

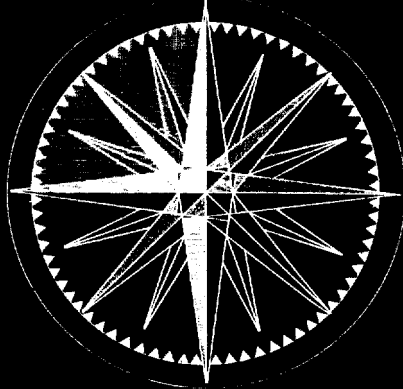
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7 October 1966

OCI No. 0310/66

Copy No. 52



# WEEKLY SUMMARY

State Dept. review completed.

CENTRAL INTELLIGENCE AGENCY  
DIRECTORATE OF INTELLIGENCE

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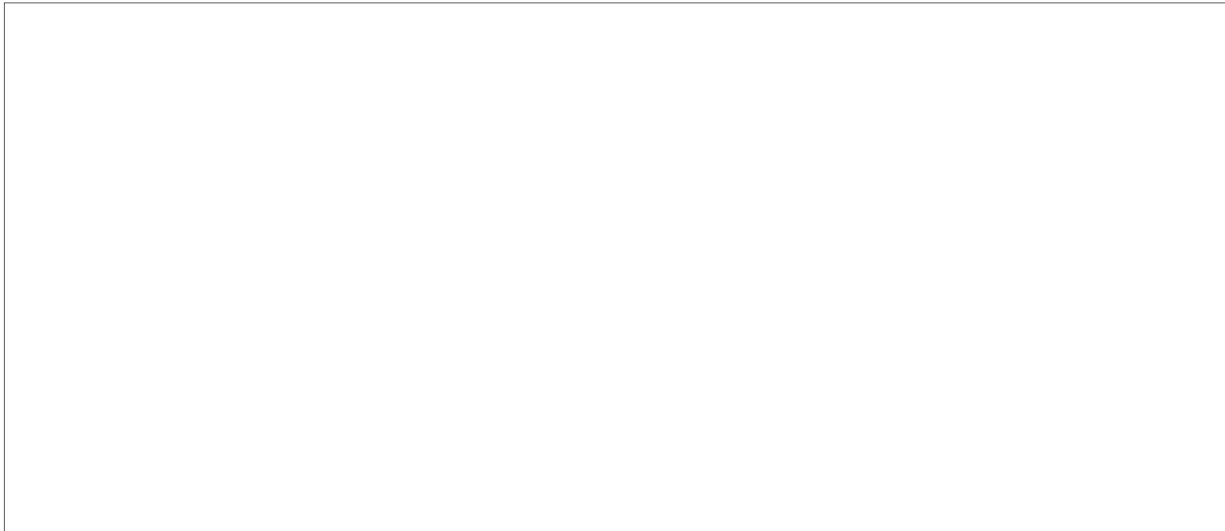
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WEST CONFRONTED BY POLISH-CZECH NUCLEAR SAFEGUARDS OFFER  
Public offers by Poland and Czechoslovakia at last  
month's IAEA conference to place their nuclear facil-  
ities under IAEA inspection--provided West Germany  
does the same--have introduced a new element into the  
debate over nuclear safeguards.

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CONGO MUTINEERS STILL AT LARGE

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The approximately 2,500 Katangans who left Kisangani  
(Stanleyville) are seeking negotiations that will per-  
mit their return home.

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Widespread violence in the North seems checked for the  
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that adjourned on 3 October for three weeks.

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Summer grain harvests are less than half of normal,  
threatening a famine and a further depression of gen-  
eral economic conditions.

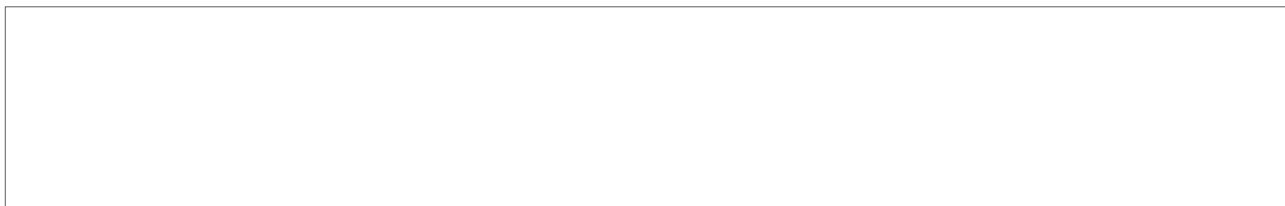
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BRAZIL ELECTS COSTA E SILVA PRESIDENT 16  
Retired Marshal Arthur da Costa e Silva, the only candidate, was elected president by the Brazilian Congress on 3 October. Only one opposition congressman ignored his party's decision to boycott the indirect election.

