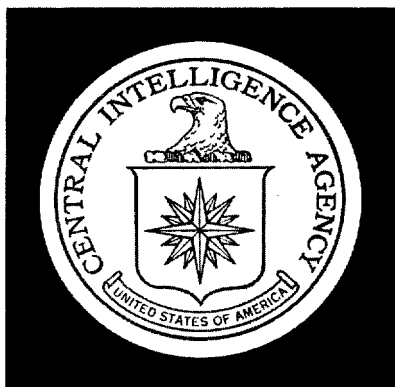


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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

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NAVY review
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30 December 1966
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C O N T E N T S

(Information as of noon EST, 29 December 1966)

Far East

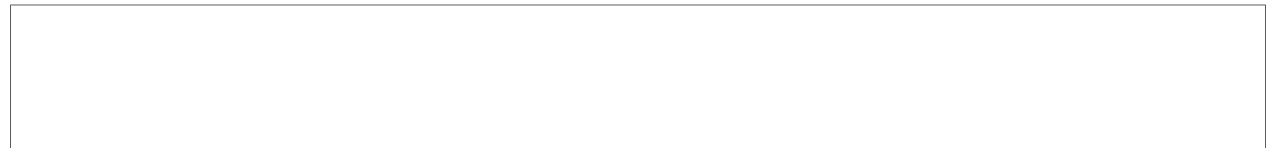
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Only a few significant violations marred the Christmas truce in South Vietnam, but once it was over the Communists launched a battalion-size attack on an American artillery position in Bin Dinh Province, inflicting heavy casualties on US forces. The North Vietnamese took advantage of the cease-fire to move supplies south by sea. Communist propaganda continues to praise guerrilla warfare. In Saigon, port workers have organized strikes to protest the use of US troops in offloading duties.	

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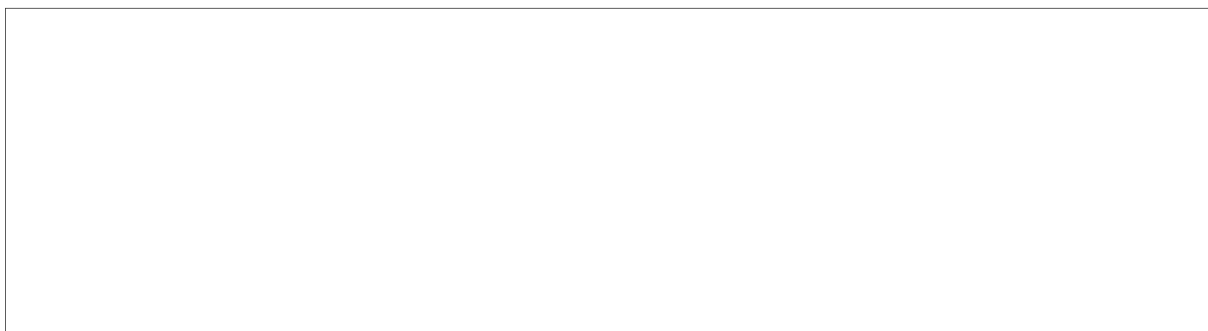
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NIGERIAN REGIME WEIGHING MILITARY ACTION AGAINST EASTERN REGION 19

25X1 With the governor of the Eastern Region continuing to dodge a meeting, the leaders from the other regions have apparently concluded [redacted]

[redacted] it may be time to act against the Easterners.

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BRAZILIAN CONGRESS CONSIDERS CONTROVERSIAL LEGISLATION 23

Many influential legislators are deeply concerned about several key provisions of President Castello Branco's new constitution, and a draft press law has drawn an immediate protest from many press groups.

PANAMANIAN GOVERNMENT OPTIMISTIC ABOUT CANAL NEGOTIATIONS 24

25X1 [redacted] Foreign Minister Eleta has scheduled a trip to the US to try to speed up negotiations.

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FAR EAST

The 48-hour Christmas cease-fire in Vietnam ended with routine Communist charges of "grave violations" by US forces. During the period, there were 102 Communist-initiated incidents, most of minor violations-- a rate slightly lower than during the truce period last year. Hanoi's effort to take advantage of the cease-fire was evident in the sighting of 500 supply-laden boats off the coast of southern North Vietnam.

