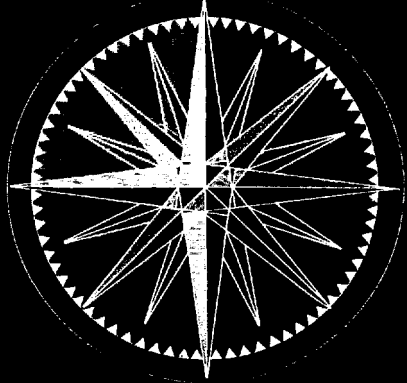


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1 April 1966

OCI No. 0283/66

Copy No. 52

# WEEKLY SUMMARY

State Dept. review  
completed

DIA review  
completed.

CENTRAL INTELLIGENCE AGENCY  
OFFICE OF CURRENT INTELLIGENCE



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(Information as of noon EST, 31 March 1966)

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<p>The Ky government attempted this week to gain the support of religious and political elements for its compromise plan for civilian government. In the northern part of South Vietnam, however, continuing antigovernment activity took on more anti-US overtones. In combat, the Viet Cong suffered some of their heaviest losses of the war but maintained a high rate of activity. North Vietnamese and Liberation Front delegations are attending the Soviet Party Congress, but Hanoi appears to be attempting to steer a middle-of-the-road course. The Communists are expanding their attacks on US "war crimes" in Vietnam.</p>	
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<p>The USSR and Eastern Europe can expect fair harvests of winter crops. Prospects are poor in Communist China and North Vietnam, and China's grain shortage will be further aggravated.</p>	

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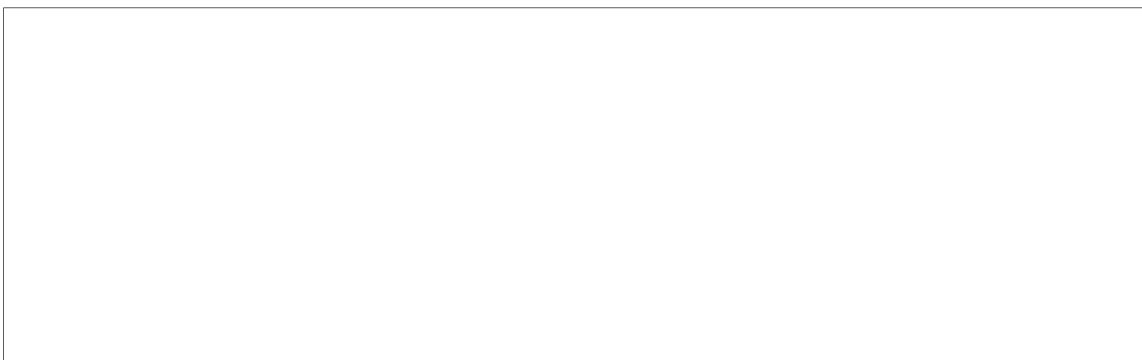
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VIETNAM

The military government under Premier Ky attempted this week to gain the support of various religious and political elements for its compromise plan for eventual civilian government. In the northern part of the country, however, unchecked antigovernment activity took on increasing anti-American overtones.

Late last week the military Directorate agreed to the creation of a constitutional preparatory committee whose sole responsibility would be to draft a constitution for a national referendum. The inclusion of elected provincial and municipal council members on the committee was the major concession to the Buddhists, who have demanded that some form of popular representation be utilized in the transition to civilian government.

The government effort to obtain support from religious sects has thus far had little success among Catholic leaders. The liaison bureau of Saigon's Catholic archdiocese on 29 March issued a moderately worded communique on civilian government, which served to tone down earlier criticisms of the Ky government made by the militant Father Quynh. The US Embassy reported, however, that a number of Catholics apparently are having serious doubts about the ability of the Ky government to survive current Buddhist pressures, and prefer not to be associated too closely with it.

The attitudes of the various Buddhist leaders toward the gov-

ernment plan continue to vary. Buddhist Institute chairman Tam Chau has made no direct public statement on the compromise, but has attempted to exert a moderating influence on the Buddhists in Saigon. However, at least one other ranking monk in the capital does not appear to favor the compromise, and one small street demonstration occurred in Saigon for the first time last weekend. On 31 March, some 3,000-4,000 persons attended another antigovernment meeting, and further demonstrations inspired by militant Buddhists in the capital remain a distinct possibility.

However, the center of agitation continues to be in I Corps, inspired by the militant Buddhist followers of Tri Quang and abetted by the disgruntled supporters of former corps commander General Thi. Speeches and radiobroadcasts in Hue and Da Nang during the week rejected the government's compromise offer. Moreover, increasingly strong criticisms of the US political position in Vietnam became evident. Student agitators seized on incidents involving US personnel in Hue and Da Nang on 26 and 30 March, increasing tensions in the area. Although Tri Quang apparently has sufficient influence to halt the protest activities should he so decide, there are no signs that the agitation will soon abate.

The problem of restoring governmental authority in I Corps will continue even if national religious and political figures agree to the government's plan for civilian control. Thus far,

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the government has not engaged in a test of strength there, but Premier Ky has publicly stated that strong measures will soon be used if the agitation continues.

### Military Developments in South Vietnam

A record number of allied operations last week inflicted heavy losses upon the Viet Cong. The VC in turn maintained a high level of military initiative.

During the week ending 26 March, enemy casualties totaled 2,237 killed or captured, the second most costly week of the war for the Viet Cong. Several highly successful allied operations contributed to this total. South Vietnamese troops operating in the delta provinces of Kien Tuong, Vinh Binh, and Ba Xuyen reported some 600 Viet Cong killed or captured. Korean marines operating in Binh Dinh Province inflicted nearly 400 casualties on the enemy. In adjacent Quang Ngai Province, US marines killed more than 600 Viet Cong during the week. In addition South Vietnamese and US forces also initiated successful engagements in Darlac and Phu Yen provinces, respectively.

Later this week, US and South Vietnamese forces engaged heavy Viet Cong concentrations in Quang Ngai and Quang Tri provinces. On 30 March, elements of the US 1st Cavalry Division conducting Operation LINCOLN in Pleiku Province encountered strong enemy opposition south of Chu Pong Mountain, the scene of a major battle with North Vietnamese troops last November.

Enemy activity this week was highlighted by a night attack on

a South Vietnamese armored compound near the capital of Binh Duong Province. A Viet Cong force wearing government uniforms managed to infiltrate the compound, and killed or wounded some 90 government troops and captured an M-41 tank while losing about 70 killed. A US force searching the area the following day sustained casualties of five killed and 15 wounded during a clash with an enemy unit. Viet Cong losses were unknown, and at the end of the week, the tank still remained in enemy hands.

