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WEEKLY SUMMARY

CENTRAL INTELLIGENCE AGENCY DIRECTORATE OF INTELLIGENCE

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(Information as of noon EDT, 26 May 1966)

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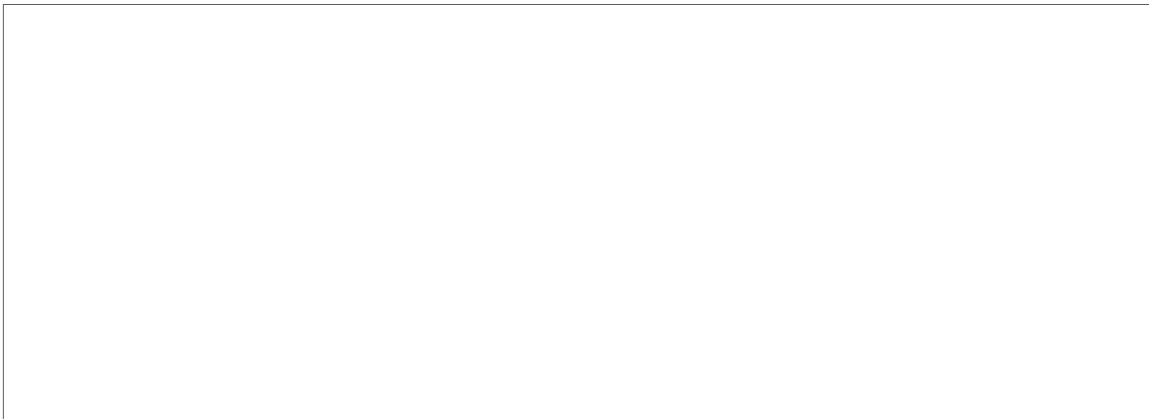
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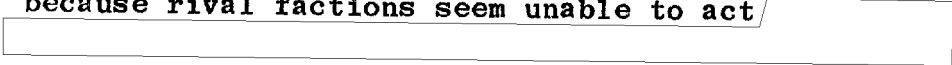
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The four-time president is testing the waters in preparation for a possible drive to replace interim President Yerovi--whether by legal means or not remains uncertain.

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Far East

VIETNAM

Buddhist and "struggle force" leaders in Hue and Saigon are continuing their opposition to the Ky government, despite the collapse of rebel armed resistance in Da Nang.

After government action was temporarily stalled by confusion among government commanders in Da Nang, Saigon troops on 19 May began moving in on sectors held by "struggle" forces. Street fighting erupted, and gradually became more severe during the next several days as government tanks and aircraft were utilized. Armed resistance in the city finally collapsed on 23 May with the surrender of two main pagodas which had been serving as dissident command posts.

Although precise casualties resulting from the action at Da Nang are not known, antigovernment elements probably suffered close to 150 killed and 700 wounded during the nine days of resistance. Government forces captured former Mayor Nguyen Van Man/

Government leaders plan to maintain martial law in Da Nang until an effective administration--including a responsible police force--can be re-established.

They will also apparently attempt to induce defections among the rebellious First Division in northern I Corps before making any move on the remaining dissident stronghold of Hue. First Division commander General Nhuan, formerly

a supporter of the antigovernment movement, this week declared his loyalty to the Saigon government. Thus far, however, he has been unable or unwilling to take any positive action in the face of the strong dissident leadership in Hue, including Buddhist monk Tri Quang and former I Corps commanders Thi and Dinh.

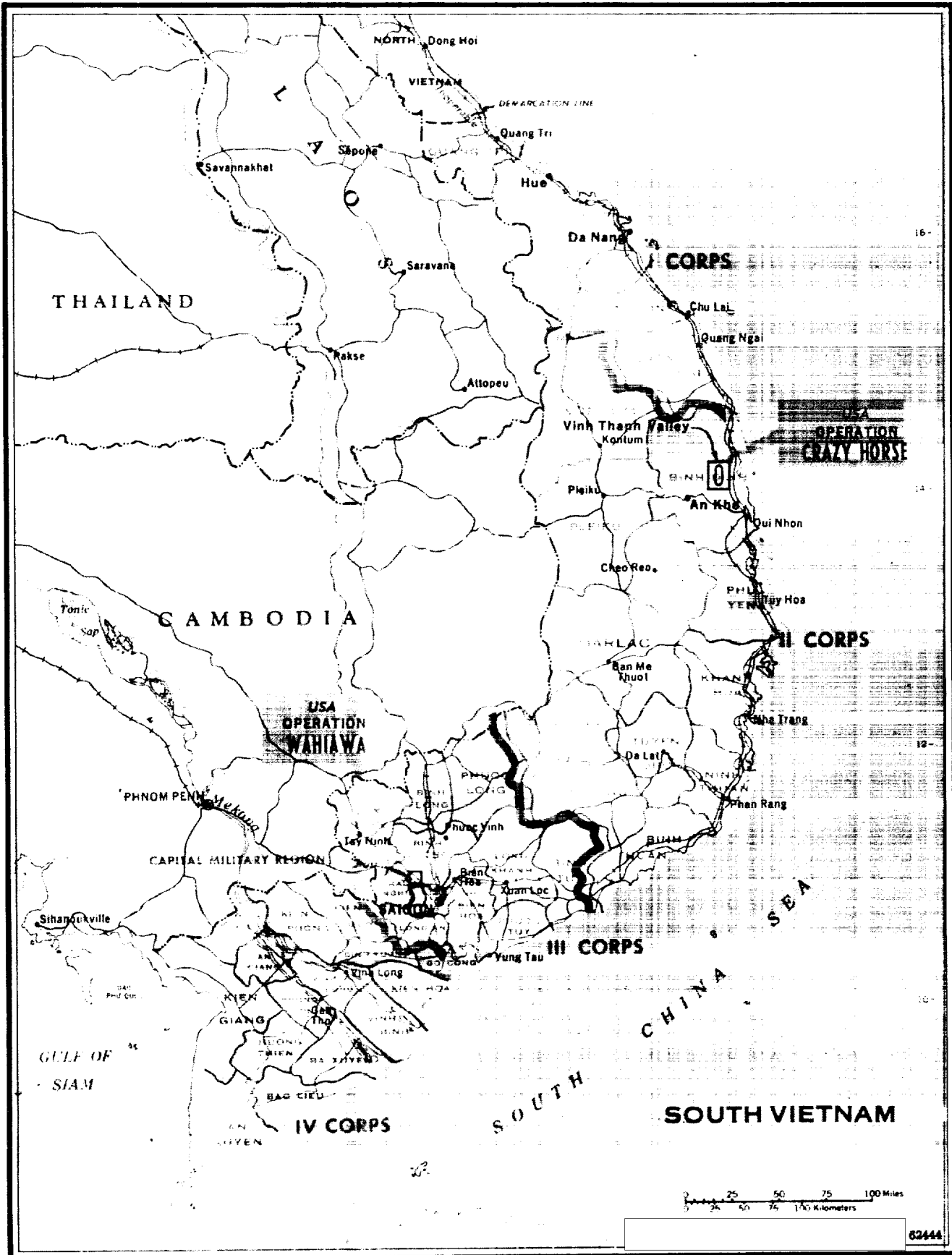
The Buddhist leadership in Hue and Saigon maintained its all-out opposition to the Ky government this week through speeches, communiqués, and demonstrations. In Hue, Tri Quang continued his efforts to enlist US support. However, as the Ky government gained momentum following the Da Nang defeat, there was increasing criticism of the US political position in the public remarks of Quang and other "struggle" leaders. This resumption of anti-Americanism, beginning with a hunger strike before the US Consulate, and culminating in the sacking and burning of the USIS library by militant students, has led the consulate to consider the evacuation of most US citizens and employees from the Hue area. 25X1