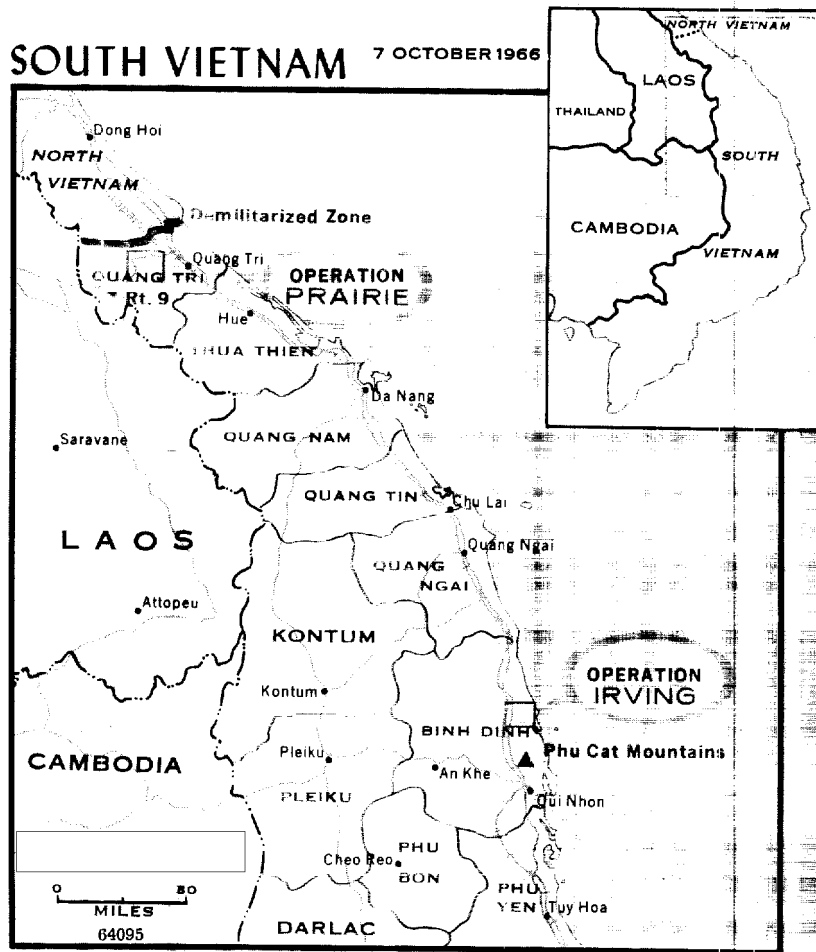
THE SITUATION IN GUATEMALA 17  
A change in leadership of the Guatemalan Communist Party's action arm, the FAR, may enhance the party's control over its guerrilla wing. [redacted]

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UNEXPLAINED BOMBINGS IN COSTA RICA 18  
A recent series of ten small--but unexplained--bombings in and around San Jose has created alarm among public security officials although the public has taken the incidents calmly so far.

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Far East  
VIETNAM

The Constituent Assembly

South Vietnam's Constituent Assembly continues to undertake projects in addition to drafting a constitution, but thus far has avoided controversy with the government. In working sessions on 30 September and 1 October, the assembly created a subcommittee to deal with flood relief in the delta region south of Saigon, and decided to send messages to various international groups including the United Nations. It also adopted a resolution urging the government to release political prisoners under detention, but left it to the government to decide who merited amnesty. In line with the assembly's constitution drafting function, subcommittees have begun work on procedural rules for the assembly and an examination of the credentials of its elected deputies. Work on the constitution itself, however, will probably not begin for several weeks, as subcommittees have only begun to draft procedure rules and examine the credentials of the elected deputies.

Political maneuvering is continuing among the assembly deputies and may intensify along regional lines as a result of a controversy within Premier Ky's cabinet this week. Although the incident has apparently now been settled within the cabinet by the resignation of Health Secretary Nguyen Ba Kha, it heightened long-standing regional antagonisms. Several southern ministers, including the civilian deputy premier, held Kha responsible for the temporary arrest of a southern subcabinet official by police chief Loan, a northerner.

This incident as well as another reported instance of heavy-handedness by a northern official, however, are being discussed by southern assembly delegates and could heighten their suspicion of the northern-dominated military leadership.

South Vietnam Military

The scene of major fighting in South Vietnam during the past week shifted from northernmost Quang Tri Province to the Communist-infested coastal highlands of central Binh Dinh Province.

Elements of the US 1st Air Cavalry Division engaged a possible regimental-size Viet Cong/North Vietnamese Army force during the opening phase of Operation IRVING, a 15-battalion search-and-destroy ground sweep targeted against units of the Communist 610th Division in the Phu Cat Mountain area of Binh Dinh Province. By week's end, the running battle that began on 1 October had resulted in enemy losses of 314 killed, 191 captured, and 463 suspects apprehended, as against US casualties of nine killed and 52 wounded.

To the north, six US Marine battalions continued to press their two-month-old offensive--Operation PRAIRIE--against the 9,400-man North Vietnamese Army 324B Division just south of the Demilitarized Zone (DMZ) separating North and South Vietnam. Although no major engagements occurred, evidence continued to mount of an intensive enemy logistics, infiltration, and troop buildup effort in Quang Tri Province.