Despite recent heavy enemy losses, there are indications of enemy build-ups and expected offensives in Quang Ngai Province and in long-dormant Viet Cong Military Region VI. Other reports suggest that enemy forces which have been inactive in the central highland provinces of Pleiku and Kontum for the past several months are now preparing for offensives against Special Forces camps in the area.

### Peking-Hanoi Relations

Vietnamese attendance at the Soviet 23rd Party Congress in the face of the Chinese boycott apparently does not foreshadow any major change in Sino-Vietnamese relations. Both Hanoi and Peking have been making an obvious effort in the past few days to demonstrate that their ties remain on a close, friendly basis.

Peking may take some consolation from the fact that hard-liner Le Duan heads the Vietnamese delegation. He stopped in Peking for three days en route to Moscow, and although the Chinese were unquestionably angered by this most recent display of Vietnamese independence,

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they treated him very courteously. In his address to the congress, Le Duan took a tough line on continuing the Vietnam war, asserting that the Vietnamese could eventually win regardless of the extent or nature of the American military effort. The Chinese have encouraged Hanoi in this view, while Moscow reportedly has cautioned the Vietnamese about the formidable obstacles involved in overcoming the growing US military power. Less palatable to Peking was a letter of greeting from the Hanoi party central committee to the congress which stressed the need for unified action in the Vietnam war. Although the Vietnamese have long stressed this point, they have generally downplayed it in recent months following Peking's public assertions that there is no possibility of joint Sino-Soviet action on Vietnam. Other aspects of Soviet policy also came in for indirect praise by Le Duan, but on balance it does not appear that his address marked any basic change from Hanoi's middle-of-the-road position between Peking and Moscow.

Other evidences of the continuing Vietnamese-Chinese cooperation on the war in Vietnam can be seen in the arrival in Hanoi of Peking's minister of communications with his associates on 28 March. This high-level technical group follows closely on the heels of a Chinese railway delegation which spent about a month in the DRV apparently working out arrangements for improving transportation services between China and North Vietnam.

A Liberation Front delegation is also attending the Soviet Party Congress. Their attendance, in the face of Chinese opposition, once again demonstrates the close control which Hanoi exercises over

the Front. The Front delegates have never before formally attended a major Communist event such as a foreign party congress.

Hanoi Charges US With  
"War Crimes"

The Vietnamese Communists appear to be expanding their propaganda attacks on "US war crimes" in Vietnam. Hanoi published a formal White Paper on 24 March replete with "documentary evidence" of the civilian devastation created by the US bombing of North Vietnam. It includes pictures, testimonials, and detailed chronologies of place names and dates, all designed to prove that the US has concentrated its attacks on civilian targets.

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The campaign against US war crimes has been building up for about a month during which Hanoi has increased the number of its complaints to the ICC of US "atrocities" against the Vietnamese civilian population and has published a series of Nhan Dan editorials on the same subject. In the South, the Front has stepped up its charges against the alleged US use of antipersonnel gas and defoliant chemicals. Liberation Front President Nguyen Huu Tho has spoken out on this subject recently, and on 20 March, the Front announced the establishment of a special "Committee to Denounce US War Crimes in South Vietnam." This committee is charged with "investigating evidence" and producing documents for distribution "at home and abroad." Both Moscow and Peking have added the weight of their propaganda agencies to provide wider dissemination of this theme.

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GENEVA DISARMAMENT TALKS

The oft-repeated Soviet contention that the possibility of West German participation in a NATO nuclear force rules out successful negotiation of a nonproliferation treaty, as dramatized by the Soviet rejection of the revised US draft treaty, has also been advanced by some of the Western members of the Eighteen Nation Disarmament Committee (ENDC) in Geneva.

Both the UK and Canadian delegates, in a recent meeting of the four Western members, vigorously accused Bonn of using the problem of nuclear sharing to delay such a treaty. The UK delegate said that it is in NATO's interest to produce a plan for nuclear sharing which is compatible with nonproliferation whether Bonn likes it or not. The Italian delegate concurred with the view that Bonn is holding up the treaty and commented that if West Germany gets a role in nuclear sharing, Rome wants one too.

To counter anti-German propaganda, which has come chiefly from the Soviet Union and East Europe, West Germany has recently circulated a note stating its position on disarmament. The note would allow for a NATO nuclear force by specifying that any nonproliferation treaty should preclude assignment of nuclear weapons only to the national control of a nonnuclear state. It also suggests a nonaggression pact with the Soviet Union and East Europe.

Most Western delegations believe the note puts the Germans

in a better light on certain disarmament issues, but some are disturbed that the disarmament recommendations are not tied in with the substance of the present Geneva talks. At Geneva the note will probably bring about renewed discussion on some sort of plan similar to Gomulka's proposal for the denuclearization of Central Europe. There will also be a call for nonaggression pact discussions. The Soviets will probably use the note as the basis for an attack on West Germany and on Western nonproliferation policy.

In the ENDC, article-by-article discussion of Soviet and US versions of a nonproliferation treaty has yet to begin. The Soviet rejection of the revised US draft, dissension among the Western delegations on nuclear sharing, and weariness of the delegates after two months of fruitless debate hinder serious negotiations now.

The Soviets have indicated that they favor a recess at the end of April. Furthermore, Gromyko told Lord Chalfont in late February that the Soviets are disappointed with the ENDC proceedings and think there might be some value in private discussions between foreign ministers. The British have implied that they would like a trilateral foreign ministers' talk on disarmament outside Geneva.

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### The Communist World

#### BREZHNEV'S REPORT TO THE SOVIET PARTY CONGRESS

Brezhnev's report at the opening session of the 23rd Soviet Party Congress included a sober and measured review of the course of Soviet foreign policy during the 17 months since Khrushchev's removal. It reflected a sense of quiet progress and suggested that the Soviet leadership intends to continue along present lines, avoiding any major new initiatives.

Brezhnev indicated once again that Moscow anticipates little progress on important East-West issues so long as the US is engaged in Vietnam and that, for the time being, the USSR intends to focus its efforts on strengthening its economic and diplomatic relations with the nonaligned world--tactics which also serve to increase Peking's isolation.

In describing US-Soviet relations, Brezhnev maintained a reasonably temperate attitude. On Vietnam, there was a clear implication that Moscow hopes to preserve freedom of maneuver rather than be drawn more deeply into a situation in which it might be confronted with difficult and unforeseen choices. Brezhnev directly equated the "worsening" of US-Soviet relations with US actions in Vietnam, and stressed the USSR's desire to "develop" relations if the US "discontinues its policy of aggression."

Brezhnev's reaffirmation of support for North Vietnam was entirely orthodox if not indeed deliberately subdued. For example,

in speaking of US escalation of the Vietnam war, Brezhnev merely asserted that this would be met with "mounting support" from the Soviet Union and "other Socialist friends and brothers."