Another possible Viet Cong attempt to discredit the Saigon military regime was reflected in an unsuccessful attempt on the life of a prominent member of the Constituent Assembly--only 20 days after the assassination of another outspoken assembly critic of the South Vietnamese Government.

The mounting campaign against Liu Shao-chi and Teng Hsiao-ping suggests that the struggle between contending forces in Peking may be approaching another critical juncture. Red Guard posters denouncing Liu and Teng were followed by a mass rally on 27 December at which demands reportedly were made that both men be stripped of all power and offices. The posters alleged that they had confessed opposition to the "cultural revolution" and had pledged loyalty to Mao and Lin Piao at party conferences in October and November.

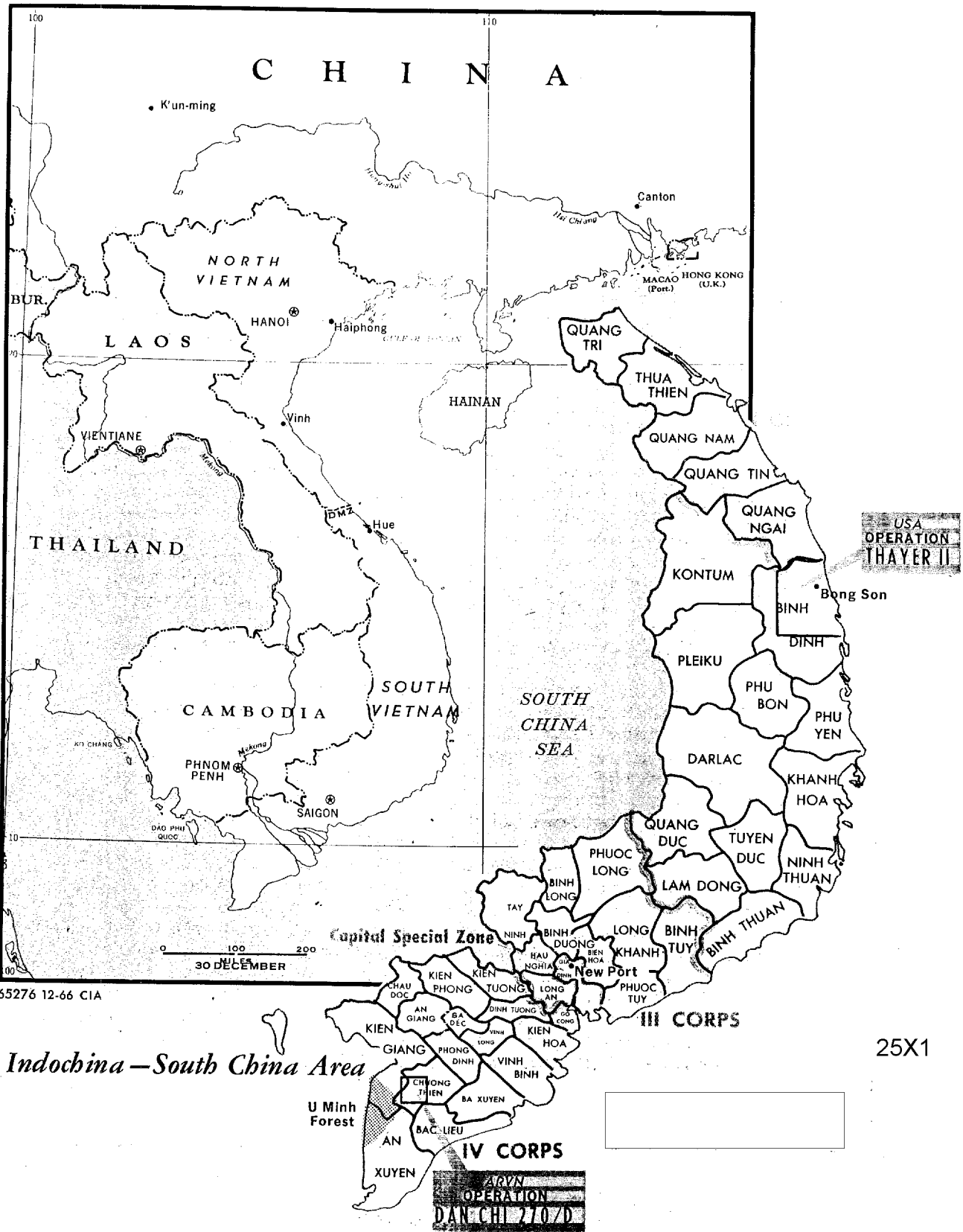
Having extracted humiliating concessions from Macao authorities following riots in early December, the Chinese Communists are now pressing for the elimination of any Chinese Nationalist presence or activities in the colony. Portugal's desire to placate Peking may prompt the Taipei government to break diplomatic relations with Lisbon.