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Several enemy documents recently captured in Quang Tri Province by US Marines have provided additional insight into the mission of North Vietnamese units in northernmost South Vietnam. The documents give the general impression that the 324B Division has two major objectives. The first is to prepare an impenetrable defensive stronghold between the DMZ and Route 9. The second is to take some limited offensive action south of Route 9, both to draw US forces outside of their fortifications and to try to "develop liberated areas and corridors." The documents intimated that a large body of as-yet-uncommitted North Vietnamese Army forces had secretly moved into the area.

### The Manila Conference

Government leaders are preparing for the seven-nation conference scheduled to be held in Manila late in October. Of particular concern to military leaders is the proposed discussion of a joint policy on a negotiated settlement. In recent public statements, Premier Ky and Foreign Minister Do stressed that the inclusion of the Viet Cong as a separate party at negotiations is unacceptable, although Do indicated that they might be included as part of a North Vietnamese delegation. Premier Ky also told newsmen on 1 October that the 1954 Geneva Accords were no longer useful as a basis for any settlement.

### Buddhist-Government Cooperation

After making no progress since mid-September toward resolving his difficulties with militant Buddhists, moderate Institute chairman Tam Chau has begun to negotiate with the government without their approval. On 2 October, government officials publicly turned over to Tam Chau the Vien

Hoa Dao pagoda, the Institute's formal headquarters which had been under government supervision since July. Eleven Buddhist "struggle" prisoners were also released in Chau's custody at the ceremony. Militant Buddhists, who did not attend, reacted by declaring that a scheduled national Buddhist congress--which was intended to patch up differences between Institute leaders--would now be useless, raising once again the possibility of a formal organizational split between militant and moderate Buddhists.

### Hanoi's Relations With Other Communists

Hanoi was unusually active this week in meetings with its Communist allies. Featured in DRV propaganda were a joint communiqué with the Czechoslovakian Communist Party, the celebration of Chinese National Day, the signing of a new aid agreement with the Soviets, and the announcement that a delegation from the Bulgarian Communist Party would soon visit Hanoi.

Throughout all the publicized activity, Hanoi reaffirmed its basic policy of balancing its relations between Peking and Moscow. The communiqué with the Czechs was largely pro forma and uninformative, with Hanoi once again endorsing the Soviet-sponsored principle of bloc unity in aid to North Vietnam. As a counterbalance, almost the entire North Vietnamese leadership, led by Ho Chi Minh, turned out on 30 September for the Hanoi celebrations of Chinese National Day, and the DRV press gave the anniversary extensive coverage. The signing of the new Soviet aid pact on 3 October was also well publicized and, although no details were given, Hanoi commented appreciatively on the nature and extent of the assistance.

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## ANNIVERSARY OF INDONESIAN COUP ATTEMPT

The focus in Djakarta this week has been on the trial of former foreign minister Subandrio, once President Sukarno's chief lieutenant. Subandrio, who has been in prison since March, appeared in court on 1 October, the anniversary of last year's abortive coup.

His trial had been delayed partly to permit General Suharto and his civilian colleagues to structure their anti-Sukarno campaign and to build the political context in which they wished Subandrio to appear as the accused. Although the delay may have caused some loss in the trial's dramatic impact, it has enabled the government to exploit Subandrio as a representative of misgovernment and not solely as another figure in the murder of the six generals last year.

Students who had been demonstrating against Sukarno during most of the month of September now have surfaced demands that he too face trial. Their activity involved violence on at least one day, and both their pace and their demands appear to have exceeded guidelines laid down for them by the army. A series of conferences between army and student leaders seems to have achieved an understanding, at least for the time being, that

student activity will continue but on a considerably lower scale.

The anniversary passed quietly in East and Central Java, where left-wing elements have resisted the anti-Sukarno campaign. The Subandrio trial is being given wide publicity in the hope that its revelations will reduce the President's still considerable prestige in these areas.

In North Sumatra, currently the main center of anti-Chinese activity, the anniversary also passed without incident. A Chinese ship sent by Peking to Medan, North Sumatra, has picked up about 1,000 of some 7,000 Chinese refugees gathered there. Although it arrived on 21 September, Indonesia had refused for security reasons to let the ship dock until 2 October or to allow the crew to go ashore. Several Chinese officials, however, were permitted ashore to examine the refugees' documentation.

Harassment of indigenous Chinese during the past year has been a by-product of Djakarta's anti-Peking foreign policy. The pro-Peking policy espoused by Sukarno and Subandrio is another aspect of the former regime that is being held up for severe censure in the Subandrio trial.

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## NATIONAL DAY CELEBRATIONS IN PEKING

All major pronouncements from Peking on the occasion of the regime's 17th anniversary indicate continuing preoccupation with the struggle within the Chinese leadership. Only perfunctory attention was given to foreign affairs and the economic picture. Pro forma and unconvincing claims were made that the "situation abroad is excellent," that a "new all round leap forward is emerging" at home, and that the harvest is "good."

The dominant theme of Lin Piao's keynote speech at the 1 October review and of editorials in the major party journals was the continuing and apparently broadening drive against powerful but errant party officials. The editorials stressed that the "cultural revolution" is aimed not only at outright enemies within the party who will be ruthlessly "crushed," but also at less culpable officials who will merely be criticized and presumably demoted. These latter officials are said to have a "very poor understanding" of Mao's cultural ideas, to "fear" them, and to resist them by "practicing factionalism consciously or unconsciously."