#### Sino-Soviet Relations

In his only direct reference to the Chinese, Brezhnev spoke in passing of the "unsatisfactory" state of Sino-Soviet relations. He restated Moscow's desire for Communist unity, and, for the record only, Moscow's readiness to meet at the summit with the Chinese leaders to discuss the differences between them. In other passages however, Brezhnev, by firmly upholding Soviet positions which the Chinese have consistently rejected, notified Peking that Moscow is not prepared to give ground. His attitude reflected confidence stemming from the increasing isolation of the Chinese.

In turning to European security, the German problem, and the disarmament question, Brezhnev repeated Soviet positions routinely. Again the Soviet leader seemed to indicate that the USSR intends to mark time on these central East-West problems so long as policy within the Western alliance is in flux.

Brezhnev's account of Soviet relations with the nonaligned world, and particularly with the nations on the Soviet periphery, strongly suggests that the USSR intends to

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continue to improve and consolidate ties with these countries. Brezhnev's assessment of the present Soviet position in these areas was cast in fairly realistic and carefully graduated terms. For example, he spoke of the "traditional friendship" with India which has grown stronger still, distinguishing this from a "certain improvement" in relations with Pakistan.

### Domestic Problems

Brezhnev made clear that the present leaders are intent on reasserting the moral authority of the party in all walks of Soviet life. The implication is plain that, in their view, the decade which began with Khrushchev's denigration of Stalin has witnessed an erosion of this authority. Brezhnev's remedy, it seems, is to complete the process of dismantling Khrushchev's organizational schemes, to restore earlier institutions and symbols, and to require tighter party discipline and control.

Accordingly, the Bureau for the RSFSR which Khrushchev set up in 1956 to oversee party affairs in the giant Russian Republic will be abolished and its functions returned to the secretariat. The ruling party presidium will again be called the Politburo as it was under Lenin and Stalin, and the title General Secretary, used by Stalin from 1922 until 1934, is to be given the party first secretary.

The restoration of the name Politburo and the title General Secretary are described as a return to "Leninist" forms, and technically this is so. Indeed, the

party leaders may have convinced themselves that they are merely bringing back the best of old forms while rejecting the worst, but the Soviet public and particularly the intelligentsia are more likely to have Stalin in mind than Lenin. There may be apprehension that these forms could ultimately again embody some of Stalin's repression, a concern which would not be dispelled merely by the almost apologetic attempts of Brezhnev and others at the congress to represent the changes as routine adjustments.

The reinstatement of the All-Union Party Conference, proposed by Brezhnev, may make it easier to "adjust" the make-up of the Central Committee in the four-year interval between congresses and thus strengthen the hand of the ruling group. The discontinuance of the all-union conferences and the change in name from Politburo to Presidium were both introduced by Khrushchev at the 19th Party Congress in 1952.

Another of Khrushchev's innovations, the provisions in party rules requiring a fixed percentage of turnover in membership of leading party bodies, is to be abolished. These provisions have been under fire for over a year on the grounds that they forced replacement of experienced officials.

### Culture and Economy

In his first major statement on cultural policy, Brezhnev took a predictably doctrinaire line, calling for "party-mindedness" and a "class approach," although he made an effort to balance this by rejecting "arbitrary" interference.

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The economic section of Brezhnev's report was largely a recapitulation of the draft of the 1966-70 plan published last month. Brezhnev did note for the first time, however, that during this period the minimum wage will be raised significantly--from 40 to 60 rubles per month--and that a guaranteed monthly wage for collective farmers will be "gradually" introduced to bring their pay up to the level of state farm workers.

Brezhnev's outline of the basic guidelines for economic development during 1966-70 emphasizes that heavy industry will retain its priority position, but consumer goods and services will be developed at faster rates than before. He also emphasized that overcoming the backwardness of Soviet agriculture will be a major objective during the coming five years, and that strengthening the defense capacity of the USSR will be accomplished "in every way." [REDACTED]

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### **SOVIETS EASING TRAVEL RESTRICTIONS ON US ATTACHES**

The Soviet Government is now allowing US military attachés to make trips to areas of the USSR heretofore described usually as temporarily restricted. This development is another manifestation of the apparent Soviet desire to engage in a freer exchange with the US in some military matters. The Soviet military has been cooperating recently in military publications procurement and has also expressed interest in the exchange of films, attaché visits, and maneuver observers.

Since the first of the year, US military attachés have been allowed to take ten trips to destinations usually refused "for reasons of a temporary nature." Two of these were rail trips which had been restricted for several years. The US Defense Attaché Office in Moscow comments that the Soviets may be watching the travel of their attachés in the US and may be reciprocally relaxing US attaché travel within their own security limitations.

US attachés also have been told that after the Ministry of Defense foreign liaison office (OVS)

approves a trip, it will no longer be necessary to arrange transportation and accommodations through the official diplomatic aid directorate. This statement, by an OVS official, was linked to a complaint that Soviet military attachés in the US were told what hotels to use and how to travel.

The improvement in relations between US and Soviet military representatives over the past several months has been accompanied by an effort on the part of the Soviet officers to convey an impression of a change in their views on US policy in Vietnam and on the Chinese Communists. High-ranking Soviet military officials have expressed a relatively pacific attitude toward the US and other non-bloc countries. They have gone out of their way to disassociate the USSR from Chinese aggressiveness and to de-emphasize the Soviet defensive commitment to China. Moscow appears to be using this private avenue as a convenient means of maintaining comparatively cordial contact with the US despite the general deterioration in Soviet-US relations as a result of Vietnam.

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### CROP PROSPECTS IN COMMUNIST COUNTRIES

Early March prospects for winter crops in the Communist countries are fair in the USSR and Eastern Europe and poor in Communist China and North Vietnam.

In the USSR, the area planted to winter grains is about one tenth less than planned, and winter wheat is down by some 15 to 20 percent. In the principal agricultural regions, including the New Lands, soil moisture reserves are normal or better. The early spring and ample precipitation in the southern regions are favoring the development of winter crops while permitting spring planting earlier than usual. However, irrigated crops, particularly cotton, in Central Asia could be adversely affected by a water shortage.

In Eastern Europe the yield prospects for the winter grain crops are less favorable than a year ago in all countries except Czechoslovakia. The present condition of these crops ranges from average in the northern countries to below normal in the Balkans. A plus sign at present is the early start of field work which should contribute to more timely planting of spring crops this year compared with last.

The prospects are unfavorable for Communist China's winter grains, which account for about 20 percent of the country's total grain harvest. The winter wheat crop in particular probably will be no better than the very poor harvest of last year. The status of other winter grains is better, but the

acreage planted to these crops appears to be less than in 1965 in many areas.

