implicitly warned that the duration and cost of the conflict must eventually affect North Vietnam as well as the US. Moscow's commentary has been more in line with Hanoi's public stance.

The Chinese Communists have not generated any significant original comment on the individual battles in South Vietnam for some time. Chinese propaganda has for the most part

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been limited to a selective rebroadcasting of DRV material. This contrasts with the trend last summer when Chinese propaganda was loudly touting the alleged Communist victories at Song Be and other sites.

Peking has, however, continued to use the Vietnamese war as an issue in its dispute

with Moscow and to charge Soviet collaboration with the US to "sell out the Vietnamese people." In support of the Soviets, Hungary and Czechoslovakia have increased their attacks on Peking's Vietnam policy. Radio Prague last week called Peking's advice to continue the war despite its present costs an "example of China's unrealistic and war seeking policies."

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The Communist World

PROGRESS OF THE SOVIET MILITARY AID PROGRAM

A recent surge in deliveries of military cargoes abroad reflects Soviet efforts to fulfill arms pacts concluded in the past year. The flow is expected to increase further as shippers try as usual to meet their year-end quotas.

In recent weeks three shiploads of military materiel plus a subchaser have arrived

in Algeria. These shipments--probably largely arranged by Colonel Boumedienne when he visited Moscow last May--supplement materiel provided under the original 1963 arms pact. In addition to acquiring late-model rocket launchers, armored cars, and artillery, Algeria will be able to strengthen its air defense with newly received surface-to-air missiles, which were displayed in the 1 November military parade in Algiers.

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More naval ships and aircraft-- possibly SU-7 jet fighter-bombers--may arrive soon.

Military deliveries to Egypt under the massive arms pact of November 1964 are picking up. Soviet ships recently have delivered new artillery and tanks, and a second shipment of SU-7 aircraft is believed to have arrived last week.

Deliveries to Yemen under the July military aid arrangement are expected to continue. The most recent shipment in mid-October included two P-6 motor-torpedo boats.

No major shipments to Iraq have taken place this year, but the army deputy chief of staff declared Iraq would shortly receive a "number of most modern MIG aircraft." He was probably referring to the 20 MIG-21 all-weather fighters ordered in June 1964.

Negotiations with India have continued throughout the

Kashmir crisis. More tanks and artillery are to be delivered by the end of this year and additional MIG-21 aircraft are expected to be shipped by January. Indian arms missions are still scurrying to Moscow--one recently ordered T-55 tanks--and delivery dates for planes and ground equipment scheduled for 1966 may be advanced.

New delivery schedules for military equipment to Indonesia also may be set whenever the political situation there stabilizes. Moscow had agreed to delivery in 1965 of all-weather MIG-21 aircraft, naval vessels, and AN-12 transports.

Shipments elsewhere have been spotty. Small naval vessels have been delivered to various African countries

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Moreover, the Cuban defense minister, now in Moscow, may be pushing for more shipments to Havana. This year only three ships have delivered full military cargoes to Cuba, just enough to maintain the Soviet military aid program.

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Asia-Africa

AFRO-ASIAN CONFERENCE SEEMS OFF FOR GOOD

With the indefinite postponement of the second Afro-Asian Conference, which was to begin on 5 November in Algiers, it now is doubtful that such a meeting will be held any time in the foreseeable future.

During their preconference consultations in Algiers from 28 October to 2 November, African and Asian foreign ministers were in sharp disagreement on a wide range of issues. Many of their governments, moreover, had long been lukewarm to a chiefs-of-state gathering. Faced with China's boycott and the prospect of many absentees, the foreign ministers proposed that the summit conference be put off until conditions were "more favorable." As a face-saving device, they recommended that the conference be convened in Algiers at "a date to be fixed later," and that a 15-nation preparatory committee be set up.

The ministers failed to settle the question of Soviet participation. This issue is likely to recur in any future discussions of a conference. Peking will remain adamantly opposed, especially in view of what the Chinese must see as the success of their obstinacy in demanding the postponement.

The postponement is a Pyrrhic victory for Peking. Because of its heavy-handed pressure tactics, China's relations with some African countries, particu-

larly Algeria, will probably be cool for some time. The Chinese antagonized a number of African leaders, and may have raised doubts throughout Africa about whether China is really interested in an Afro-Asian movement unless it can have the controlling voice. Many African moderates have long doubted the value of any kind of Afro-Asian conference and may come to see meetings of the Organization of African Unity as more useful than large gatherings where East-West and Sino-Soviet rivalries are likely to be injected.

The decision to call off the conference probably comes as a relief to the Algerians. While the Boumedienne government fulfilled its role as host by completing the necessary physical preparations begun by the Ben Bella regime, Premier Boumedienne himself reportedly was never enthusiastic and appeared eager to get it out of the way and move ahead on Algeria's many internal problems. With the need to maintain an atmosphere of stability now removed, he may reshuffle his cabinet to broaden the regime's base. Among those mentioned as possible losers is Foreign Minister Bouteflika, a strong supporter of Boumedienne in the coup against Ben Bella. Differences have reportedly arisen between the two men, due in part at least to Bouteflika's efforts to hold the conference on schedule.