Numerous demonstrations against the government occurred in Saigon during the week, but crowd dispersal tactics and a cordon around the Buddhist Institute by government security forces have prevented any massive, Buddhist-sponsored spectacle thus far.

Communist Exploitation

Liberation Front propaganda last week concentrated on

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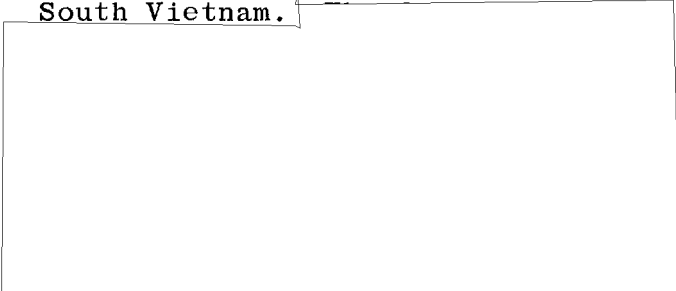


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encouraging the dissidents to focus opposition on anti-Americanism rather than on the more limited objective of trying to bring down the Saigon government.

Although the Liberation Front urged the rebels to continue the fight and promised to step up its own attacks on government troops, no meaningful Viet Cong support actions materialized in the troubled area around Da Nang and Hue. The apparent failure of the Communists so far to achieve any real success in exploiting the unrest in I Corps is probably due in part to their inability to infiltrate enough trained political cadres among the Buddhists or the military units in South Vietnam.



Military Activities

Allied and Vietnamese troops have continued their pressure on elusive Viet Cong and North Vietnamese Army units in widespread sections of South Vietnam, as the scale and intensity of military activity has returned to the relatively high levels of mid-March.

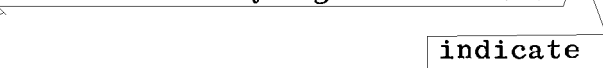
The major US action of the week--Operation CRAZY HORSE--was targeted against large-scale Communist troop concentrations threatening a Vietnamese/US Special Forces camp near the Vinh Thanh Valley, northeast of An Khe, in Binh Dinh

Province. After ten days of intermittent fighting, four battalions of the US 1st Air Cavalry Division had killed 256 Viet Cong and sustained casualties of 64 killed and 168 wounded.

Northwest of Saigon, six battalions of the US 1st Infantry Division killed 103 Viet Cong and captured vast quantities of enemy supplies and equipment as Operation WAHIAWA continued in Hau Nghia Province. Meanwhile, three successful Vietnamese Government search-and-destroy operations in the delta provinces of Kien Giang and Go Cong, and in northern Quang Tri Province, resulted in combined Communist losses of 250 killed, 34 captured, and 81 weapons seized.

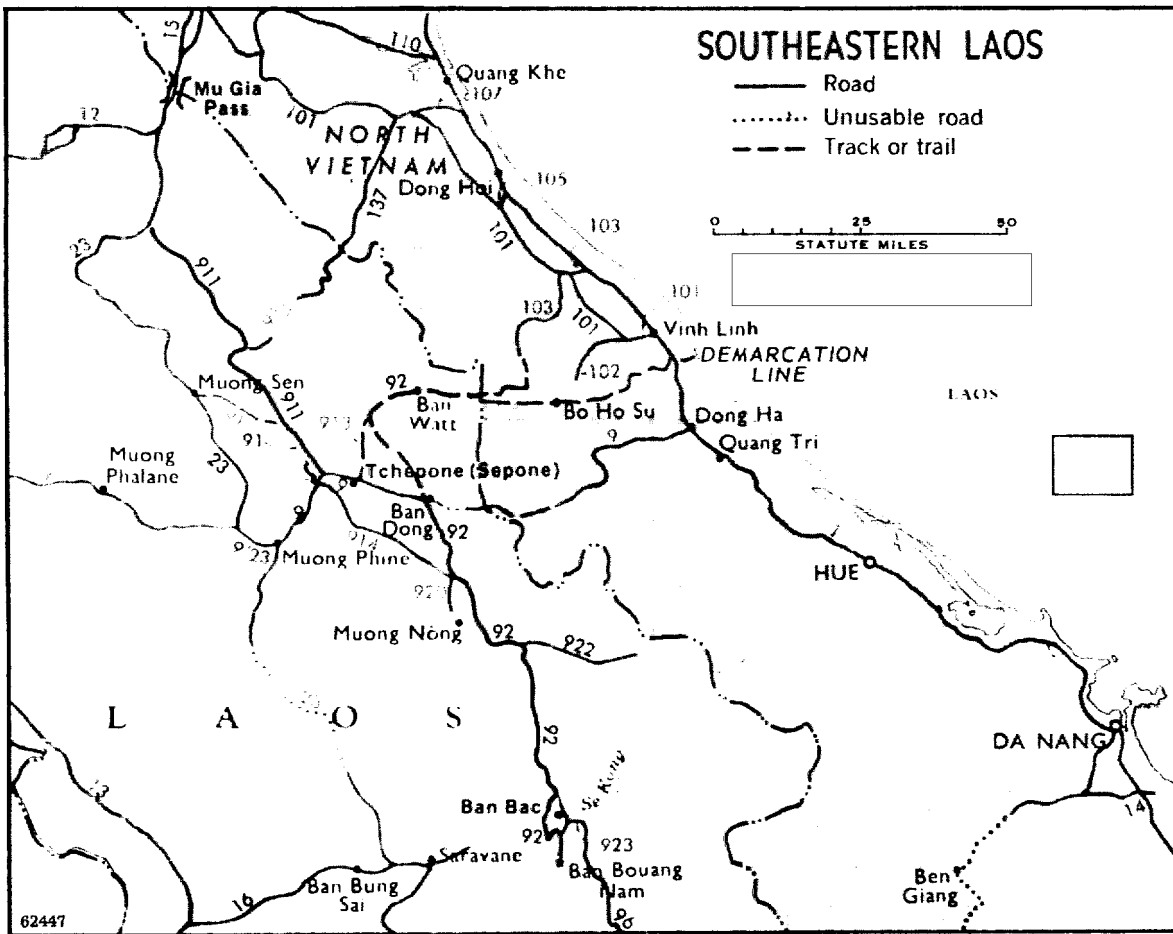
Viet Cong activity during the week was highlighted by a series of battalion-sized or larger attacks against Vietnamese paramilitary troops on security patrols near a government special forces camp along the Cambodian border in Binh Long and Pleiku provinces, and in central coastal Phu Yen Province. Enemy terrorists were particularly active southwest of Saigon, murdering 19 civilian canal workers and wounding 16 others in a single action near the capital of An Giang Province.