A poor winter wheat crop this year will further aggravate China's grain supply situation, particularly in the north where wheat is the main staple of the diet. China has already purchased 1.5 million tons of wheat from Canada for July-December delivery, and talks are scheduled with Argentina, Australia and France in the near future. As both Argentina and Australia have little grain available for export, however, China probably will have to rely more on Canada and such higher cost secondary suppliers as France and Mexico.

Prospects for North Vietnam's early rice crop--usually about one third of the annual crop harvest--are poor and the sown acreage is probably below normal. Similar prospects are held out for tubers, corn, and other rice substitutes now in the field, which account for about 80 percent of the annual production of such crops. Favorable weather this spring and summer could partially compensate for this situation, which is presumably the result of poor weather and bad agricultural management.

In Cuba, sugar production this year will total an estimated 5 to 5.5 million tons. This compares to last year's harvest of 6 million tons and the plan for 1966 of 6.5 million tons. The anticipated lower output is the result of a reduced use of fertilizer and an extremely severe drought during the growing season.

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### **EASTERN EUROPEAN MILITARY BUDGETS INCREASE**

The published 1966 military budgets of all East European Communist countries except Hungary and Albania reveal planned increases over 1965 appropriations. Yugoslavia has scheduled the largest increase--33 percent--and East Germany may have scheduled an increase of as much as 18 percent. The other countries have admitted increases of between five and ten percent. Hungary for the second straight year has reduced its military budget, this time by almost ten percent, and Albania has announced planned reductions.

There has been considerable variation in the pattern of admitted military appropriations during the 1960-65 period. During 1960-63, these appropriations generally showed annual increases. Those of 1964 were generally lower, but there was no consistent pattern in 1965. Annual changes in military expenditures probably reflect military purchases made during the preceding year, rather than plans for the budgeted year. One of the major reasons for larger expenditures is increased purchasing of missiles, supersonic aircraft, and armored equipment from the Soviet Union, indicative of the policy of placing greater reliance on the military capabilities of the individual Warsaw Pact member countries. Such purchases are usually made on credit and so probably do not show up until after the purchases have been made.

According to the Yugoslav Government, the increase for 1966 is required as a necessary adjustment to price increases resulting from the new economic reforms, and not to pay for any new undertakings. The percentage of defense to total expenditures is much larger in Yugoslavia than in the other countries because the federal budget actually accounts for little more than half of total government expenditures, and does not include most investment expenditures.

The considerable inflation suffered by Rumania, as well as the recent armed forces pay raise, have probably reduced over-all operational funds for the military. Rumania may also have reduced its forces during 1965.

The Hungarian reduction probably reflects in part the recent reorganization of the army and a possible cutback in the size of the ground forces. The Hungarian regime claims that modernization of existing equipment and increases in defense capacity will proceed despite the budget reduction. The reason for the Albanian reduction is not clear at this time.

It is believed that these figures understate the level of real spending--especially in East Germany--because some military expenditures are included elsewhere in the budget and subsidies on some items purchased

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**EASTERN EUROPE: BUDGETED MILITARY EXPENDITURES**

COUNTRY (and currency)	1965 PLANNED (in millions)	1966 PLANNED (in millions)	1966 PERCENTAGE CHANGE FROM 1965	MILITARY EXPENDITURE as PERCENTAGE of TOTAL BUDGET	
				1965	1966
ALBANIA (Leks)	288	272	-5.6	8.6	7.7
BULGARIA (Leva)	230	252	+9.6	7.4	6.5
CZECHOSLOVAKIA (Crowns)	10,206	10,831	+6.1	8.8	7.1
EAST GERMANY (DM)	2,800	less than 3,300	+17.9	4.6	less than 5.0
HUNGARY (Forints)	5,757	5,219	-9.3	5.9	5.5
POLAND (Zlotys)	23,459	25,276	+7.7	8.1	9.0
RUMANIA (Lei)	4,540	4,790	+5.5	4.6	4.5
YUGOSLAVIA (Dinars)	381,750	506,740	+32.7	46.7	58.4

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by the military are not included in the military budgets. The inclusion of internal security expenditures in the military budgets of some countries, however, offsets this to some extent.

Despite the limitations involved in using official budget expenditure figures to indicate total military spending, they probably indicate general national trends in the levels of such expenditures.

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### ALBANIAN REGIME RESHUFFLES GOVERNMENT

The Albanian Government has undergone its most extensive reorganization since 1954. By combining several ministries, abolishing others, and instituting a wholesale reassignment of responsibilities, Communist Party chief Enver Hoxha apparently has strengthened his own and the party's hold over the government's administrative apparatus, as well as attempted to reduce the excessive bureaucracy.

The changes probably are an aftermath of recent factional disputes among the hierarchy--some members of which apparently attribute the country's poor economic progress to Albania's relative isolation from the world.

These moves were also undoubtedly intended to help overcome the country's economic ills which largely result from Communist China's apparent inability to fill the gap created by the Soviet Union's suspension of relations with Albania in 1961.

The regime may have determined, moreover, that it must increasingly rely on its own efforts to fill this gap completely. Apparently reflecting the belief that Communist China will not be forthcoming with increased aid, the press has more and more referred to the need for Albania to build the economy through its "own efforts." Albania can be expected to continue its attempts to improve economic ties with selected Eastern and Western countries.

The governmental changes, announced on 17 March, included abo-

lition of the position of first deputy premier and a reduction of functional ministries from 17 to 12. The once-powerful State Control Commission was abolished and a newly created State Inspectorate was assigned a reduced number of the Control Commission's former responsibilities.

The changes do not appear to forecast an immediate downgrading of any of the top leaders, or a marked change in Albania's domestic or foreign policies. Premier Shehu has retained his position and apparently remains the number two man in the regime, although he appears to be the target of considerable criticism recently aimed at the government's administrative apparatus. Although stripped of the title of first deputy premier, Beqir Balluku, who reportedly has opposed Hoxha's policies of close association with Communist China at the expense of the country's relations with the Soviet Union and the rest of the world, remains a deputy premier and minister of defense. His authority may have been curtailed, however, by the party's decision at a 4 March plenum to abolish the rank system in the armed forces and the secret police and to reintroduce in the armed services a system of political commissars at the lowest levels.

Other significant changes included the release of several important leaders from their governmental responsibilities so they could devote full time to party work.