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INDONESIAN ARMY PRESSES CAMPAIGN AGAINST COMMUNISTS

The Indonesian Communists' armed opposition to the army continues to mount. The army, meanwhile, is still avoiding any direct criticism of President Sukarno but is pressing its campaign against Foreign Minister Subandrio and Chinese Communist influence.

In Central Java, the Communists' stronghold, the army claims to have killed, captured, or arrested hundreds of Communist youths. On 1 November it scored a major psychological gain when Sukarno confirmed the earlier declaration of a "state of war" by the provincial military command. This was Sukarno's first public acknowledgment of armed Communist activity.

The army is nevertheless handicapped by its doubts about the loyalty of its troops in Central Java. According to the US Embassy, military leaders are uncertain about eight of the 19 combat battalions in that province. Loyal troops are being sent in from Sumatra and Borneo and questionable units transferred out.

The campaign against Subandrio is gaining momentum. On 29 October a Djakarta Muslim newspaper and a Muslim political party called for his expulsion from the cabinet. On 3 November army commander Suharto stated that Subandrio's Central Intelligence Bureau ultimately would be "coordinated" with the army-controlled Supreme Operations Command.

In its anti-Chinese efforts, the army inspired a demonstration of some 100,000 persons against Peking's consulate in Medan, North Sumatra, on 2 November. A petition was presented protesting alleged Chinese support for the 30 September movement, and the crowd tore down the flag and consular shield. In an even sharper break with past policy, the army had already suspended all exports to Communist China. This has not yet been announced in the press, possibly because Sukarno has not been consulted or, if consulted, did not agree.

Army leaders believe that continuation of the present unsettled conditions will facilitate its suppression of the Communists, but still feel obliged to pay lip service to Sukarno's role in view of his unrivaled political position. Thus, on 30 October Suharto publicly stated that the army would unreservedly respect Sukarno's decision with respect to a political settlement, but obliquely criticized him by adding that a "gloomy social-economic atmosphere--created beforehand" had contributed to the current unrest.

Former air force chief Marshal Dani, who was deeply involved in the 30 September plot, arrived in Amsterdam on a purchasing mission on 30 October. By earlier reports the army had returned him to Djakarta and placed him under detention.

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INDIA AND PAKISTAN IN ECONOMIC SHIFTS

India and Pakistan each continue to report minor cease-fire violations, but both countries now are turning their attention to the political aspects of their dispute and to budgetary adjustments impelled by the recent fighting.

At the UN, lack of unanimity in the UN Security Council has blocked any new resolution calling for strict observance of the cease-fire and withdrawal of the opposing armies to positions held prior to 5 August. A deadlock has developed on a result of Soviet efforts to limit the secretary general's authority by putting a three-month limit on the newly recruited UN observer mission along the Indo-Pakistan border.

The Pakistani Government appears to be adopting a somewhat less intransigent position toward a political settlement. It may be reacting to the general deterioration of its military position caused largely by the termination of US military assistance. In speeches on 27 October and 1 November, President Ayub did not repeat previous demands for a plebiscite for Kashmir but stressed the need for India and Pakistan to live in peace on terms "honorable" to both countries. A high Pakistani official termed the first speech a "carefully phrased olive branch to India."

Economic dislocations, caused in part at least by the recent conflict and resultant loss or reduction of foreign military and economic assistance, continue to be felt in both countries. Although Indian officials state that no decision to increase the military budget has yet been taken, it appears that the Indians have in fact decided that defense and defense-related expenditures will be accorded higher priority in the future than civilian-oriented development projects. On 29 October, Rawalpindi announced that \$166 million would be diverted for defense needs from the \$886 million originally programmed for economic development in the year ending June 1966.

Pakistan may benefit from further Soviet aid to its third five-year plan (1965-1970). Before hostilities broke out, the Soviets reportedly had offered "substantial assistance" and in recent weeks several Soviet delegations have been discussing a wide range of possible aid projects.

The USSR may hope that economic aid offers will encourage Pakistan to pursue a course more independent of the West and particularly China. However, the scope of any further Soviet aid to Pakistan will be tempered by Moscow's recognition

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that meaningful political dividends would flow only if it simultaneously decreased its support of India--still a keystone of Soviet policy in South Asia. For several years the Soviets have provided large-scale economic and military aid to India.

Pakistan is not known to have received any significant Communist military aid. While Peking has engaged in military talks with Rawalpindi, it probably could not sustain a military aid program that would be attractive to the Pakistanis.

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US ROLE AT ISSUE IN OKINAWAN ELECTIONS ON 14 NOVEMBER

The 14 November triennial election for the Ryukyuan legislature has assumed importance chiefly for its bearing on the subsequent selection of the chief executive of the government on Okinawa.