One senior official against whom such charges almost certainly are being made is Liu Shao-chi, Mao's former party deputy. Although Liu appeared prominently as chief of state at the 1 October review, he has been publicly demoted from second to eighth

place in the party structure.

[REDACTED] Other officials who may be in the same category are party general secretary Teng Hsiao-ping, two regional bureau chiefs who probably owed their appointments to Teng, and economic planner Po I-po, who has past associations with Teng. All four reportedly have been criticized in wall posters displayed by Red Guard vigilantes in Peking.

### New Leadership Possibly Unsure

The slow, hesitant development of the drive against domestic opponents suggests that the new leadership is unsure and divided. It is probable that Mao and his new team, an uneasy alliance of disparate forces, are unable to reach agreement on their goals, how to reach them, or who can be trusted. The Peking press is claiming--probably with some truth--that the campaign is taking so long because it is encountering considerable resistance.

The lackluster turnout of guests from abroad provided new evidence of the extent to which Peking has become isolated in the international community. There were no important foreign dignitaries present--from either Communist states or free world countries. In past years, the Chinese have been able to display at least one foreign chief of state. This

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time the top-ranking guest was the president of the Somali national assembly.

#### Strains in Foreign Relations

Increasing strain in relations between Peking and the other Communist countries was pointed up during Lin Piao's speech. Diplomats representing the USSR, Bulgaria, East Germany, Hungary, Czechoslovakia, Poland, and Mongolia walked out when he charged that the Soviet Union was "colluding" with the US to promote peace talks on Vietnam. This attack--the first time the Chinese have used National Day celebrations as a forum for explicit anti-Soviet polemics--shows how far Peking's go-it-alone attitude toward the rest of the Communist world has developed.

There were no party-to-party greetings from Hungary, Poland, Czechoslovakia, and Bulgaria. Congratulatory messages from other Communist states were pro forma. Only Hanoi even mentioned the "cultural revolution," which was the central theme of the celebration.

Pronouncements on foreign policy indicated no change in the caution displayed during the past year. Lin Piao and Chou

En-lai again promised support for Vietnam in standard generalities. The People's Daily account of the celebration, which summarized the main points of Lin's speech, did not mention Vietnam but noted only the the Chinese people "together with the revolutionary people of all countries" would carry on the struggle against the US "to the end." Chinese references to a possible confrontation with the US were cast in defensive terms --declaring that Peking's armed forces and people were ready if the US "imposed" war on China.

#### Economic Aspects

On economic issues, National Day pronouncements suggest that the main concern of the leadership has been to reduce the disruptive effects of the "cultural revolution" on economic production. Exaggerated or misleading claims were made in routine propaganda items on the eve of the holiday, but these were ignored in the more authoritative statements. Peking's failure nine months after the nominal beginning of the third five-year plan to issue guidelines for the economy suggests disagreement over objectives. It also suggests awareness that the economy is not producing enough over current needs to back stepped-up economic growth.

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### Europe

#### EXCELLENT CROP PROSPECTS FOR USSR AND EASTERN EUROPE

The outlook for the 1966 harvest in the USSR and Eastern Europe is excellent. In the USSR, according to preliminary US estimates, the harvest will approach the record set in 1964. This year's wheat crop in the USSR, which is already in, will be in excess of 65 million metric tons, above average and well above last year. East European prospects are also generally good and are excellent in the Balkans.

The USSR had varied weather in the early spring. However, abundant rainfall and increased use of mineral fertilizers in European USSR, together with excellent harvesting weather in the New Lands, combined to produce a well above average grain crop. Total East European breadgrain production is expected to be only slightly below the high level reached in 1965 (31 million metric tons), and the output of coarse grains, especially corn, will exceed both 1965 and the recent annual average.

In both the USSR and Eastern Europe, sugar beets, potatoes, vegetables, and sunflowers have done well. Soviet cotton production, however, probably will be below the record established last year. In Eastern Europe, the most outstanding improvement over 1965 is in the spring-planted crops of Czechoslovakia

and the Balkans, with both Yugoslavia and Bulgaria predicting a record harvest for 1966.

The favorable outlook for feed grain and roughage is promising for livestock production at least through the first quarter of 1967. In the USSR, state procurements of meat, milk, and eggs for the first eight months of 1966 have been well above those for the same period in 1965.

The excellent Soviet wheat crop indicates that the USSR's contracts to import almost four million metric tons of wheat in the 1967 consumption year (1 July - 30 June) are aimed at replenishing stocks and fulfilling part of its export commitments to Eastern Europe and Cuba. East European grain-import requirements in the 1967 consumption year are expected to fall several hundred thousand tons below the 8.5 to 9.0 million metric tons imported in the 1966 consumption year. East Germany, Poland, and Czechoslovakia, however, will continue to be major importers. Record harvests in Yugoslavia and Rumania may provide each with an exportable surplus of one million tons of corn. Rumania and Bulgaria reportedly have offered a small quantity of wheat to free world countries. 25X1

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## WEST CONFRONTED BY POLISH-CZECH NUCLEAR SAFEGUARDS OFFER

Public offers by Poland and Czechoslovakia during last month's conference in Vienna of the International Atomic Energy Agency (IAEA) to place their nuclear facilities under IAEA inspection--provided West Germany does the same--have introduced a new element into the debate over nuclear safeguards. The offers, endorsed by the Soviet delegation, were set in the context of European disarmament and were accompanied by reminders of Bonn's "nuclear pretensions." A parallel offer by East Germany seems to have been merely another effort to gain international recognition, since it was conditioned on membership in IAEA.