Recent heavy contact between government forces and substantial numbers of Communist troops in northernmost Quang Tri Province

 indicate the possible presence there of newly infiltrated forward elements of the 312th North Vietnamese Division. One of the division's three subordinate infantry regiments--the

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141st--has already been confirmed in Phuoc Long Province.

Supply Movement in Laos

The Communists are continuing to move substantial numbers of trucks on key roads in the northern section of the Laotian infiltration corridor. Between 18 and 22 May, trained observers reported approximately 150 trucks traveling south on Route 911. Farther north, observers reported both northbound and southbound truck traffic in the Mu Gia Pass area between 17 and 21 May.

Heavy rains and air strikes halted truck traffic on Route 23 for two weeks in early May, according to village informants. The

loss of Route 23, however, will have only a marginal effect on Communist supply movements since the main burden of north-south traffic in this area has been assumed by Route 911.

Farther south, the combination of rain and air strikes also appears to have disrupted roads in the panhandle. Recent photography indicates that Route 92 and its alternate were both cut by landslides in the vicinity of Ban Bac. Swollen rivers have made a vital ford unusable on the Se Kung River in the same area. Continued interdiction of this road could force the Communists to use porters and other less efficient means of transport.

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SECRET**POWER STRUGGLE MAY BE UNDER WAY IN CHINA**

Signs are growing that China's leaders may be locked in a behind-the-scenes power struggle. This is implied by the mounting sharpness of attacks on "antiparty elements" and "right opportunists within the party," building up to a charge on 19 May that these people had been plotting to seize the leadership of the party central committee.

Specific charges have so far been leveled only at a few lesser officials, all members or former members of the Peking city party and government apparatus. They include Teng To, a party secretary, Liao Mo-sha, a recently dismissed department head; Li Chi, head of the propaganda department; and Wu Han, vice mayor of Peking. Since 15 May the role of the Peking city party committee itself has been called into question, increasing the possibility that its first secretary and responsible officer, Peng Chen, is the real target of this power play.

Peng Chen is a member of Mao's inner circle of advisers. Neither Peng nor the second secretary of the city party committee, Liu Jen, has been seen in public since 29 March. In fact, Peng is the only important politburo figure who has not appeared in recent weeks and who failed to see the Albanians during their recent visit.

The authoritative journal Red Flag charged on 15 May that party journals published by the Peking city committee had been serving as tools of the "antiparty elements" for years. Red Flag went on to

warn that those who have been actively supporting these elements--Teng To, Wu Han, et al.--and directing Peking party organs to cover up for them with "sham criticism" will not be able to conceal themselves much longer. Embroidering this theme, a provincial broadcast on 21 May demanded: "What has the Peking municipal party committee been doing all this time?" The official People's Daily was even more pointed. It asserted that someone in the committee was supporting and protecting Teng and his friends. "Who and to what end and with what ambition?" the daily wanted to know.

The attacks have been developed slowly and with care. They point unmistakably at Peng but stop short of naming him. This suggests that the attackers are still not entirely sure of their ground or that they want to implicate other men and do not want to bring Peng down just yet. The circumstances also suggest that this is not a case in which a unified leadership under Mao is purging an errant comrade. In the past when Mao has found such a step necessary, he has moved first and published afterward.

A power struggle at the level where Peng operates means a loss of effectiveness by Mao Tse-tung, who in the past has managed to keep the top leadership notably stable. It also raises doubts about Liu Shao-chi's capacity to move in and exert leadership as the designated successor to Mao. Peng had been counted as one of Liu's main

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Peng Chen (second from left) shares spotlight with Mao Tse-tung, Cambodia's Prince Sihanouk, and Liu Shao-chi at October 1965 National Day celebration.



Peng and his possible rival Teng Hsiao-ping (second and third from left) conferring with New Zealand Communist Party leaders on 7 March 1966, three weeks before Peng's last public appearance.

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supporters within the radical group which dominates the party structure.

Teng Hsiao-ping, who ranks third in Peking's power structure, is logically the instigator of these veiled attacks on Peng. Teng, an old rival of Peng's, is

the powerful general secretary of the party, is highly ambitious, and has conducted purges of top leaders before. If Teng is behind the attacks and if they are successful, Teng might be encouraged to strike out at other potential competitors, such as Premier Chou En-lai.

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JAPANESE COMMUNIST PARTY MOVES TOWARD MORE INDEPENDENCE

Japan's Communist Party is adopting a more "independent" line in an attempt to gain domestic support and end the international isolation that has resulted from its close identification with Peking.

Party publications are stressing the desirability of "autonomy and independence." On 11 May the party newspaper Akaha criticized both Peking's "doctrinairism" and Moscow's "modern revisionism."

In a recent gesture of independence, a high-level delegation led by Secretary General Miyamoto apparently told the Chinese that the JCP supported the Soviet proposal for united actions by all anti-imperialist forces against US "imperialism" in Vietnam. As a result, no joint communiqué came out of the several weeks' talks in Peking. Although the JCP followed Peking in boycotting the 23rd Soviet party congress, Miyamoto returned to Japan still calling for the "solidarity of all socialist nations" in Vietnam.

The JCP is also showing a new interest in the Communist parties of Eastern Europe, particularly now in Rumania, where a party delegation has arrived for an extended goodwill visit. The Japanese may join the Rumanians in calling for greater

autonomy for national parties within the international Communist movement. Lately, the JCP has stressed the example set by Rumania, North Korea, and Cuba in standing up to one or both of the two major Communist powers and asserting their national independence.

There are indications that the Japanese Communists will expand their role in international fronts not controlled by Peking, while dropping out of--or being excluded from--those where Peking calls the tune. Recent difficulties with Moscow, however, plus painful memories of Soviet dictation to the party in the 1950s, militate against a rapprochement with the Soviet party. The JCP will probably remain on most matters closer to Peking ideologically.

The new line may well increase the JCP's presently circumscribed influence in Japanese politics. A new "Japanese look" will aid it in working through broad popular movements and in joint action with other political parties, where it can exert meaningful influence. Peking, on the other hand, may now work with receptive elements in the Socialist and ruling Liberal Democratic parties, 25X1 which might net it greater gains than were available in association with the JCP.