The Chinese Communists are also seeking to encourage opposition to the Suharto government in Indonesia on the part of left-wing groups and the Overseas Chinese community. The Chinese have expressed optimism that the power struggle in Indonesia and the country's economic problems can be exploited to hasten the downfall of the Suharto government. Moves by President Sukarno and his supporters to counter the government's campaign to depose him have sharpened tensions in Djakarta.

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The Indochina - South China Area

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VIETNAM

The Christmas truce period was relatively quiet this year. Only a few major incidents were reported during the 48-hour cease-fire. Once the cease-fire was over, however, the Communists launched their first attack of the war on an American artillery position.

Many of the 102 incidents stemmed from Communist reaction to the reconnaissance activities of the allied forces. Friendly casualties during the cease-fire were 34 killed (three US) and 43 wounded (23 US). There were 12 known Communist losses.

The Communist attack on a US artillery position occurred in Binh Dinh Province near Bong Son. Units of the 1st Cavalry Division of Operation THAYER II, supported by artillery, air strikes, and heli-lifted reinforcements, repulsed the attackers, but suffered casualties of 24 killed and 48 wounded. The enemy force--possibly elements of the 22nd North Vietnamese Army (NVA) Regiment of the 1st NVA Division--began their attack with a heavy mortar barrage against the American positions. During the battle that followed, the VC overran several gun em-

placements, destroying one 155-mm. howitzer and damaging several more. A total of 43 enemy troops were killed.

South Vietnamese paratroopers began a multibattalion operation--code-named DAN CHI 270/D--in the Mekong Delta province of Chuong Thien on 26 December. This operation, the most massive allied airborne assault of the war, is targeted against the Viet Cong bastion in the U Minh Forest. Three Viet Cong battalions--the 303rd, 306th, and 309th--with a strength of 1,800 men are believed to be operating in the area. More than 60 Viet Cong have been reported killed and several captured. Friendly losses are light.

North Vietnamese Take Advantage Of the Christmas Cease-Fire

US destroyers, patrolling off the southern North Vietnamese coast, reported sighting almost as many boats in the two days of the truce as had been seen since the patrolling began on 26 October. Included in the 500 or so sightings were 15 large steel-hulled ships.

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Communist Propaganda Continues
To Emphasize Guerrilla Warfare

Both Hanoi and Liberation Front propaganda continue to extol the virtues of guerrilla warfare. One of the latest tributes was broadcast by Radio Hanoi on 22 December. It was written under the pseudonym Cuu Long, an unidentified author in South Vietnam who has written extensively on this subject in the past few months.

Although the author made the customary obeisance to conventional tactics, he credited the guerrillas with more than one third of total US/GVN casualties. Cuu Long also stressed the importance of guerrillas in the battle for political control of the rural population. He claimed that the Viet Cong no longer are relying exclusively on the guerrilla warfare of the past but are using the superior "modern science of guerrilla warfare" combining "widely known experience of long standing with people's creativeness."

Cuu Long's exalted claims for the capabilities of "modern" guerrilla warfare may be designed to help justify the new emphasis on smaller scale operations. Other recent articles in the Vietnamese Communist press indicate that the decision to re-emphasize

guerrilla tactics met with considerable opposition.