Soviet bloc propaganda purposes would clearly be served if West Germany were to reject outright the East European initiatives, and this may be a major motive behind them. The bids nevertheless raise the possibility of applying IAEA safeguards in East Europe and of challenging Soviet intransigence on outside inspectors. Soviet displeasure reportedly stifled tentative Polish and Czech interest last year in accepting IAEA safeguards, but the current offer was reportedly endorsed by Moscow at the Warsaw Pact conference last July. Indeed, Morokhov, the Soviet member of the IAEA board, had told the US delegate that "each socialist country would decide for itself whether facilities would be submitted for safeguards."

At the Vienna conference, some Western delegations were

inclined to accept the East European overtures at face value, viewing them as a possible breakthrough in both EURATOM and East European resistance to IAEA inspection. Although particularly skeptical of East Germany's motives, Bonn apparently intends to retain some flexibility and has delayed replying, merely reminding the Poles and Czechs that German facilities are already fully safeguarded under EURATOM.

Despite the EURATOM commission's initially negative reaction, the whole issue will likely be intensively discussed by the six EURATOM countries. Although the commission--largely under US urging--has not ruled out the ultimate objective of a single international safeguard system, both EURATOM and the US have taken the position that EURATOM inspection is equivalent to that of IAEA. The French, in particular, have always opposed any IAEA intrusion into the EURATOM program.

EURATOM thus is likely to find itself being pulled in different directions. The community, which may come under some international pressure to respond positively to the East European offers, might see some possibility of using this issue to gain official East European recognition for EURATOM. On the other hand, EURATOM will have to consider whether acceptance of international safeguards would conflict with its own objectives of establishing a truly supranational system among its own members.

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The US Mission to NATO has pointed out that the new offers may play a role in the current NATO effort to find ways for improving East-West relations,

which, along with European security and nonproliferation, will again be before the North Atlantic Council in mid-October.

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Middle East - Africa

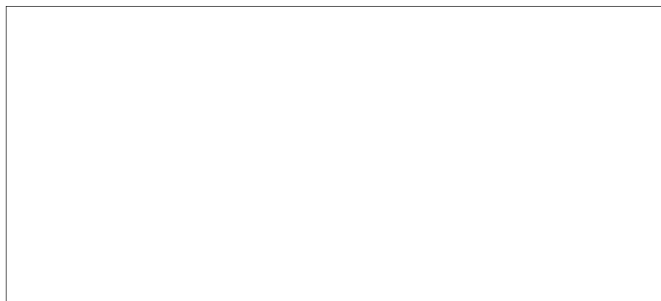
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**CONGO MUTINEERS STILL AT LARGE**

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Approximately 2,500 mutinous Katangan soldiers who left Kisanгани (Stanleyville) two weeks ago have moved to the Lubutu-Punia area en route to Katanga. They have so far held their own against the government forces, including mercenaries, that have been sent to force their surrender.

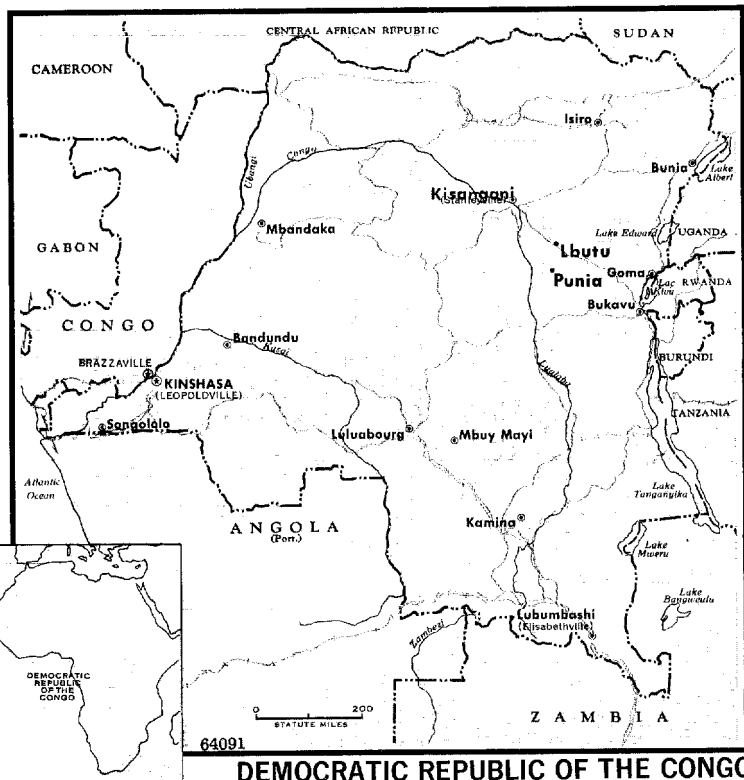
as an African nationalist and to give emphasis to his charges in the UN Security Council that Lisbon was allowing his enemies to use Angola as a staging area. By closing the consulates, he probably seeks to put further pressure on the Belgians, who have long been one of Mobutu's prime targets despite his dependence upon their aid. Mobutu has told Ambassador Godley that US consulates would be reopened upon application to the Congolese government.