All parties are pressing for popular election of this official rather than, as at present, his appointment by the US administration following nomination by the Ryukyuan legislature. The conservative majority party, the Democratic Party (DP), had earlier expressed to US authorities its willingness to accept temporarily a system of indirect election by the legislature. After the election, however, the party may feel obliged to oppose this because of its participation in the campaign clamor for his public election.

A leftist coalition is focusing on the chief-executive question in challenging the DP's control of the legislature, which is being expanded from 29 to 32 seats. With 18 seats needed for

a working majority, political observers favor the DP to win 16, and believe it has a fighting chance for five more. Its chief rival, the Okinawa Socialist Masses Party (OSMP), is relatively moderate in orientation and holds only seven seats but now is working with the smaller, radical Socialist Party and the Communist-controlled People's Party to elect a leftist majority. The triparty coalition arrangement has not been achieved in all districts, but it is strengthening the prospects of leftists in several close races.

Leftist success in denying the DP a working majority would aggravate the US administration's problems in dealing with the legislature. Although US executive orders empower the US high commissioner to override an impasse in the legislature, exercising this authority could embroil Japan in the situation. Japan's ruling Liberal Democrats feel politically compelled to support in principle the extension of Ryukyuan autonomy.

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LAOTIAN MILITARY SITUATION STABILIZING

The military situation in Laos appears generally to be stabilized, with only limited rightist offensive operations continuing in the north.

North of the Plaine des Jarres, regular and Meo guerrilla forces under the command of General Vang Pao are expanding their area of control along Route 6 between Ban Ban and Samneua. Only a few months ago these forces were compressed in the area immediately surrounding Na Khang, a key Meo strongpoint in the hills north of Ban Ban. Since then, Vang Pao has moved his forces north past Hua Muong, and in recent weeks has pushed south to recapture positions at Houei Sa An and Muong Khao.

The Communists, however, may be beefing up their forces for countermoves in the area. Supplies have been spotted moving north from Ban Ban, and there are indications that Route 7--closed since the beginning of the rainy season last June--may be open for limited truck movement from North Vietnam. Sizable truck convoys were seen moving near Ban Ban at the end of October.

In other areas where government troops have recently been engaged in clearing operations against the Communists, there has been little conflict and the posi-

tions have stabilized. Rightist units west of Luang Prabang are consolidating their hold on the northern bank of the Mekong following recently concluded mopping-up operations. In central Laos, government forces have concluded a clearing operation north of Thakhek and now are positioned on the west bank of the Nam Theun River.

The air force continues to play an important role in government operations, averaging about 150 attack sorties a week over the past few months. Originally assigned a bombing role to counter Communist attacks on the Plaine des Jarres in the spring of 1964, it has since expanded its attack operations to almost all of the Pathet Lao - controlled territory.

In the panhandle, there is fragmentary information suggesting that the North Vietnamese have resumed at least limited truck resupply operations. Recent photography has indicated that the Mu Gia Pass is open for trucks and that a road net leading southward--including several new roads--may be almost ready to carry through truck traffic to the South Vietnamese border area.

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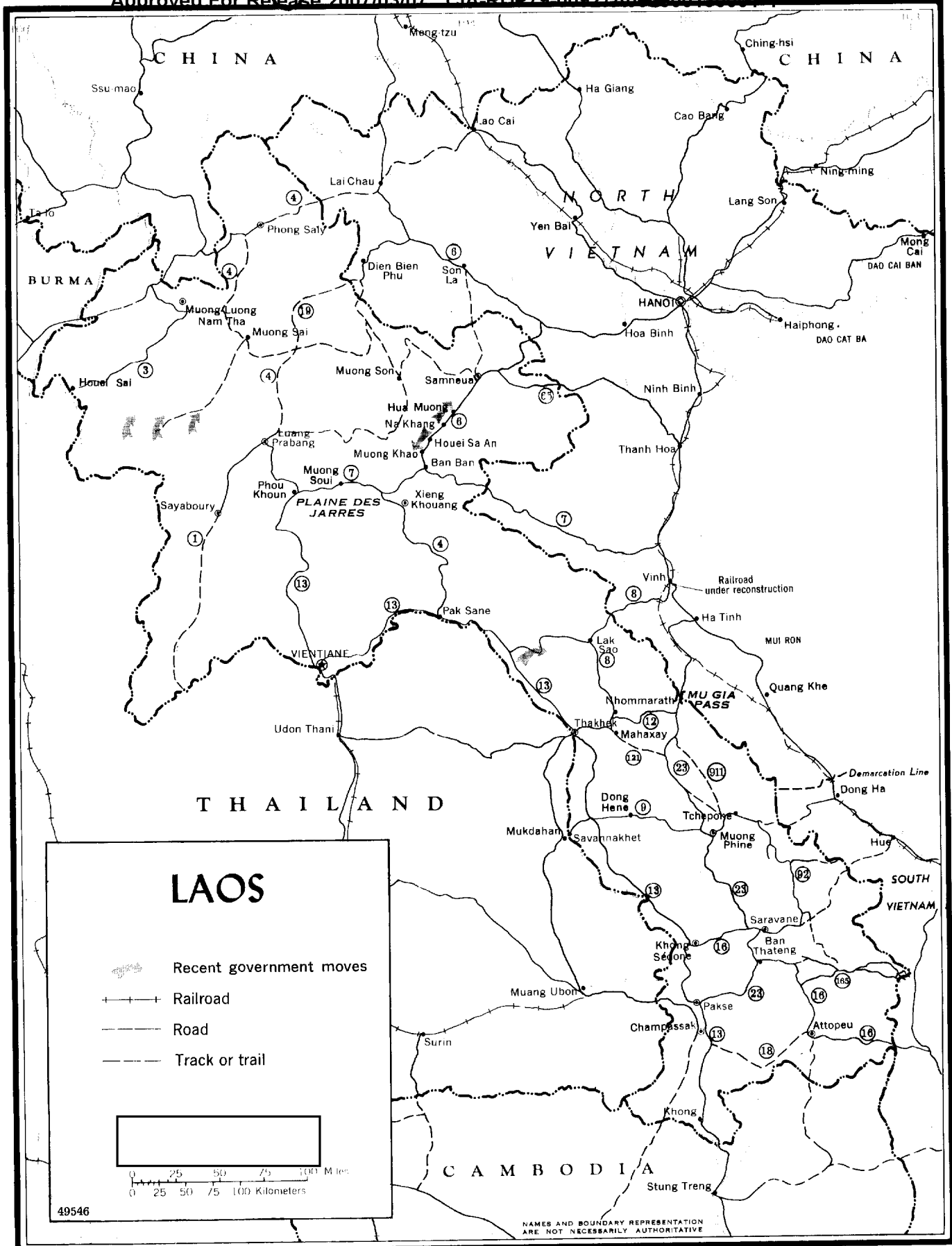
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REFORM PROGRESS AT STAKE IN 9 NOVEMBER PHILIPPINE ELECTION