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INDONESIA AND MALAYSIA PLAN PEACE TALKS

Malaysian Deputy Prime Minister Razak and Indonesian Foreign Minister Malik are slated to meet in Bangkok in the next few days for official talks aimed at ending confrontation.

In recent weeks Malik and other Indonesian leaders have publicly declared their firm intention to put an end to the three-year-old paramilitary campaign. On 23 May, Radio Indonesia announced that President Sukarno, who has been urging the continuation of confrontation, had "agreed" to the peace talks.

At Bangkok, Malik will reportedly abandon Indonesia's oft-stated demand for a reascertainment of public opinion in Malaysian Borneo. In order to reach a settlement, however, he will still need some "face-saving" device and the Bangkok talks will provide a test of Indonesian eagerness for a formal settlement and Malaysian flexibility.

On the domestic front, planning is again under way for an early convening of the Provisional People's Consultative Assembly (MPRS)--Indonesia's "policy deter-

mining body." An earlier scheduled 12 May meeting of the body was indefinitely postponed in the face of opposition from Sukarno. Responding to strong student agitation, the Indonesian Parliament on 23 May recommended to President Sukarno that the MPRS be convened on 1 June. In a public statement the same day General Suharto stated that the MPRS would meet "sometime" in June. The regime hopes to use the session to discredit Sukarno further and possibly to rescind his life-time term of office.

Peking is attempting to make propaganda capital out of the continuing anti-Chinese atmosphere in Indonesia. Lurid atrocity stories are being given wide dissemination and "indignation rallies" have been held in a half-dozen Chinese cities. To discredit the new anti-Communist government in Djakarta and improve China's image among Chinese in Southeast Asia, Peking also appears to be making preparations to repatriate some Overseas Chinese from Indonesia. In a note on 18 May, Peking announced it would send ships to Indonesia in "the near future" and proposed immediate bilateral talks to work out detailed repatriation arrangements.

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Europe

USSR PUSHES INTERNATIONAL FISHING OPERATIONS

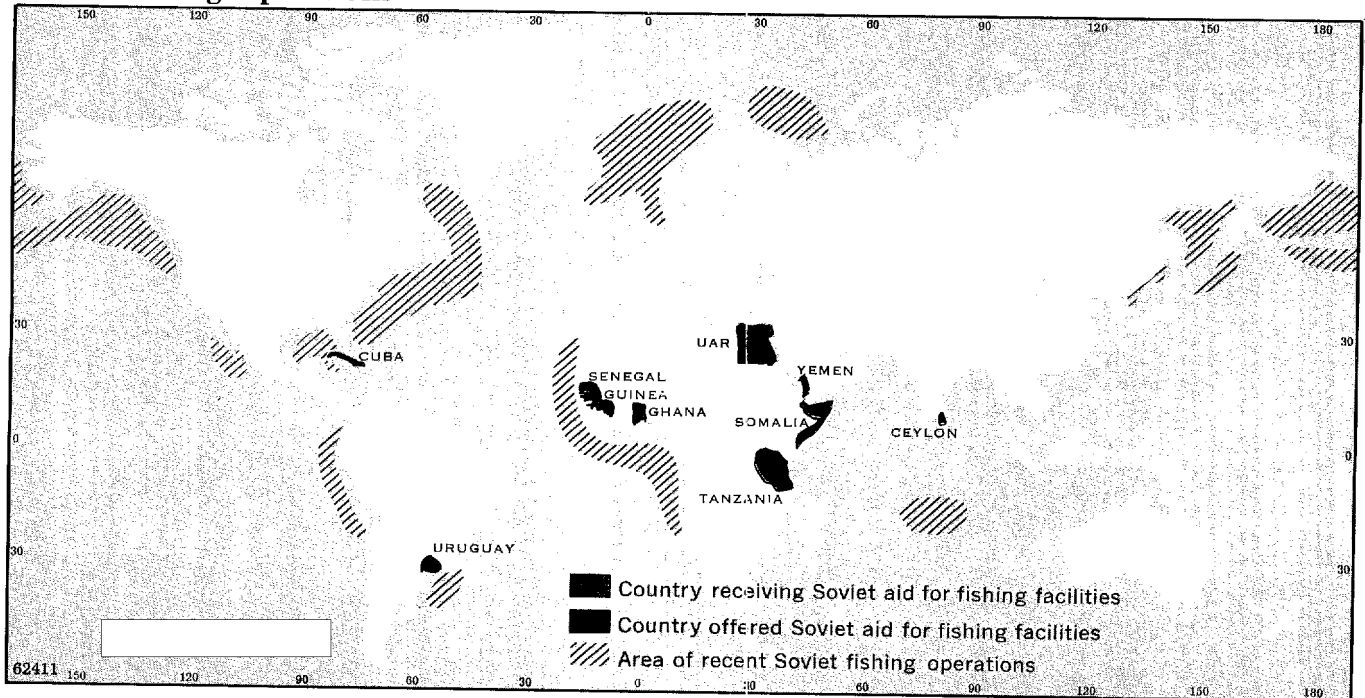
The USSR has indicated that it intends to continue vigorous expansion of its world-wide commercial fishing activity. This has met with protests from free world countries whose traditional fishing grounds have been penetrated by the increasingly mobile Soviet fishing fleets.

The USSR has announced that, during the next five years, it plans an increase of at least 50 percent in the catch from its ocean fleet operations--which in 1965 accounted for 80 percent of the 5.7-million-ton total Soviet catch. The Soviets have turned aside protests--lodged recently

by the US fishing industry and by the governments of Ecuador, Peru, Chile, and Argentina--and have stated that they intend to exploit fishing grounds outside territorial waters. Soviet research ships are actively seeking to determine which grounds are most promising.

In the past few years the USSR has already expanded its fishing operations to far-flung grounds in the western hemisphere, the Indian Ocean, and other African waters. These operations frequently have been assisted by agreements to establish fishing fleets, ports,

Soviet Fishing Operations



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and facilities for underdeveloped countries. Such agreements are in effect with Cuba and some African countries and proposals have been made in Latin America and South Asia.

The Soviet fishing fleet, which includes 700 to 900 ships continually plying international waters, is the most modern now operating. The USSR has commissioned foreign construction of specialized fishing ships, over 50 of which are in the process of being delivered from free world shipyards. The USSR itself now is building a series of 800-foot fish-factory ships carrying crews of 580. Each of these will service the catch of small trawlers, some 14 in num-

ber, which are to be carried on deck. The fish-factory ships freeze, process, and can fish, turning the residue into fertilizer. The Soviets boast that "everything is used...nothing is left for the sea gulls."