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Although Mobutu would like to end this mutiny, which is tying up a good part of the Congolese Army and virtually all of the mercenary forces, he is apprehensive lest the Katangans stir up other troubles if allowed to return home. Nevertheless, in spite of his repeated demands for their unconditional surrender, Mobutu has declared a cease-fire while the mercenary commanders try to arrange a settlement.

Meanwhile, Mobutu continues his moves against suspected European opponents. On 5 October he announced his intention to close all consulates in the Congo and to break relations with Portugal. The break with Portugal apparently was designed to buttress his image



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### **NIGERIAN CRISIS DEEPENS**

Belated exercise of leadership by Northern authorities has checked for now large-scale mob violence against Easterners in parts of the North, but new disorders are likely to break out there or elsewhere as refugees are evacuated to their region of origin. There is a danger that tribal violence, until now directed primarily at the hated Ibo tribesmen, will spill over into other tribal communities, leading to a complete breakdown of law and order.

A major factor in the deteriorating security situation is the collapse of army discipline, especially in the units in the Northern region. Last week Northern soldiers joined civilian mobs--and occasionally the police--in hunting down, molesting, and killing Ibos. By the time the authorities moved to restore order, probably more than 1,000 Ibos had been killed, and hundreds more injured. Rumors of mass killings of Northerners residing in the East apparently triggered the disorders, but hard-line Northern political elements may well have had a hand in stirring up the mobs.

The Nigerian Government will probably need foreign help to restore discipline among the Northern troops. The cadre of officers is extremely thin, and itself contains mutinous elements. Last weekend, Hausa and Tiv sol-

diers--both from the Northern region--fought against each other. Both Supreme Commander Gowon and Northern military governor Katsina have hinted that they will request British and American troops, as well as technicians. London appears willing to send a team of officers to find out what military assistance is needed but will not be put in a position where British troops might be forced to fire on Nigerians.

Nearly all Easterners have now fled the North or are in the process of doing so. The departure of civil servants and public corporation employees--who were the last to go--has created severe staffing problems in essential services and in private businesses. There is considerable fear among the expatriate community and among certain non-Ibo tribes that violence will turn against them once all the Ibos have left. No expatriates have been harmed so far, but some Yoruba tribesmen from the West have been forced to flee.

Several retaliatory attacks on Northerners resident in the Ibo-ruled Eastern region have strengthened the hand of Northern extremists who wish to invade the East. Eastern military governor Ojukwu has ordered that all of the non-Easterners in his region be evacuated.

The spreading violence threatens to negate the modest progress

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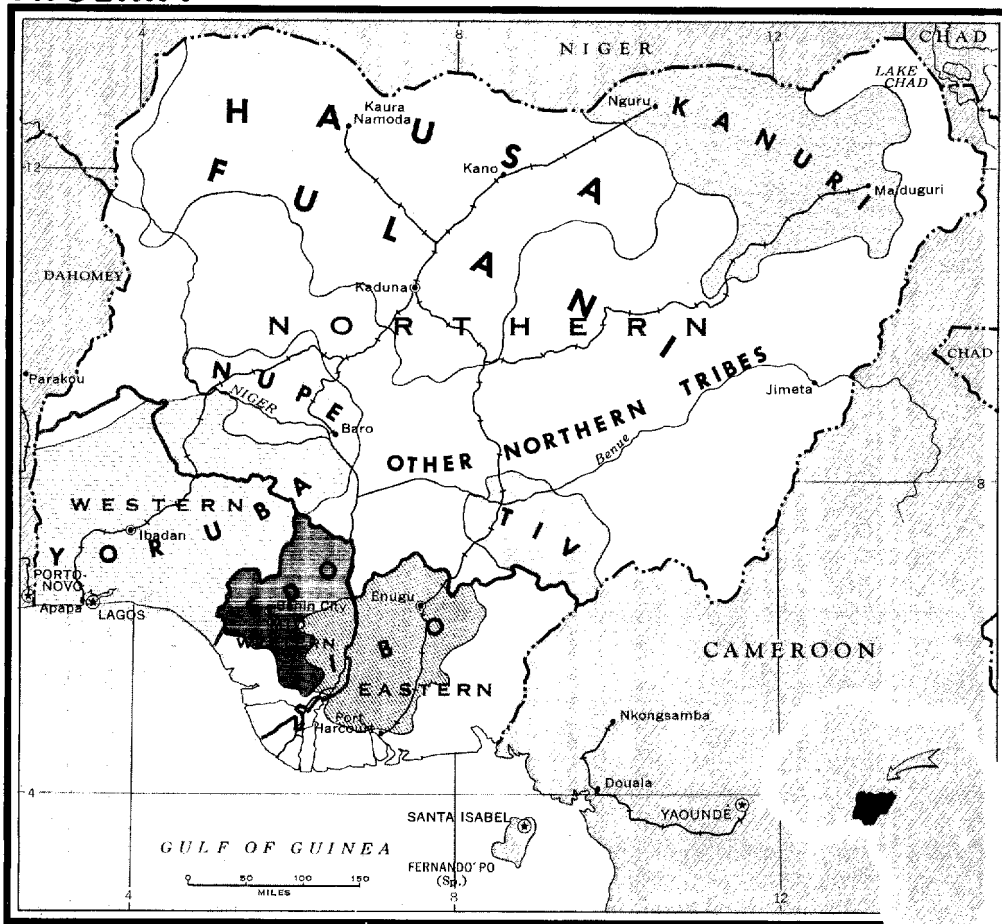
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made at the Lagos constitutional talks, which adjourned on 3 October for three weeks. Delegates had reached some agreement on the allocation of regional powers within a new federal structure but had not resolved the issue of creating additional states. Eastern governor Ojukwu remains strongly opposed to any imposed division of the oil-rich East