The Philippine elections of 9 November are expected to be close, but no major foreign or domestic policy differences among the candidates have emerged dur-

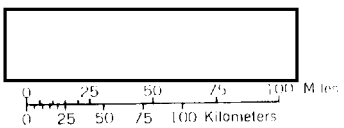
ing the campaign. In the presidential contest, some 9 million voters will choose between the incumbent, Diosdado Macapagal of the Liberal Party (LP), and Senate President

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LAOS

- Recent government moves
- Railroad
- Road
- Track or trail



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NAMES AND BOUNDARY REPRESENTATION ARE NOT NECESSARILY AUTHORITY

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Ferdinand Marcos of the Nacionalista Party (NP). Raul Manglapus, candidate of the Party of Philippine Progress, is expected to run a poor third. All three are committed to continued close relations with the United States and the West.

Because of the lack of fundamental policy differences attention is being focused principally on Macapagal's record and the personal qualifications of Marcos. Marcos charges the Macapagal administration with broken promises, high prices, graft, and corruption. He also criticizes Macapagal for inadequate maintenance of law and order that has resulted in increased smuggling and crime. In turn, Macapagal points to his land-reform law and the availability of low-priced rice, and accuses the Nacionalista-controlled Senate of obstructing much of his promised reform program. Macapagal alleges that Marcos is corrupt and a murderer.

Also at stake are the vice-presidency, one third of the Senate's 24 seats, and all 104 seats in the House of Representatives. The LP's Senator Gerardo Roxas is expected to win the vice-presidency, although a substantial victory by Marcos might carry his running mate, Senator Fernando Lopez, with him. A 4-4 division of the eight contested Senate seats between the LP and NP is indicated by a public opinion survey, and would leave the Nacionalistas with a slim margin of control. The

LP is given the edge in the contest for the House because of the generally stronger position of incumbent congressmen and the superior resources of the Macapagal administration.

Whatever the outcome, the inclination and ability of the winner to institute socioeconomic reforms will determine the future course of Philippine politics and the country's continued stability. Without reforms, public discontent will increase and be subject to exploitation by leftist elements, which now are insignificant. Macapagal's record in this regard is no better than fair, at least partly because of the Nacionalistas' control of the Senate. Marcos, too, however good his intentions, would probably be initially handicapped by a need to work with a Liberal-dominated House.

Philippine election campaigns traditionally have been attended by violence, and reports of politically inspired incidents are increasing, with some 30 persons killed thus far. Macapagal has expressed a fear that Marcos will foment civil war if he is defeated. As a precautionary measure, the constabulary was placed on partial alert on 2 November and will advance to full alert two days before the election. The armed forces are prepared to take action if major violence threatens.

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IRANIAN - SOVIET BLOC ECONOMIC RELATIONS EXPAND

The Soviet bloc, which has long pressed Iran to expand economic ties, has achieved some success.

Iran has accepted a long-standing Soviet offer to construct a steel plant, and in early October initialed an agreement that provides also for the construction of a machine-tool factory and a gas pipeline. Details of the projects and the amount of Soviet credit involved remain to be worked out.