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**SECRET****ALBANIAN COUNCIL OF MINISTERS (Cabinet)**

17 MARCH 1966

MINISTRY or COMMITTEE	NEW CABINET	PREVIOUS INCUMBENT
Chairman (Premier)	Mehmet Shehu	
X First Deputy Chairmen		X Manush Myftiu Begir Balluku Spiro Kollaka
Deputy Chairmen	Begir Balluku Adil Carcani Haki Toska	X Abdyl Kellezi Koco Theodhosi
Agriculture	Piro Dodbiba	
X Communal Economy		X Pjeter Kosta
Communications	• Mike Qirko	X Tonin Jakova
Construction	Shinasi Dragoti	
X Culture and Art		X Fadil Pacrami
Education & Culture	Thoma Deljana	
Finance	Aleks Verli	
Foreign Affairs	• Nesti Nase	X Behar Shtylla
X Foreign Trade		X Vasil Kafi
Trade	Kico Ngjela	
X Forestry and Waters		X Peti Shamblli
Industry and Mines	Koco Theodhosi	X Xhafer Spahiu
X Mining and Geology		X Zenel Hamiti
Interior	Kadri Hasbiu	
Justice	Bilbil Klosi	
National Defense	Begir Balluku	
Public Health	Ciril Pistoli	
State Planning Committee	Spiro Koleka	Koco Theodhosi
State Inspectorate	• Unnamed	
X State Control Committee		Shefget Peci
Minister Without Portfolio	Shefget Peci	

X Abolished or combined with other ministries

• New cabinet minister

X Dropped from cabinet

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### CHINESE EARTHQUAKES CAUSE EXTENSIVE LOSSES

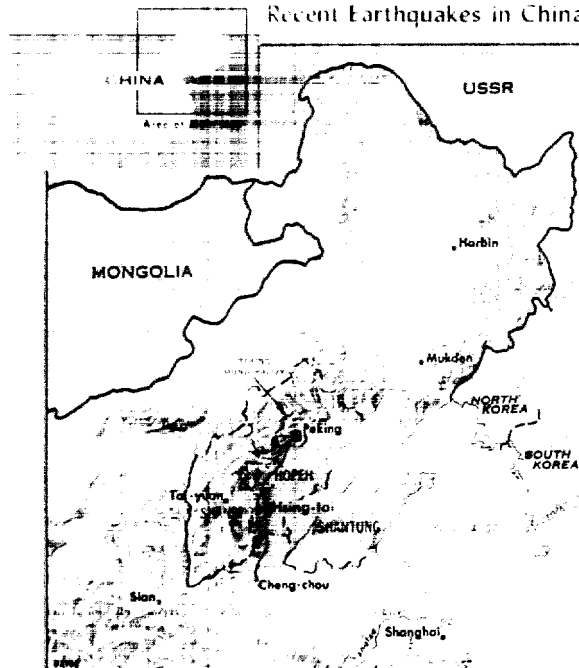
Earthquakes which rocked an area of northern China on 8, 20, and 22 March apparently have caused extensive loss of life and damage to property and livestock. Chinese news media have acknowledged the severity of the disaster but have provided no specific information on the losses incurred. The center of the affected area is in the vicinity of Hsingtai--a town some 200 miles southwest of Peking on the Peking-Canton railroad.

The first two quakes had a force at epicenter of about six on the Richter scale of nine-- and the 22 March quake measured about seven. No casualty figures have been announced, but they probably run into tens of thousands.

all available means of transportation were being used to move the injured to hospitals in Peking.

Cadres and army units have been mobilized to provide food, shelter, medical supplies, and building materials and to assist in repairs. Probably many structures which survived the 8 March shock collapsed in the stronger 22 March tremors. The main

Recent Earthquakes in China



north-south railroad was probably damaged. This could temporarily disrupt the movement of supplies from the USSR and North China to Vietnam, necessitating the use of other, longer rail routes.

Although details probably will never be revealed, the frequency and intensity of the tremors suggest that losses of life and property have been devastating.

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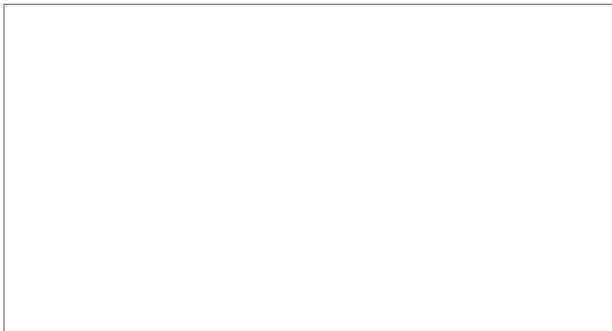
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Asia-Africa

CHINESE VISITORS ENTHUSIASTICALLY WELCOMED IN PAKISTAN

Phase one of Liu Shao-chi's state visit to Pakistan has ended with a carefully worded communiqué which affirmed Sino-Pakistani friendship and promised mutual support on several key issues but did not include attacks against the US. Peking's disappointment over Pakistan's caution has probably been counterbalanced to some extent by the enthusiastic public reception given to the Chinese chief of state.

The visit, in return for one by President Ayub to China in March 1965, is in two phases. The first began on 26 March when Liu and Chinese Foreign Minister Chen Yi arrived in the West Pakistani city of Rawalpindi, continued in Lahore and Karachi, and ended on 31 March with a departure for Peking. Liu is scheduled to complete the second phase of his visit to Pakistan with a two-day stay in Dacca, capital of East Pakistan, beginning on 15 April. This rather awkward arrangement eliminates the need to fly over Indian territory.



Pakistani leaders have also denied that the developing Sino-

Pakistani friendship is causing basic changes in Pakistan's foreign policy. Foreign Minister Bhutto, regarded as a leading advocate of improved relations with Peking, told reporters on 29 March that the Chinese visit signified no change in Pakistan's orientation, particularly its friendship and alliance with the United States.

Before the visit began, Ayub assured the US ambassador that he would not permit the visit to be used by his guests to embarrass Washington. In toasts at the official banquets Ayub has expressed his country's gratitude for Chinese assistance during and after the war with India. He has avoided any reference to Vietnam despite Chinese efforts to equate Indian and US "aggression."

The Pakistani Government by its previous actions, however, had assured the Chinese of a warm public reception. The inclusion of Chinese-supplied military equipment in the Pakistan Day parade on 23 March and publicity in the government-controlled press regarding a Chinese trade exhibit in Karachi helped stimulate a favorable attitude.

These efforts may have been unnecessary, however, as there appears to exist a strong pro-Chinese feeling throughout West Pakistan, largely as a result of earlier publicity given to actual or rumored Chinese assistance during and following the

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hostilities with India. When the visitors arrived in Lahore on 29 March, they received a tumultuous welcome, with many of the placards carrying anti-American slogans. US officials in the city report that among the people in that area the story has persisted that somehow the US was connected with the Indian action of last fall.