The USSR, while increasing domestic consumption of fish products, also is promoting exports. During the past five years such exports have grown by nearly 50 percent to about \$50 million in 1964. Recently the USSR has pushed fish in its trade negotiations and Moscow currently is planning to exhibit a fish factory ship in West German ports as a means of introducing new fish products to that market. [redacted]

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EFFECTS OF US INITIATIVES ON EASTERN EUROPEAN REGIMES

Divided counsels and internal conflict are becoming evident in nearly all Eastern European regimes on how to respond to US "bridge-building" initiatives.

For example, despite initial expressions of interest in closer ties with the US, Hungarian and Polish leaders seem to have postponed any final decision. In both regimes there are elements powerful enough to delay, if not block, a positive response. These elements have

probably been strengthened by recent signs of popular unrest. The Hungarian party is the most negative, apparently having decided to fight "relaxation tactics"--a derogatory term for the "bridge-building" process--and has even discussed the use of police measures to counter its expected impact. [redacted]

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Czechoslovakia's leaders are not in agreement on a response

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to "bridge-building" but a majority seems to favor reacting positively toward its economic aspects. They see it as compatible with their policy of conducting trade on an economic rather than purely political basis. The Czech press was the only medium in Eastern Europe to recognize and state clearly the importance to the area of Ambassador Gronowski's visit to Washington and of the introduction in Congress of the East-West trade bill.

Bulgaria's party boss has frankly admitted there are elements in his regime who oppose improved relations with the US. Nevertheless, the increasingly influential nationalist segment of the party is showing signs that it may be well disposed toward "bridge-building" as one means of lessening Bulgaria's formerly sycophantic dependence on the USSR.

Rumania appears to be the only Eastern European country in which "bridge-building" has not had a divisive effect. The unified leadership seems to be in agreement on responding positively.

These reactions are governed largely by domestic political considerations in each country. Intraparty debates on reaction to "bridge-building" are all marked by the leaderships' concern about how to maintain effective domestic controls if they should allow a significant improvement of relations with the US. There is evidence which suggests--especially in Hungary and Poland--that those elements charged with internal security fear that the burden imposed on them under such conditions would be too greatly increased.

It also appears that Eastern European leaders are unsure how a rapprochement with the US would affect their relations with USSR, despite the fact that Soviet leaders have encouraged the East Europeans to deal with the US as long as intrabloc stability and cohesion are not affected.

It is likely, therefore, that responses to "bridge-building" will be few and gradual in coming, and will remain largely limited to the economic field.

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WARSAW PACT'S 11TH ANNIVERSARY SHOWS UNITY IN DIVERSITY

Rumania's reported efforts to reduce the authority of the Warsaw Pact over its members have so far found little public echo in the official positions of other Eastern European regimes, although there are indications that they might welcome a re-examination of intrapact relationships. Virtually all other Eastern European countries used the 11th anniversary of the pact on 14 May to restate their support for it, although many of them are known privately to object to what they view as a disproportion between their small political authority within the pact and their large military and economic responsibilities under it. Albania, long excluded from Warsaw Pact councils, predictably ignored the anniversary.

Several aspects of Poland's outwardly orthodox expressions of support for the pact illustrated the apparent ambiguity of private official feeling in Warsaw. Thus, Polish military leaders quoted party boss Gomulka's past support for Soviet proposals to "strengthen and consolidate" the pact. The failure of the party leaders themselves to observe the anniversary, however, underscored their stress on the pact's military guarantees and their de-emphasis of its political significance.

In stressing the military aspects of the Warsaw Pact, most Eastern European regimes used the

occasion of the anniversary to emphasize once again that since the pact was a countermeasure to NATO, it could be dissolved if the threat from NATO were eliminated. Warsaw went one step further, however, and in the central party press published detailed excerpts of Rumanian party leader Ceausescu's 7 May speech, including his critical remarks on military blocs.

Rumania's actions vis-a-vis the Warsaw Pact and the responses of other Eastern European countries evidently have been in part stimulated by recent French moves toward NATO. Although the Eastern European countries have generally welcomed the French initiatives, most of them--especially Poland and Czechoslovakia--apparently fear that these moves could set the stage for a greater military role for West Germany, either within NATO or unilaterally. The Poles have been exploring the implications of the French actions toward NATO and Eastern Europe in a recent exchange of high-level visits with Paris..

Most Eastern European regimes have correct but cool relations with Rumania. Despite this they are apparently anxious not to close their doors to Bucharest's views. Both the Czechoslovak and Hungarian foreign ministers held talks with visiting Rumanian

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Foreign Minister Manescu between 17 and 22 May.

The Eastern European regimes do not feel in a position to provide the Rumanians with public support, probably because they regard the pact as an indispensable channel for Soviet military guarantees of their territorial integrity. On the other hand, with the notable exception of East Germany, most of these coun-

tries no longer appear to consider these military guarantees as essential to internal political stability, and may share Rumania's fear that any augmentation of the pact's political apparatus would increase the potential for Soviet control. For this reason they are reluctant to accept an increase in their military and economic commitment without explicit guarantees of a commensurately greater national say in Warsaw Pact affairs.

NATO CRISIS: UNSETTLED ISSUE OF FRENCH TROOPS IN GERMANY

France's response last week to West Germany's aide-memoire on the conditions under which France may continue to station its military forces in West Germany has evidently paved the way for exploratory talks on this contentious issue in the NATO crisis.

In its latest note, the De Gaulle government declares it is prepared to withdraw French forces by July 1967 unless Bonn makes it unequivocally clear that it wants them to remain. If, however, Bonn indicates such a desire, then Paris is ready to discuss the "practical conditions" of their continued station-

ing and to work out a "cooperative agreement" between the French and Allied commands on the forces' missions and command in wartime.

The note, typically Gaullist in approach, is designed principally to shift the blame to Bonn for a French withdrawal if no agreement is reached. At the same time, it plays on the fear that any contesting of France's "legal rights" to remain in Germany on the basis of the 1954 agreements will bring into question the "reserved rights" of the US and Britain, as well as the principle of "quadripartite responsibility"

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for eventual settlement of the German question.

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Whether the note will have the desired impact in Bonn remains to be seen.

will show that the French are being given a fair chance and, if focused on the legal issues in which questions of German equality are so much involved, also increase public support of the government's position.

Meanwhile, the US Mission to the Common Market has noted considerable concern among its contacts in Brussels lest these and other NATO issues eventually "spill over" into outstanding community questions. Final decisions on the complex of issues which were agreed to in principle at the encouraging meeting of the EEC Council on 9 and 10 May will not take place before July. By that time the issue of the French forces in Germany will have come to a head, the NATO ministerial meeting will have taken decisions on negotiations between France and the other 14 NATO members, and De Gaulle's trip to Moscow will have taken place. The atmosphere then prevailing in NATO may, therefore, make it especially difficult for the Germans to make the important decisions required in the EEC.