A high-level Rumanian trade delegation that recently visited Tehran concluded a ten-year agreement for an exchange of \$100 million each way. Rumania apparently obtained an Iranian commitment to supply 3 million tons of crude oil--the first to be exported to a bloc country by Iran. For its part, Rumania reportedly is to deliver a cement plant and petroleum equipment, including a small refinery.

Prior to 1963 when a Soviet credit offer of \$39 million was accepted, Iran showed little interest in bloc overtures and the only bloc-sponsored projects in the country were two sugar refineries built by Poland under credits of about \$6 million.

The Soviet-Iranian economic and technical cooperation agreement of July 1963 paved the way for closer ties. It provided for Soviet assistance for the construction of a dam on the

Aras River, the construction of a number of grain silos, and the development of Caspian Sea fish hatcheries. Although there appears to have been little progress in the grain silo or fishery projects, work is going forward on the dam, which will probably take six years to complete.

This agreement was followed by Iranian acceptance of long-standing credit offers by Poland of \$15 million in early 1964 and by Hungary of \$10 million in May 1965. To date, however, little use has been made of these credits.

Moscow's aid program in Iran is part of a continuing effort to enhance the USSR's influence in the pro-Western countries along its southern border and to encourage them to pursue an "independent" nonaligned foreign policy. Moscow does not anticipate any quick political dividends.

As for Iran, the general lessening of tensions between the Soviet bloc and the West and the feeling that the USSR no longer constitutes an immediate threat has led Tehran to welcome bloc initiatives. Aside from the commercial advantages, acceptance of bloc aid enables the Shah to demonstrate that he retains freedom of action despite his ties with the West. In any case, any significant further increase in bloc activities in Iran is likely to be gradual.

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RHODESIAN INDEPENDENCE AGAIN DELAYED

A last-minute agreement by Prime Ministers Smith and Wilson to establish a joint Royal Commission has again delayed the threatened Rhodesian unilateral declaration of independence (UDI), but the two sides are as far apart as ever on the crucial issue of progress toward rule by Rhodesia's African majority.

At the end of five days of talks in Salisbury, Wilson advanced the idea of a commission, evidently in an effort to gain more time and to allow an awareness of the economic consequences of UDI to slow the Rhodesian radicals' headlong rush toward independence. The final agreement resulted from the desire of both governments to avoid the onus for a final breakdown in negotiations. The three-man commission, composed of the Rhodesian chief justice and Rhodesian and UK appointees, would be charged with deciding whether the 1961 constitution, "with adjustments to make the country independent," would be acceptable to the people as a whole.

To break the deadlock between the two governments over what these "adjustments" might be, Wilson agreed to Smith's demand that the commission present the present constitution, with only token revisions, to the people. Wilson made it clear, however, that the UK still believes this constitution is an unacceptable basis for independence. He reserved the right to renounce the method adopted by the commission for canvassing Rhodesian opinion, and would not commit his government to accept-

ing the commission's final report.

On the most vital point at issue, Smith continues to make it clear that the white Rhodesians will determine the pace of African political advancement. He probably would still prefer, if possible, to attain independence with Britain's blessing rather than provoke economic and political retaliation, but is under heavy pressure from the majority of his Rhodesia Front party. The US Consulate in Salisbury fears that he may not be able to hold this group in line for longer than a week, and so be forced either to pronounce the commission a failure and declare UDI, or to resign his office.

The leaders of Rhodesia's divided African nationalist movement have not modified significantly their demand for majority rule before independence. Indications are that they will refuse to cooperate with the commission, particularly since Smith would not permit them to participate freely in a nationwide constitutional referendum.

In London, Wilson has clearly strengthened his hand by meeting the opposition insistence that he explore all avenues of reconciliation with Smith. He scored a political triumph in Commons this week when he detailed his government's efforts to avert a UDI. The US Embassy in London comments that a noticeable result of the trip is a strong bipartisan stamp, at least for the moment, on Wilson's Rhodesian policy.



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TRIBAL TENSIONS REMAIN HIGH IN BURUNDI

The departure of Burundi's King Mwambutsa on 2 November for an extended stay in Europe opens the way for a power bid by extremist anti-Western leaders of the Tutsi minority. Tribal tensions between the Hutu majority and the Tutsis remain high in the wake of last month's Hutu-inspired coup attempt and the subsequent executions of the Hutu leaders.

The King in the past has served as a moderating influence in Hutu-Tutsi relations. US Embassy officials feel that the tribal cleavage is complete and that a bloody Hutu-Tutsi struggle for power is probably on the way. At the moment the Hutus are virtually leaderless as a result of

the executions, although some of the Hutu plotters escaped to neighboring Rwanda.

Most immediately, extremist Tutsi elements largely under the leadership of former prime minister Andre Muhirwa seem bent on establishing themselves in power. They may be thwarted by a group of moderate Tutsis who have some backing in the army. If the extremists win out, however, it seems likely that they will ask the Chinese Communists to return-- their diplomats were expelled last January. An extremist-inspired anti-American campaign is under way and may end in the expulsion of US diplomats.