Public statements by Liu and Chen were relatively restrained--probably in deference to Pakistani sensibilities. The Chinese leaders made only brief and relatively moderate references to Vietnam in their speeches. They concentrated instead on efforts to demonstrate

that Peking was not diplomatically isolated and played up themes calculated to bring a warm public response.

The communiqué reflected this approach. It repeated Peking's support for Pakistan on the Kashmir issue and promised that the Chinese would "unswervingly stand at the side of the Pakistan people" in their struggle to maintain independence and oppose "aggression." In return the Chinese received a renewed pledge of Pakistani support on the UN admissions question and on the "two Chinas issue."

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#### INDIA ATTEMPTING TO IMPROVE NUCLEAR WEAPONS CAPABILITY

India is still concentrating on the development of atomic energy for peaceful uses but is also taking steps to ensure the availability of fissionable material should a weapons development program become necessary.

would be the second nuclear power facility at Rajasthan. Reactors supplied by Canada for the first Rajasthan power plant, and by the US for a power plant now under construction in Tarapur, are subject to reliable safeguards.

Of India's three research reactors, only the one at Trombay is capable of producing plutonium for nuclear weapons. From the Trombay reactor, provided by Canada without adequate safeguards, India has accumulated enough plutonium to fabricate at least one nuclear device. It is estimated that India could hold a test within a year after a decision to embark on a weapons program.

In the event of such a course of developments, India would also need to develop a delivery capability. India might be able to purchase Soviet bombers suitable for a strategic role.

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The power plant now under consideration by India and Canada

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REVISED INDONESIAN CABINET ANNOUNCED

The revised Indonesian cabinet announced on 27 March is a compromise which pleases no one, but army chief Suharto and his civilian colleagues believe it will temporarily serve their purposes.

In a radio address immediately after the announcement of the new lineup, General Suharto stated that the cabinet's composition is the "first and maximal stage that we can reach under present conditions." He asked that the people give the cabinet an opportunity to work.

A compromise was required by President Sukarno's continued obstruction and by the reluctance of General Suharto and others to move directly against him. Sukarno remains president and prime minister, and the new cabinet presidium includes six vice prime ministers rather than three as the formateurs had planned.

Three major figures--the Sultan of Jogjakarta, General Suharto, and Adam Malik--are the fourth, fifth, and sixth vice prime ministers, respectively. They are preceded in rank by three relatively ineffective and opportunistic political party leaders--Johannes Leimena, Idham Chalid, and Ruslan Abdulgani. These positions apparently are a concession chiefly to Sukarno and partially to the Nahdatul Ulama, the large Moslem party.

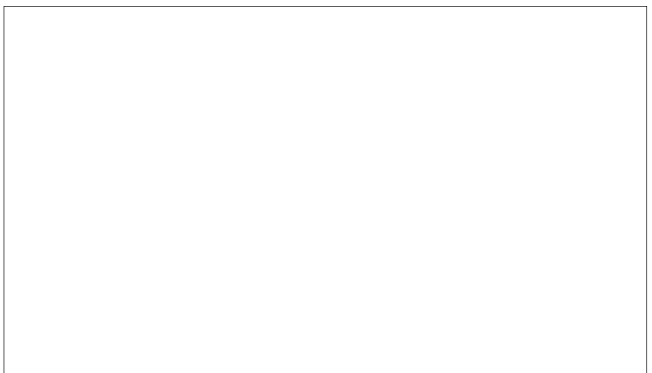
Under the presidium is a hodgepodge of ministries and

departments and a group of deputy ministers without portfolio whose duties have not been announced. Cabinet posts, including that of Sukarno, again total an even 100.

The military is strongly represented, holding 13 of 24 ministerial portfolios and 19 of 38 departments. Thirty-five ministers of the former cabinet, including the 15 who were ordered arrested, have been dropped. Although opportunists remain, there are no known pro-Communists in the lineup, and relatively few ministers report directly to Sukarno.

Key ministries and departments are grouped around Suharto, Malik, and the Sultan, and indications are that whenever practicable these three will act directly and will bypass the cumbersome cabinet mechanism.

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Student and political groups have strongly criticized the cabinet revisions as inadequate. Suharto and his colleagues hope to prevent student demonstrations for the time being.

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### SOVIET RELATIONS WITH MIDDLE EASTERN NATIONS IMPROVING

The Soviet Union has recently taken steps to improve and consolidate relations with several Middle Eastern states. Several exchanges of delegations have been arranged and a spate of new agreements can be expected in the next few months.

Soviet-Iraqi relations have been cool for the past year, with Iraq's Kurdish policy the main point of contention. However, the USSR has been fulfilling its economic and military aid commitments to Iraq by continuing to work, somewhat languidly, on a variety of aid projects. It recently wound up its 1964 military aid pact by delivering 20 advanced jet fighters. After considerable delay, the USSR last week indicated that it would receive a new arms mission led by the brother of the Iraqi president, and that First Deputy Premier Kosygin had invited Abd al-Rahman al-Bazzaz, the prime minister, to visit Moscow. It seems likely that new economic and military arrangements will be concluded and that the USSR may be more responsive to some of the important aid projects, particularly water conservation, which Iraq is eager to start.

The Soviet Union is again focusing some attention on Syria. Probably encouraged by the composition of the new Syrian Gov-

ernment which it has complimented for containing "progressive" elements, the USSR apparently is hinting at resumption of aid for the major Euphrates Dam project, originally surveyed by the USSR nearly ten years ago.

Soviet softening toward Syria probably has been in the works for a few months. Although Syrian military delegations visiting Moscow in 1964 and 1965 seemed to receive little satisfaction, two shipments of arms, the first noted in over a year, took place in January and February.

The USSR has also recently completed its first successful economic bid in Jordan and will supply some of the construction material for the Mukheibeh Dam. Moscow has followed Jordan's economic development closely for the past year and is offering other types of assistance as well.

In addition to these ventures, the USSR recently agreed to take part in the Egyptian oil exploration program, and to help Yemen set up a new airline. The USSR is also increasing its technical assistance personnel in Yemen to pursue development projects more vigorously.