In the opinion of the US Embassy, Bonn's reaction probably reflects at least in part the domestic political problems the Erhard government faces in the continued carping from the pro-French wing of the majority party. The government may thus be hoping that early negotiations

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NEW DISORDERS OVER LINGUISTIC ISSUE IN BELGIUM

At the root of the trouble between the Flemish- and French-speaking Belgians which broke out at the University of Louvain last week was the Flemings' demand that the French language be barred from the university. The university is located on the Flemish side of the "linguistic frontier" fixed by a series of laws in 1962 and 1963.

The present wave in Belgium's periodic disorders over the language issue started last summer, and since then trouble has broken out over the language used for religious services, allegations that the government was closing a coal mine for linguistic reasons, and now over the language to be used at Louvain.

Successive governments have been unable to quell the long-smoldering controversy. The

aggravated tension between the two language groups is likely to strengthen those elements which favor organizing the government of Belgium as a loose tripartite federation rather than as a unitary state.

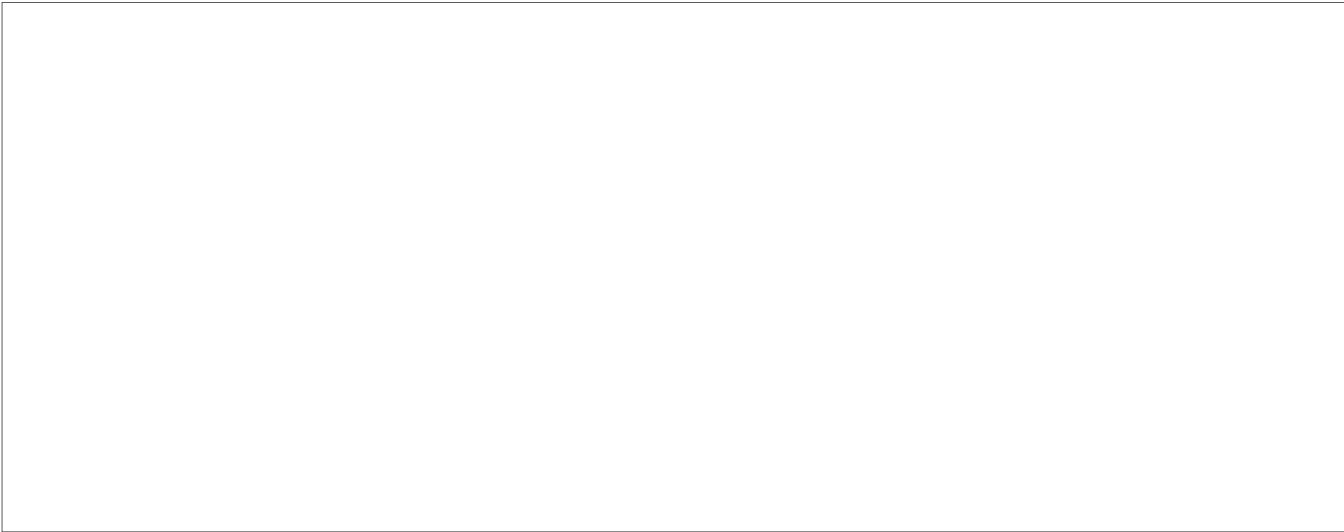
The dispute may also bear some nuisance potential for any of the relocated NATO facilities. Belgium is now the leading candidate to receive the Senior Headquarters Allied Powers Europe (SHAPE) and the North Atlantic Council (NAC), the senior NATO policy group. The NATO installations would probably not be seriously endangered during periods of linguistic unrest, but they could come in for some minor harassment through work stoppages or interruption of utilities services.

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Africa - Middle East

RAILWAY DISPUTE MAY COMPLICATE RHODESIAN SITUATION

The current railway dispute between Zambia and Rhodesia has at least temporarily deprived Zambia of transportation for most of its foreign trade. It also complicates Britain's efforts to reach a peaceful settlement of the Rhodesian rebellion.

Since March, Zambia has refused to transfer to Salisbury revenues collected in Zambia for the jointly owned Rhodesian Railways. The refusal has seriously reduced the operating funds of the Rhodesian section of the line. At Rhodesian instigation, the railway company now demands that charges on all Zambian freight shipped through Rhodesia be paid for either in advance or, in the case of Zambian exports, at the destination point.

Copper, the source of virtually all Zambia's hard currency, is now piling up in storage areas. The Zambians apparently are counting on Britain's need for their copper to force London either to develop alternate supply routes to adequate levels, or to use force to bring down the Smith regime in Rhodesia. A British mission which arrived in Zambia on 24 May has been trying to explain the difficulties in executing London's options.

The dispute, regardless of its outcome, suggests that Zambian policies are now dominated by emotional considerations. The current mood in Zambia reflects both frustration over the resiliency Rhodesia so far has

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shown in the face of economic sanctions and fear that the UK may sell out during the current talks with the Smith regime. President Kaunda has attempted to pressure the UK into additional action with warnings that if it has not toppled Ian Smith by July, he will personally propose Britain's expulsion from the Commonwealth.

What effect Zambian frustration may have on increased government support for Rhodesian African nationalist movements is unclear. A Zimbabwe African People's Union (ZAPU) official claims Kaunda has promised ZAPU arms for guerrilla action inside Rhodesia. Whether Kaunda has indeed gone this far is uncertain, but he has recently taken steps to prevent the Zambian police from acting against Rhodesian nationalist groups in Zambia without first notifying the government. In any event, Kaunda is being pressed by ZAPU for arms and permission to transport them into Rhodesia. ZAPU feels pressed to match the militancy of the Zimbabwe African National Union (ZANU), which staged a recent armed skirmish with Rhodesian forces.

Meanwhile, the British seem cautiously hopeful about their talks with Rhodesian officials and believe they have won Rhodesian acceptance of Wilson's "six principles" as a framework for negotiations. They have not, however, come to grips with the problem of implementing the last

two principles calling for acceptance of any settlement by Rhodesians as a whole and for protection of majority and minority rights.

Smith may hope to acquire some moderate African acceptance of a settlement by making concessions on land apportionment, the franchise, and procedures for constitutional change. Chairman Chipunza of the United People's Party reportedly will tell Wilson he supports Smith on the basis of these concessions. Neither the British nor the African nationalist groups, however, are likely to accept Chipunza's moderate African political organization as the spokesman for Rhodesia's Africans.

British and Rhodesian representatives disagree on the crucial issue of whether Rhodesia must return to constitutional rule before independence negotiations can proceed. British insistence on return to "constitutionality," i.e., British rule, is determined largely by London's commitments to African members of the Commonwealth. London probably would be willing to work out a private agreement on terms for independence. It is questionable, however, whether Smith could sell his party on a settlement that ostensibly involved Rhodesian surrender to British demands. Talks will resume in Salisbury, probably next week.