into two or more states, and pressure on him from Ibo elements who believe secession is the only solution has undoubtedly increased. At the same time, Supreme Commander Gowon is probably subject to growing pressure from Northern extremists who have long favored a military move against the East.

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### ALGERIA HIT BY SEVERE DROUGHT

A drought last winter has so reduced this summer's grain harvests in Algeria as to threaten a famine and a further depression of general economic conditions. The Boumediene government is seeking to fill the gap with imports, but has limited resources with which to do this.

The summer's harvest of wheat and barley, Algeria's two main cereal crops, was less than half of normal--an estimated 800,000 to 900,000 tons, in contrast to the 2.1-million-ton average of the past four years. Annual consumption has been running at about 2.3 million tons, with the difference between this and the fluctuating production figures filled by imports, mainly from the US and France. Even so, availability of grain on a per capita basis has been gradually declining.

Algiers' early bids for foreign wheat in the current crop year have had but a limited response so far. The US has sold 112,000 tons. Of 200,000 tons requested from France by the end of 1966, Paris has sold only 40,000 but is promising to review the situation by December. The US Embassy in Paris reports that France has "allocated" a total of 200,000 tons for cash sales to Algeria. However, the French hope to avoid any long-term credits and that the US will provide most of Algeria's needs beyond what it can pay for in cash. The

chances of any large-scale aid from France are reduced by the suspension of negotiations since last spring over financial claims and counterclaims, and by Algeria's nationalization of French-owned mines.

The grain crisis hits Algeria at a time when its unfavorable balance of payments has gradually eroded hard-currency holdings to the point that they are now estimated at only \$75 to 100 million. Algeria's rising earnings from oil, comprising over half of the value of its exports, have not mounted rapidly enough to offset the dwindling of French aid.

A drought as serious as this year's affects both rural and urban areas. Some 80 percent of Algeria's farmers are engaged in subsistence agriculture; rural famine tends to drive them into the cities, which are already jammed with the unemployed and under-employed. Low production on the modern, formerly French-owned, wheat-growing farms cuts into the demands for services and supplies from the urban centers, and accentuates the difficulties. So far there has been little active expression of discontent, but several weeks ago Boumediene installed a competent technician with strong rural ties as his new minister of agriculture.

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## UN FACING DIFFICULTIES OVER SOUTH-WEST AFRICA

Forty-nine Afro-Asian members of the United Nations have tabled a resolution on South-West Africa which, if passed by the General Assembly, will result in a head-on confrontation with the Republic of South Africa and its possible withdrawal from the UN.

The resolution states that the General Assembly will take over the South African mandate and assume direct responsibility for administration of South-West Africa. It calls for a UN administering authority to recommend to the next General Assembly a date for the territory's independence, and requests the Security Council to take the necessary measures to enable the administering authority to discharge its functions.

Attempts by the West and moderate Africans to win support for a milder resolution have so far failed. Liberia has a proposal that it is reluctant to table, doubting that it would get African support. This proposal provides for certain steps leading to the creation of a UN Commission for South-West Africa that would recommend to the assembly ways in which the UN could assert a presence in the territory. Another possibility is a request for an advisory opinion from the International Court. However, this would only be a holding action.

If the Afro-Asian resolution is passed, the critical problem would be organizing measures

for international enforcement. The General Assembly has no such powers and it would have to ask the Security Council to compel compliance. It is doubtful that any measures short of the use of force would obtain South Africa's compliance, and a resolution that could not be enforced would only produce greater frustration and anger among the Africans.

Britain finds itself in a difficult situation on this issue. It wants to avoid a row with the Africans but, because of the Rhodesian problem and its own economic difficulties, it also wants to avoid a confrontation with South Africa. The UK will probably abstain on the resolution. France probably will also abstain because of concern about enforcement measures and because of its trade with South Africa. The USSR will probably vote with the Africans but is arguing that rather than UN administration of the mandate, a strictly African one would be preferable.

Despite the lack of support from the major powers and the legal and constitutional problems it raises, the Afro-Asian resolution seems well on the way toward passage. The sponsors are likely to pick up some Communist votes as well as some additional support from other Afro-Asians and possibly from among the Latin Americans.