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Europe

EEC COUNCIL MEETS AS FRENCH BOYCOTT CONTINUES

The Common Market members that attended the meeting of the EEC Council last week "appealed" to France to reoccupy its empty chair, but laid the basis for proceeding if necessary as an interim community of five.

At the Brussels meeting the Five held out to Paris the prospect of a favorable settlement of the agricultural financing issue which had precipitated the French walkout. They also offered an exceptional meeting of

the council without the commission in which the "general situation" of the community could be discussed. The farm agreement is contingent on a French return to Brussels, however, and the Five have a "confidential" understanding on resisting EEC treaty changes or any other arrangement to diminish the Commission's powers or eliminate the majority vote.

Paris has merely acknowledged these offers, and there is

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little prospect of any six-nation meeting before early next year. A French Foreign Ministry official has told the US Embassy his government expects such a meeting "sometime, someplace." He seemed supremely confident that the Five would not insist on Brussels as its locale and would --after blowing more steam-- accept the "sensible" French position on substance as well.

If the French showed any real desire for compromise, pressures on the Five to reciprocate would no doubt become stronger again. Some among them have already indicated they would not be sticky about the site of "political" discussions, and even the firmest among them--the Dutch--would consider delaying further expansion of the majority rule until major agricultural regulations have been decided by unanimous vote.

In ruling out more far-reaching concessions, however, the Five have responded to the further evidence that De Gaulle's present demands could not be met without changing the community's basic character. According to the US Mission in Brussels, the Five were "stiffened" not only by Couve de Murville's hard-line restatement of the French position on 20 October, but even more so by the widely circulated reports of De Gaulle's intransigence in his earlier

interview with the Dutch ambassador.

Barring some conciliatory gesture from the French, it therefore seems likely that the EEC Council meeting now scheduled for the end of November will carry the Five farther along the road of trying to proceed without Paris. Several important internal community matters are expected to be considered at that time. Moreover, the Five are agreed that by the end of January it will be necessary to give the commission whatever additional instructions are necessary to get on with the Kennedy Round.

How long this five-power "coalition" can last, however, is difficult to say because as much may depend on Erhard's leadership as on De Gaulle's stubbornness. The pro-French wing of Erhard's coalition in Bonn will be trying to prevent any final rupture with Paris, and despite their desire for an anti-Gaullist front, the Five's smaller three are showing some uneasiness at the prospect of German pre-eminence in the community. It would thus appear that, if there is no reconciliation with France, the effort to preserve the community would sooner or later depend on re-opening the question of Britain's accession.

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FRENCH FOREIGN MINISTER'S VISIT TO MOSCOW

Conversations just concluded in the USSR between Soviet leaders and French Foreign Minister Couve de Murville fostered Moscow's hopes for expanding its contacts with Paris and encouraging De Gaulle's pursuit of an independent policy. Although the talks, which ended on 2 November, apparently opened no dramatic prospects for Soviet-French cooperation, Paris is probably satisfied to have continued the dialogue that began with Soviet Foreign Minister Gromyko's visit to France last April. France has welcomed contact with the USSR on a variety of levels and subjects over the last six months, and if, as expected, De Gaulle is re-elected to another seven-year term in December, he may accept a Soviet invitation to visit the USSR.

Couve engaged in a tour d'horizon in separate talks with Kosygin, Brezhnev, Mikoyan, and Gromyko. The discussions seem to have been purely exploratory. Although the subject of Germany was not specifically mentioned in the final communiqué, it undoubtedly was thoroughly discussed. The French, in fact, informed the US Embassy in Moscow that the Soviets were preoccupied with possible German acquisition of nuclear weapons, almost to the exclusion of other topics such as Vietnam.

The communiqué emphasized the concurrence of Soviet and French views on certain major international issues. Both countries oppose US policy in

Southeast Asia and the creation of a NATO multilateral nuclear force, and favor greater Security Council control over UN peacekeeping operations. The communiqué shed no light on differences that are known to exist on some aspects of such critical questions as European security, nuclear nonproliferation, and German reunification.

The communiqué was very carefully worded on possible Franco-Soviet space collaboration and, according to the French ambassador in Moscow, the reference was inserted at Soviet insistence. The communiqué's failure to mention any new projects indicates that no firm decisions came out of the specific talks on this subject which took place recently in Paris and undoubtedly will continue. Any agreements reached are likely to be limited in scope, but may involve a joint effort to develop a communications satellite TV relay system that both partners would hope to use to undercut the US leadership in this field.

With tensions high because of the Vietnam crisis, the USSR is anxious to stress the significance of its dialogue with De Gaulle. Although the growing Soviet-French contacts serve the foreign policy interests of each side to some extent, there appears to be little prospect at present of an entente between the two that would have a serious impact on major East-West issues.