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NIGERIA MOVES TOWARD UNITARY GOVERNMENT

General Ironsi's military regime in Nigeria this week took its strongest moves to date toward imposing a unitary government. In sweeping policy statements on 24 May, Ironsi abolished all political parties, unified the civil service, and dissolved the Nigerian federation, replacing the four semiautonomous regions with a number of provinces responsible to Lagos.

Ironsi acted largely in response to pressure from southern progressive elements who felt the army had been too slow in overhauling the old government machinery. His moves--designed to eliminate divisive regional and tribal power structures--will be less popular in the conservative and backward northern part of the country.

The crackdown on the political parties followed repeated warnings from the government to stop political activity. The ban will extend until 1969, the earliest date on which the military plan to return the country to civilian government. Some of Nigeria's powerful tribal and regional associations have been dissolved along with the political parties. However, tribal associations which are essentially apolitical may continue to oper-

ate, providing some outlet for tribal loyalties.

The downgrading of the formerly powerful regions to the status of provinces should have little immediate effect. For a transitional period the provincial boundaries will temporarily coincide with those of the former regions. The provinces will be administered, as they have since January, by military governors. Ironsi seems to be moving cautiously in this area in order to quell northern suspicions of a southern "take-over."

The unification of Nigeria's civil service, previously divided into a federal and four regional services, is likely to be strongly resisted in the north. Unemployment is already high there, and northern fears that better qualified southern civil servants will replace them in an open competition appear well founded. Grumblings in the northern press have become more frequent recently, with certain writers openly defending federalism and, on occasion, separatism. Although the north will be a reluctant partner in a unitary government, it will probably go along if moderate regional autonomy and some protection for the northern civil service are granted.

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SECRET**UGANDAN CRISIS PRESAGES CONTINUING INSTABILITY**

Ugandan President Obote's long-simmering dispute with Sir Edward Mutesa, Kabaka (King) of Buganda and former Ugandan President, erupted into violence on 23 May. Although Ugandan security forces have the upper hand, dissidence and unrest are likely to continue throughout Buganda, the richest and most cohesive region in Uganda.

Since Uganda achieved independence in 1962 Obote has continually sought to curb Buganda's influence and bring the region firmly under central government control. Resentment among Buganda's people (called Bagandans) rose sharply in recent months when Obote replaced the Ugandan constitution--under which Buganda enjoyed substantial autonomy--deposed Mutesa as president of Uganda, and got himself approved as president by the National Assembly.

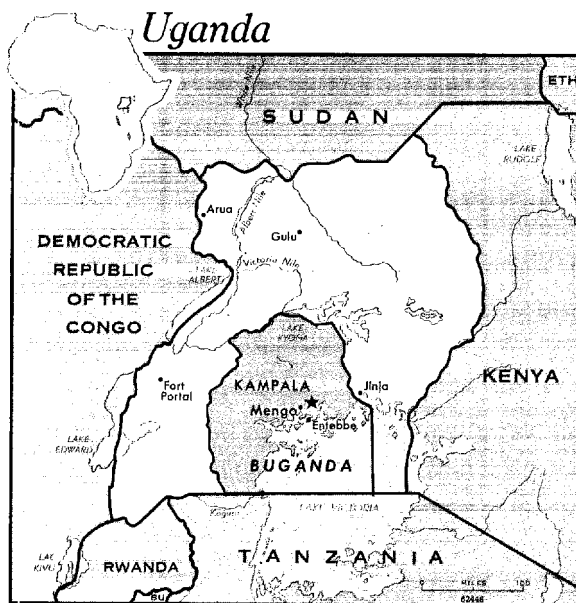
Opposition to Obote on the part of Bagandan and other political leaders was vocal but ineffective. Obote cleverly played upon anti-Buganda feeling throughout most other areas of the country, while he sought with the support of the police and army to strengthen his regime.

Bagandan opposition began to intensify in early May. Mutesa appealed to both the UK and the UN to help right the wrongs perpetrated by Obote. In mid-May the Buganda parliament gave Obote an ultimatum to remove

his "rebel government" from Kampala, the Ugandan capital and Buganda's principal city, by 30 May.

Obote responded by arresting several Bagandan leaders, whereupon armed clashes between the Kabaka's supporters and government security forces broke out. A state of emergency was declared in Buganda, and Obote declared the Kabaka a traitor. Government forces attacked the Kabaka's palace in Mengo outside Kampala to seize a store of arms which were apparently being distributed to followers of the Kabaka. After several hours of sharp fighting, the palace was overrun. Mutesa's whereabouts is not yet known.

Obote has probably stimulated resistance by attacking the palace, the traditional seat of the

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Buganda government and prolonged disturbances in Buganda are likely to result. Any action that Obote may now take against the Kabaka will probably increase rather than diminish Bagandan resistance to the central government. Kampala is already isolated, and the Bagandans will probably continue to sabotage communications and all essential services.

It appears unlikely that the Bagandan dissidents, who are

virtually unarmed, can defeat the well-armed government security forces. However, they are probably able to harass government forces sufficiently to make control of the area difficult for the central government. Prolonged instability may also encourage other moderate political opponents of Obote, who have heretofore accepted his take-over, to work against him. At present, however, there are no indications of any support for Buganda elsewhere in Uganda.

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SYRIA REGIME SEEKING CLOSER TIES WITH ARAB "PROGRESSIVES"

The radical Baathist military regime in Syria has embarked on a series of efforts to build closer ties with other "progressive" Arab governments.

A Syrian economic delegation is now in Cairo to negotiate a trade and payments agreement with the Egyptian Government, the first such talks since the Syrian breakaway from the United Arab Republic in 1961. In contrast to stridently anti-Egyptian attitudes of past Baathist governments in Damascus, the present one is giving its new contacts with Cairo prominent press coverage.

Meanwhile, Foreign Minister Makhus is visiting Algiers to discuss the improvement of Syrian-

Algerian relations, which have been cool under previous Syrian regimes.

Chief of State Nur al-Din Atasi announced in a speech on 23 February that the regime is attempting to contact all progressive forces, on the domestic front as well as in other Arab nations.

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Moscow, in a new effort to increase its own influence among the radical Arab states, has encouraged the regime to broaden its inter-Arab ties and has given

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wide publicity to the current Syrian policy. It is still uncertain, however, whether Egypt's President Nasir will relinquish his long-standing hostility to the rival Baathist movement and respond to the Syrians' enthusiasm for a meaningful rapprochement.

IRAQI POWER GROUPS DISSATISFIED WITH PRIME MINISTER

Iraqi Prime Minister Bazzaz is still clinging to his position despite the open dissatisfaction of rival power factions. The war against the Kurds continues unabated.

Fighting in the frontier region has led to strained relations with Iran, which is supporting the Kurds against the Iraqi Government. According to press reports, Iraqi planes this week bombed and heavily damaged an Iranian village. Iranian anti-aircraft batteries subsequently opened fire on Iraqi fighters violating Iranian airspace.