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**SECRET****COMMUNIST ACTIVITY IN URUGUAYAN LABOR**

The Uruguayan Government acted vigorously on 4 October to try to halt the latest round of Communist-inspired labor agitation. The National Council of Government voted 7 to 2 to expel four Soviet officials in Montevideo whom it accused of interfering in Uruguayan labor affairs. The action was based on the Council's belief that the Communist Party of Uruguay (PCU) cannot afford to continue leading strikes, which it has been sponsoring mainly for political purposes, if the USSR suffers consequent expulsion of its diplomatic officers. However, by expelling the four Soviets simultaneously, the government may actually have reduced its leverage on the PCU. Furthermore, the PCU probably feels sure that unless Uruguay breaks relations with all the Communist bloc countries--which is unlikely--the party will continue to receive the necessary financial and propaganda support to maintain its political and labor activities. [REDACTED]

The PCU position in labor is exceptionally strong at present. Party leaders, supported by leftist trade unionists, fulfilled a long-time goal on 2 October by establishing a nationwide labor confederation. They united the unions of the Communist-dominated Uruguayan Workers' Central with those of the Communist-created National Workers' Convention (CNT), retaining the

latter's name. The new CNT encompasses much of organized labor and can claim with considerable authority to speak for the country's workers.

Astute PCU exploitation of soaring living costs, declining real wages, and unpopular aspects of various constitutional reform proposals has induced unions previously unresponsive to the Communists to affiliate with the new CNT. Party spade-work in the interior also paid off in the affiliation of several rural cooperatives and unions. Other independent unions are expected to join as the new organization proves its leadership ability.

The PCU has demonstrated its capacity for disrupting Uruguayan economic life on issues that are more political than economic. Its latest major effort, a general strike on 15 September, nearly paralyzed the country, and a subsequent series of strikes and stoppages has caused widespread inconvenience and interrupted public services in Montevideo.

The PCU expects to convert labor support into votes in the 27 November general elections. It believes that the government will be reluctant to use repressive measures against workers with elections so near, but nevertheless hopes to provoke the authorities into creating a few martyrs. [REDACTED]

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## BRAZIL ELECTS COSTA E SILVA PRESIDENT

Retired Marshal Arthur da Costa e Silva, the only candidate, was elected president by the Brazilian Congress on 3 October, his 64th birthday. Only one opposition congressman ignored his party's decision to boycott the indirect election.

Costa e Silva will take office on 15 March 1967 for a four-year term as successor to President Castello Branco. He will not, however, assume most of the extraordinary powers granted to Castello Branco by the 1964 revolution that ousted leftist

president Goulart. These powers-- including the right to dismiss elected officials and deprive them of their political rights-- expire on 15 March, although many of the basic principles of the revolution are expected to be codified in a new constitution that Castello Branco hopes to have enacted by Congress before March.

In a speech following his election, Costa e Silva reiterated his desire to return Brazil to fully democratic processes. He also stressed his preoccupation with alleviating oppressive social and economic conditions, saying that the nation's greatest problems center on "the necessities of man."

The long interim prior to Costa e Silva's inauguration has led to speculation that the date would be moved up. However, he has pointed out that the period is none too long for him to form a government and establish policies. Furthermore, he intends to campaign until 15 November for progovernment congressional candidates, and also expects to spend part of the time before 15 March in travel abroad, possibly including a trip to the US.



**COSTA E SILVA**  
New President-Elect  
of Brazil

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## THE SITUATION IN GUATEMALA

Guerrilla leader Luis Turcios was killed this week in an automobile accident. On 3 October, the Communist Party's action arm, the FAR, announced that Cesar Montes would replace Turcios as its commander. Montes, a 24-year-old former law student who served as Turcios' deputy, is believed to be a member of the Communist Party (PGT) and ideologically more disciplined than Turcios. If so, the party's control over its guerrilla wing now may be enhanced. Turcios had insisted on maintaining the separate identity of the FAR.



**CESAR MONTES**  
New Leader of FAR

The FAR is disciplined and well organized. Although the change of leadership may initially cause some disorientation, it is not likely to have a substantial effect on the organization's ability to carry on guerrilla activity.

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**UNEXPLAINED BOMBINGS IN COSTA RICA**

A series of ten bombings in and around San Jose between 14 and 30 September has created alarm among public security officials in Costa Rica. The authorities have no clues to the identity of the perpetrators. Damage has been slight and no injuries have resulted.

The latest incidents include detonation of a small bomb at the base of an electric transmission tower north of the capital on the evening of 29 September and two more bombings the next night, one of which was the first in a residential area. The public has taken the incidents calmly so far, but concern is certain to mount if the bomb-

ings continue, especially if there are deaths or injuries.

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Costa Rican officials have tended to accuse the Communist Popular Vanguard Party (PVP). A policy of terrorism would be uncharacteristic of the present PVP leadership, but the incidents might be an independent effort by militant Communists within the PVP or from another country. The sophistication of the bombing devices and the planning inherent in each case lend weight to a theory that the incidents were carried out by persons trained in demolition techniques.

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