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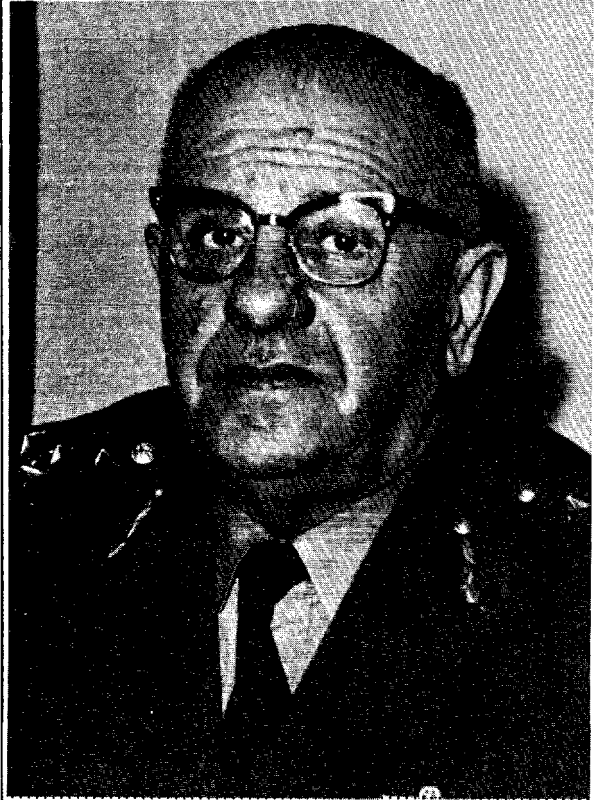
**GENERAL SUNAY ELECTED PRESIDENT OF TURKEY**

General Cevdet Sunay, former chief of the Turkish General Staff, was elected the fifth President of Turkey on 28 March, replacing 71-year-old Cemal Gursel, who was declared physically "unable to continue his presidential duties." The 66-year-old Sunay's election by the Grand National Assembly--the National Assembly and the Senate combined--was virtually unopposed and should help to restore confidence and stability both within the government and throughout the country.

Sunay's replacement as chief of the General Staff by General Cemal Tural has met with general approval among the military and should end the incipient struggle for power in the top echelons of the armed forces.

Sunay, who is pro-US and pro-NATO, is basically committed to democratic processes. He was not a member of the inner military circle responsible for the coup in 1960, although he later was in the Military Council which ran the country during the early postcoup period. As chief of the Turkish General Staff, he has exercised a strong influence in civilian government, while accepting the civilian leadership of the prime minister. In contrast to his predecessor Sunay has traveled extensively in Western Europe and the Middle East.

The president of Turkey has only limited veto power, but he usually has great personal influ-



**GEN. CEVDET SUNAY**

ence as the arbiter between political factions and between the civil government and military high command, which remains the ultimate source of power in Turkey. Sunay will probably have a restraining influence on the extremist wing of Prime Minister Demirel's ruling Justice Party and on impatient military elements. However, a palace coup by the military will remain a possibility as long as the Demirel regime fails to demonstrate an ability to solve Turkey's pressing economic and social problems.

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DURABILITY OF NEW ITALIAN GOVERNMENT UNCERTAIN

Some Italian Government leaders, including President Saragat, are predicting that Christian Democratic (CD) Premier Moro's third center-left coalition--in which all CD factions are represented--will endure until the 1968 national elections. Nevertheless, the new government continues to be threatened by the power struggles and factional differences within the CD which precipitated the recent crisis, and by the fact that strong CD elements continue to be lukewarm or opposed to the center-left legislative program.

Underlying the difficulties within the CD is the fundamental schism between the party's so-called "integralists" and "Catholic Democrats." The integralists, led by Vice Secretary Piccoli and Foreign Minister Fanfani, aim to assure that real political power in Italy remains with the CD, and they oppose the anticipated reunification of their two major coalition partners--the Socialists (PSI) and the Social Democrats (PSDI).

The Catholic Democrats, as represented by Moro, the CD left wing, and some of the party's largest faction--the Dorotei--are prepared to share power with the lay democratic forces and

favor a PSI-PSDI merger.

These strains within the CD have intensified as the PSI and PSDI have made progress toward the reunification which is anticipated for this fall.

Close PSI-PSDI cooperation during the government crisis and impolitic statements by leading members of both parties on the prospect of the reunified party's providing an alternative to CD dominance have added to CD fears.

There may be some clearer indications of the extent of the opposition to Moro when the CD council meets in April. Meanwhile, almost any issue in the coalition's program could still be used by parliamentary CD snipers to bring down the government if they thought their broader political objectives would be served.

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NATO IDENTIFIES PROBLEMS IN FRENCH CONFRONTATION

The meeting of the 14 allies on 29 March identified the priority problems which must be dealt with under consultative arrangements recently defined. The problems include (a) possible reorganization and streamlining of the various NATO components; (b) the consequences of French withdrawal from the infrastructure in general and the air defense ground environment plan in particular; (c) relocation of SHAPE, AFCENT, and perhaps other facilities such as the NATO Defense College; (d) the financial implications of the French moves and the share of any costs to be assigned to the French and (e) the military consequences of the withdrawal of French forces from NATO command.

These military consequences are assessed by SACEUR in a letter to the secretary general of NATO which assumes that French territory and airspace will be denied to NATO in both peace and war. The letter holds that this denial would in effect create two theaters of operations divided by both geographic and political barriers. It is believed that Austria and Switzerland would not compromise their neutrality by allowing military overflights.

SACEUR believes the French action will increase the emphasis on forward defense capabilities, decrease the capability of reinforcing central Europe and the flanks in time of tension or aggression, increase the requirement for adequate forces in place

in the central European area, and reduce the facilities available for peacetime training. All of these factors will make successful defense of central Europe more difficult and, SACEUR believes, require earlier use of nuclear weapons in case of hostilities.

SACEUR's evaluation appears to raise another vital question not dealt with in the meeting of 29 March. This will be the need for an early agreement on the status of allied access rights in France in both peace and war. Undoubtedly, this will be one of De Gaulle's chief bargaining points.

The 14 allies have settled on informal meetings of their North Atlantic Council representatives as the main method for coordinating their policies on the French problem. Major policy decisions will still be made in their capitals, and it was agreed that certain subjects will require prior discussion by smaller groups. German officials have been most insistent that the future status of French troops in Germany falls in this latter category.

Meanwhile, France sent a memorandum this week to its NATO partners which include a more specific timetable for proposed actions. By 1 July 1966, French officers in integrated commands and French forces committed to NATO will be withdrawn. SHAPE

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headquarters and most US forces and facilities will have to be out of France by 1 April 1967. The memorandum called for bilateral talks between France and the appropriate national authorities or SACEUR on the mechanics of withdrawal. It

also said that liaison arrangements between the French military command and SACEUR would be appropriate and that agreements covering the war-time use of French territory and facilities could be negotiated if the other allies wished. [redacted]

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Western Hemisphere

DOMINICAN POLITICAL DEVELOPMENTS

The outlook for elections on 1 June remains promising. Dominican security force commanders are contributing to the improved atmosphere by insisting that their troops remain nonpartisan. National Police Chief Morillo, for example, has transferred an entire police contingent accused of "political involvement." The attorney general is investigating allegations of political violence, apparently in response to charges that partisans of Bosch and Balaguer have engaged in intimidation.