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Western Hemisphere

DOMINICAN PRESIDENTIAL CAMPAIGN NEARS END

The outcome of the 1 June elections in the Dominican Republic remains uncertain. Joaquin Balaguer's campaign has picked up and many observers feel a last-minute surge in his favor has brought him at least even with Juan Bosch. The outcome may well depend on such imponderables as the weather, which could prevent many pro-Balaguer rural voters from reaching the polls. On the whole the campaign has been rather dull and neither candidate has seemed to generate great enthusiasm except among hard-core backers.

Balaguer's energetic stumping throughout the country during recent weeks has given the campaign of his Reformist Party (PR) a boost. He has sought to reinforce his image as a candidate of moderation who will place primary emphasis on restoring law and order. He cited the April 1965 revolt, which he called "essentially negative," as proof of the futility of all violence.

In addition to the emphasis on stability, Balaguer's campaign speeches have contained grandiose promises of benefits to the rural peasant and urban poor. In each town he has visited Balaguer has promised public works to benefit the locality.

Balaguer's entourage has stepped up its attempts to link Bosch with Communism. Last week Balaguer's running mate said Bosch's election would lead to a repetition of the Cuban experience in the Dominican Republic.

Balaguer has continued his refusal to make a deal with "third force" presidential candidate Rafael Bonnelly and has succeeded in wooing Bonnelly supporters to his candidacy.

Other Bonnelly supporters have already announced their switch in allegiance. Bonnelly may still announce his withdrawal from the race at the last minute.

Bosch continues to proclaim the imminent victory of his party but other statements suggest his confidence may be shaky. He seems to be laying the groundwork for a possible refusal to accept defeat by claiming his supporters are being subjected to bribery and intimidation.

Sporadic campaign skirmishes between opposing political factions continue to occur. The most serious was what PR members claim was an ambush of Balaguer's campaign caravan in the eastern town of La Romana on 19 May. Political passions will probably heat up during the last days of the campaign and some scattered incidents are likely to take place on election day. Nevertheless, the elections should be reasonably free of fraud and violence since Provisional President Garcia Godoy, top ranking security force commanders, and the Central Election Board are determined to make it so.

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Whoever the victor, the new president will not have easy going. If Bosch wins, he will face continued hostility of substantial segments of the military and right-wing civilians. Balaguer will be confronted by opposition of at least the extremists of the left wing if the

victory is his. Either candidate will have to face social, political, and economic problems so intractable that significant progress toward their solution over the next year or two will be extremely difficult.

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POLITICAL CONFLICT CAUSES OUSTER OF BRAZILIAN ARMY COMMANDER

General Justino Alves Bastos was relieved of command of Brazil's Third Army on 19 May apparently because of an intemperate public speech in Porto Alegre on 17 May in which he strongly criticized President Castello Branco's policies. In his speech, Alves Bastos appealed to the press to fight against establishment of a dictatorship of the right now that the danger of a dictatorship of the left had been eliminated. He called the electoral domicile law a "monstrosity" and severely criticized the government's economic and financial policies.

Alves Bastos' frequently expressed desire to be governor of Rio Grande do Sul has been frustrated by the domicile law, which requires a candidate to have been a state resident for at least two years. Both Alves Bastos and Second Army commander General Amaury Krueel, who has aspired to be governor of Sao Paulo, have been pressing the government to change the law. Both generals had important roles

in the overthrow of the Goulart regime in 1964.

General Krueel, although he has denied supporting Alves Bastos, has been closely associated with his position.

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Bastos has been replaced by General Orlando Geisel, the army's chief of personnel, a competent officer who will probably reduce the Third Army's involvement in southern Brazilian politics. The smoothness with which the change of command was carried out indicates that neither the move against Bastos nor one against Krueel will affect stability. The political aspirations of both are widely known, and it is not probable that either has significant military backing for his ambitions.

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COMMUNIST EFFORTS TO UNIFY URUGUAYAN LABOR MOVEMENT

Unless economic conditions improve or effective opposition to Communist initiatives develops, the Uruguayan Communist Party (PCU) is likely soon to organize and control a unified Uruguayan labor confederation.

On 21 May the heavily Communist-influenced Center of Uruguayan Workers concluded a five-day congress, with representatives in attendance from most national and many international labor organizations. The congress, trading on genuine worker grievances and widespread naiveté concerning Communist intentions and capabilities, received support from independent unions as well. It planned strategy for "future struggles" to solve Uruguay's recurrent economic crises and called for creation of a unified labor movement. Communist domination of this key sector would increase the danger of crippling strikes and labor agitation and pose a long-range threat to national stability.

Most non-Communist labor leaders are committed to unifying the labor movement and apparently hope that a confederation can be kept from falling under PCU domination. There is little to prevent this, however, because only the PCU appears able to guide and manipulate such a federation and is plainly determined to do so. Leadership of the prodemocratic unions is scarce, divided, and self-seeking.

Although most Uruguayan workers traditionally vote for one of the two large democratic political parties, there has been a continuing turn toward Communists or pro-Communists for labor leadership because they produce results. The PCU already controls Uruguay's two largest labor federations, but has never been able to translate this control into votes. The Communists have, however, apparently managed to secure enough signatures to put their constitutional reform project for reorganizing the national government on November's ballot.

Recent successes in union elections indicate that the Communist Party is gaining strength at the expense of non-Communists. The PCU has concentrated its efforts on key unions, such as those representing transport and government employees, which it has used to paralyze government and private economic activity with strikes. Communist and pro-Communist labor leaders have astutely exploited the worker's feeling that he is bearing the brunt of the government's attempts to stabilize the economy. This approach may be even more successful if a recently concluded standby agreement with the International Monetary Fund results in a further decline in consumer purchasing power.

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ECUADOR'S VELASCO RETURNS TO POLITICAL SCENE

Former Ecuadorean president Velasco returned to Guayaquil from exile on 24 May and, despite minor opposition demonstrations, spoke with vigor to a small crowd estimated at 7,000. He depreciated the Communist threat and told his audience that a fifth presidential term for him would cure all the nation's ills. Velasco was followed on the platform by his extremist henchman, Manuel Araujo Hidalgo, who demanded a revolution "even if we are described as Communists," and concluded by asking interim President Yerovi to step down in favor of Velasco.

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To thwart Velasco, the government has approved the armed forces' new ant subversion plan, but the military have yet to evidence a firm plan to oppose Velasco openly if he should try to grab power with mob support.

Velasco may attempt to gain office legally by agitating for direct election of the next president. The government has issued a call for the convening of a constituent assembly on 3 November to which Yerovi would deliver power. Most politicians favor having the assembly name the next president in order to frustrate Velasco's hope of a popular electoral triumph.

The course Velasco takes should become clearer after the 28 May convention, since by then he presumably will have assessed the extent of his support among the masses and the military.

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