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SOME PROGRESS MADE IN NATO-MALTA RELATIONS

The government of Malta last week accepted a NATO resolution that should ease the effort to work out a permanent association between the new island nation and the Western alliance. The resolution not only affirms NATO's interest in Malta's territorial integrity, political independence, and security, but also expresses its members' willingness to discuss these matters as well as the question of future NATO-Malta arrangements.

Before achieving independence in September 1964, Malta, as part of the UK's European territories, was within NATO's defensive zone as defined by Article 6 of the North Atlantic Treaty. NATO's top Mediterranean naval headquarters (HAFMED) was located there, as was an important UK naval base. After Malta's independence, however, the UK naval presence practically disappeared, and both Malta and the Allied forces stationed there ceased to be covered by the treaty.

Maltese membership in the alliance has been opposed by France, which wants no expansion of NATO's size or functions, and by the Scandinavian members, who feel Malta would be more a liability than an asset. They maintain this opposition despite the testimony of military experts as to the island's strategic importance. In these experts' view, access to the eastern Mediterranean could be effectively denied to NATO naval forces if use of Malta as an operating base were impeded. Po-

litical realities--specifically Greek and Turkish rivalry with Italy--also make it advisable to keep HAFMED on Malta.

Although independent Malta early agreed to respect HAFMED's legal status for the time being, NATO has since been searching for a formula that would give Malta substantial security guarantees and provide for mutual consultation in return for a firmer guarantee that HAFMED could remain. The recent agreement should ease the Allies' immediate strategic fears.

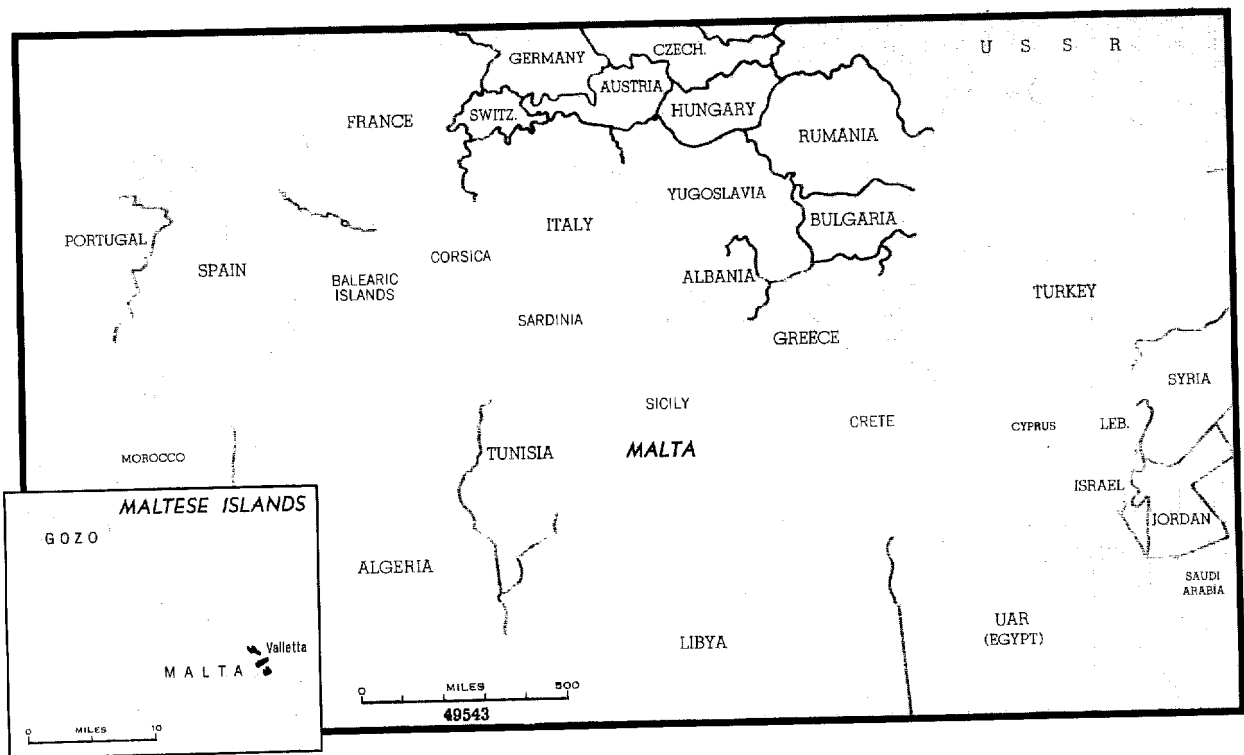
Malta's eventual relationship to NATO, however, is likely to remain an open question for some time. For example, insistence that the resolution be worded so as to make NATO's secretary general the point of contact between Malta and the North Atlantic Council reflected the wariness of alliance members against committing NATO to guarantee Malta's security at this stage.