Bosch remains noncommittal about his election role, and there are continuing indications that he is not eager to run. Although he has expressed optimism about the electoral chances of his Dominican Revolutionary Party (PRD), he has reiterated that the party has not yet decided to run. The decision will be made by the PRD national convention which begins on 9 April. However, party members are going

ahead with campaign preparations as if the PRD were going to run.

President Garcia Godoy reportedly fears the government would not be able to protect Bosch should he take to the hustings. The US Embassy has noted that military and civilian elements determined to prevent Bosch's return to power at any cost have a potential for considerable violence.

Rafael Bonnelly's "third force," now dubbed the National Integration Movement, is campaigning busily but has gathered little momentum. Bonnelly's intention with regard to elections remains obscure, and there is a good chance that he would throw his support to Balaguer should a Bosch victory seem imminent. Bonnelly privately has stressed that his candidacy would provide the appearance of competition for Balaguer should Bosch and the PRD boycott the race. [redacted]

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### NEW PRESIDENT NAMED IN ECUADOR POLITICAL CRISIS

The moderate, reformist military junta which had ruled since 11 July 1963 has resigned, and the armed forces high command, in consultation with political leaders, named Clemente Yerovi Indaburu provisional president. He took office on 30 March.

Yerovi, a widely respected Guayaquil businessman-economist, has been repeatedly mentioned as a possible interim president since March 1964. He has been ambassador to the European Common Market, delegate to the UN, minister of economy, and president of the National Planning Board. A political independent, he is known for his interest in development, and has recently headed an AID-supported small loan company.

The change of government culminated a student-supported commercial strike provoked by export-import interests protesting hikes in import duties. The country's desperate economic situation stems largely from adverse international trade developments rather than mismanagement by the military junta. Tariff increases were intended to ease the situation and combat a threatened loss this year of most of the country's exchange reserves.

Resignation of the junta resulted from a loss of will by its members, who only last week made an offer to yield office which was rejected by the armed forces. The military then vowed its determination to contain

opposition and to hold firm on the announced plan for an orderly transition to constitutional government this summer, focusing on elections on 3 July.

On 25 March university students at Quito seized a military truck and pilfered its cargo of aerial photographic supplies. When the school administration was unable to return all of the stolen equipment, the army occupied the university, in part using semitrained conscripts who were unnecessarily brutal. In ensuing clashes, a student and a soldier were killed, several persons injured, and wholesale arrests made. In retaliation, high school students attacked an engineer barracks on 26 March, killing a bystander.

The crisis then deepened with widespread press support for students, labor, politicians, and the commercial interests in their insistence that the dictatorial measures employed by the military junta made its continuation intolerable.

On 28 March the high command, the cabinet, and church leaders met with the junta. Cabinet resignations followed and the decision was made that the government would return power to the armed forces who would then consult with politicians and select a provisional executive. Early the next morning ambitious minister of defense General Coba failed in a power move, and General Telmo Vargas, chief of the Armed Forces

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**CLEMENTE YEROVI INDABURU**

General Staff, assumed de facto authority. That afternoon Yerovi was chosen, and the military pledged him full support.

Widespread violence continued, however, as Communist student elements attempted to exploit the situation to achieve a full-scale revolution. Taking over Radio Nacional in Quito, they made inflammatory broadcasts while striking transport drivers blocked the streets and incited violence. The security forces, unwilling to provide additional martyrs, adopted a permissive attitude, but by the evening of 29 March Vargas proclaimed a state of siege and accepted the responsibility of restoring order. During the night in some parts of the country extremists demonstrated against Yerovi and demanded far leftist Carlos Cueva in-

stead. Indecision due to command confusion among security forces in outlying areas permitted a vacuum to develop on 30 March which extremists continued to exploit. At Cuenca student-led agitators named Cueva to the provincial governorship. An extremist administration was installed at Loja. The Guayaquil provincial building was briefly taken by Communist-led students, but they were expelled by marines.

Yerovi promised a non-political cabinet, and transition to constitutional government as soon as current voter registration can be completed. Conditions suggest, however, that elections cannot be held as early as originally planned. Release of all political prisoners--including dangerous subversives--could exacerbate unrest and make orderly political life even more difficult.

The new President will face the same problems, especially in the economic sphere, which plagued the junta and led to its fall. Even if the military remain united behind him, he is unlikely to have the strength to enforce necessary economic measures in the face of the success of vested interests against measures decreed by the junta. Furthermore, politicians will redouble their efforts to gain advantage for the future and, if denied, will certainly try to topple the new regime.

Acute instability, exacerbated by subversives, therefore is likely to characterize the foreseeable future.

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### **UNREST, ANTI-GOVERNMENT CRITICISM INCREASE IN BRAZIL**

President Castello Branco's efforts to instill stability and order into Brazil's political structure are being weakened by a new wave of public unrest and political sniping from both left and right. Continuing inflationary pressures combined with the disquiet of an election year tend to magnify the difficulties facing the government.

Castello Branco hopes that the recent reorganization of the political system will help dissipate long-standing personal antagonisms while encouraging new party loyalties. Brazil now officially has a two-party system after federal approval last week of the pro-administration National Renewal Alliance (ARENA) and the opposition Brazilian Democratic Movement (MDB); no other group met the 15 March deadline for registration.

The party reorganization seems to have been a start toward reducing the chaos that predominated when 13 parties existed, but persistent personalism and factionalism make it unlikely that ARENA and the MDB will soon become reliable, disciplined organizations. The defeats suffered by ARENA candidates in recent elections of officers in the state legislatures of Guanabara, Sao Paulo, and Pernambuco emphasize the regime's weak position in those key states.

Growing unrest among university students over the administration's educational and other poli-

cies is adding to the government's problems. Antiregime demonstrations, involving as many as 3-4,000 students, have occurred during the past month in Rio de Janeiro, Sao Paulo, and other major cities. For the first time since the overthrow of President Goulart in 1964, leftist student leaders seem confident of their ability to organize mass protests.

Castello Branco also faces severe criticism from labor, whose leaders are dissatisfied with the almost total lack of effective programs for workers. An administration proposal to abolish job tenure has shocked the unions. Workers and businessmen alike are pessimistic over the economic outlook and the unrelenting inflationary trend--the cost of living rose 9.4 percent during the first two months of 1966 despite nearly two years of government-imposed austerity.

With presidential, congressional, and important gubernatorial elections scheduled for the latter half of this year, rightist leaders such as Sao Paulo Governor Adhemar de Barros, who has broken with the government, and Carlos Lacerda are increasing their attacks on the regime. Castello Branco continues to exercise restraint in handling his critics, but if the present trend continues he may be encouraged to adopt harsher methods rather than risk arousing dissension among the military, who are becoming disturbed by the current unrest.

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