The pro-Western Borg-Olivier government in Malta is dissatisfied with the provisional status of its relation with NATO and can be expected to keep alive hopes for some form of alliance membership. It seems likely to win next year's general elections but if it should lose, the situation would be quite different. Dom Mintoff, leader of the opposition party, is hostile toward NATO and is reputed to be soft toward the Communist bloc. [REDACTED]

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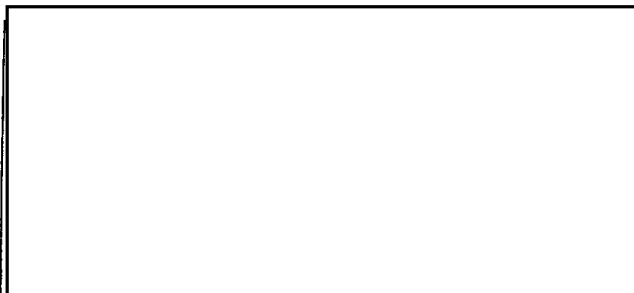
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THIS WEEK IN THE DOMINICAN REPUBLIC

The Dominican Republic's provisional government is planning a series of moves which, if successfully executed, may improve the outlook for short-term political stability.



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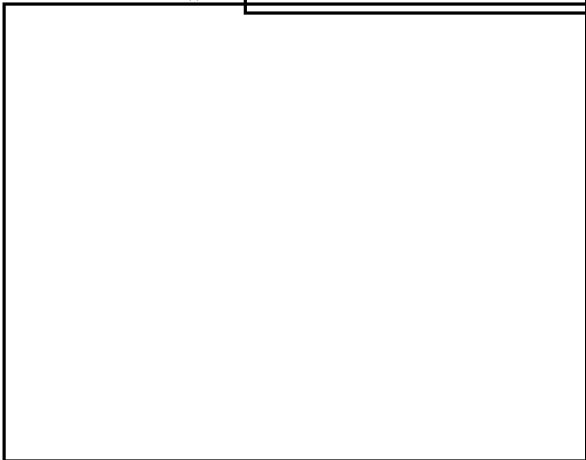
The most serious obstacle to these plans is the attitude of the military leaders. Garcia Godoy apparently hopes to

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win their cooperation, thus making the changes he desires without forfeiting military support for his government and possibly triggering a military coup attempt. The President may place more confidence in the military if it is under new leadership and be more willing to utilize it for internal security purposes such as arms control.

Last week, however, some 600 officers presented Ambassador Bunker with a petition stating that they would resist changes in the top military leadership.



If the military leaders have a chance to select their successors and leave their posts with honor, they may be willing to cooperate with the provisional government. On the other hand right-wing

civilian plotters may try to inflame the issue, and they have had an unwitting assist from Garcia Godoy, who has given many officers the impression that he plans no changes in leadership at the present.

There is some indication that rebel leaders may not resist the President's plans for their diplomatic exile.

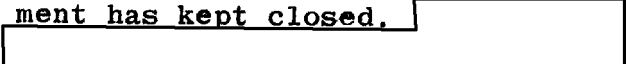
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At the same time, however, no progress has been made on arms collection or the integration of rebels into the military, and a purge of leftist government appointees does not seem likely.

In the former rebel zone, the presence of the Inter-American Peace Force has brought about some normalcy. The major Santo Domingo banks opened their downtown offices for the first time in over six months, and the two major papers have resumed publishing--offering moderate commentary in contrast to the Communist line of Patria, published by rebel extremists, which the provisional government has kept closed.

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BRAZILIAN PRESIDENT USING BROAD NEW POWERS CAUTIOUSLY

Brazilian President Castello Branco has proceeded cautiously thus far in exercising the broad new powers he acquired under the second Institutional Act that was promulgated on 27 October. He apparently intends, at least initially, to employ persuasion rather than arbitrary action to achieve his goals. Administration leaders have emphasized publicly, for example, that there will be no intervention in the state governments or removal of congressmen "unless demanded by the situation."

The regime apparently intends to rely heavily on provisions of the act regulating press reporting of political statements made by the opposition.

Some congressmen, such as Doutel de Andrade and Ivete Vargas, leaders of the former Labor party's left wing, may lose their mandates.

It appears likely that cabinet changes will be made soon to give the government wider political representation. The government has also begun exploring means of promoting the formation of new political parties to replace the traditional ones abolished by the Institutional Act. The administration is giving priority to organizing a "party of the revolution" to assure that the man elected to succeed Castello Branco will continue the revolution.

Castello Branco's caution may lead to further trouble with those military elements that expect him to use his new authority to the fullest and crack down on opposition politicians and subversives.

Castello Branco's personal authority may indeed have slipped during the past two weeks despite the vast increase in presidential powers accorded him by the new act. There is some speculation that he recognizes this and is considering calling a presidential election within the next few months.

Costa e Silva and to a lesser extent Justice Minister Juracy Magalhaes seem to have gained stature, on the other hand, and may well become dominant influences in the administration. Both are inclined toward a firmer revolutionary line than the President, although there is no evidence that this has affected their loyalty to him. They will have decisive roles to play in the power struggle that is likely to develop in the coming months over the presidential succession.

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