Political Developments in Saigon

Saigon's already congested port situation was further complicated this week by a strike of several thousand dock workers that began on 26 December. Ostensibly, the walkout at the city's main port was prompted by the layoff of some 600 Vietnamese stevedores at New Port, a recently constructed all-US facility. The Vietnamese workers at New Port had been hired on only a temporary basis, but local union leaders ordered the strike in support of private stevedore companies whose contracts at the main port expire this weekend. US troops were moved into the military sector at the port to remove cargo essential to the war effort.

Continuous negotiations have failed to end the strike. Moreover, the rebel union agitators, who are at odds with the president of the national confederation of labor unions, have ordered a general strike throughout Saigon on 29 December unless the US agrees in principle to stop using troops for offloading. The Ky government, however, is reportedly preparing to intervene for fear that a prolonged strike could have serious economic repercussions.

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In a broader sense, the strike touches on the sensitivity of the Vietnamese to the increasingly large role the US is playing in the military effort. There have been recent indications that influential Vietnamese in and out of government are attempting to portray themselves as champions of Vietnamese sovereignty. Demands that commercial aircraft on contract to the US military pay landing fees and claims that only the Vietnamese Army can carry out pacification activities, as well as the port strike all reflect this sensitivity.

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PEKING KEEPS PRESSURE ON MACAO

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Peking's current demands on Macao authorities center on the elimination of all Chinese Nationalist activities in the Portuguese enclave.

The Portuguese appear determined to placate Peking, even at the risk of provoking the Chinese Nationalists to break relations. Lisbon has unconditionally accepted all the demands of the Chinese Communists stemming from

the recent riots--although some details remain to be worked out --and is taking steps to prevent Chinese Nationalist operations in Macao.

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According to the press, the Nationalists have protested to Portugal concerning the actions of the authorities in Macao.

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EUROPE

The week saw no major new problems develop, but a few steps, though limited, were taken toward resolving some old ones.

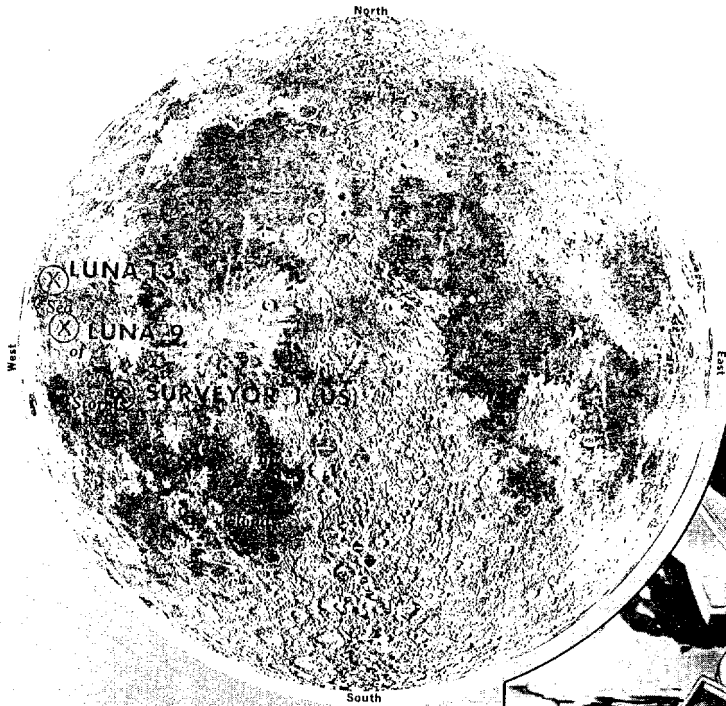
The 21st session of the UN General Assembly has ended with more accomplishments to its credit than usual and with rather less acrimony than appeared likely when it convened. The conclusion of a space treaty, the momentum given to a non-proliferation agreement, and the reappointment of U Thant to a second term count as successes. The Chinese representation issue was met this year with relative ease, while the explosive South West Africa issue was handled with less difficulty than had been expected.

The European Economic Community, which began the year in crisis, ended it on a comparatively productive note, although there are difficult and divisive issues immediately ahead, particularly with the French. Agreements within the Community on tariff concessions to be offered in forthcoming bargaining with the US and others were arrived at earlier than had been expected, and the way has been cleared for serious bargaining to begin next month.

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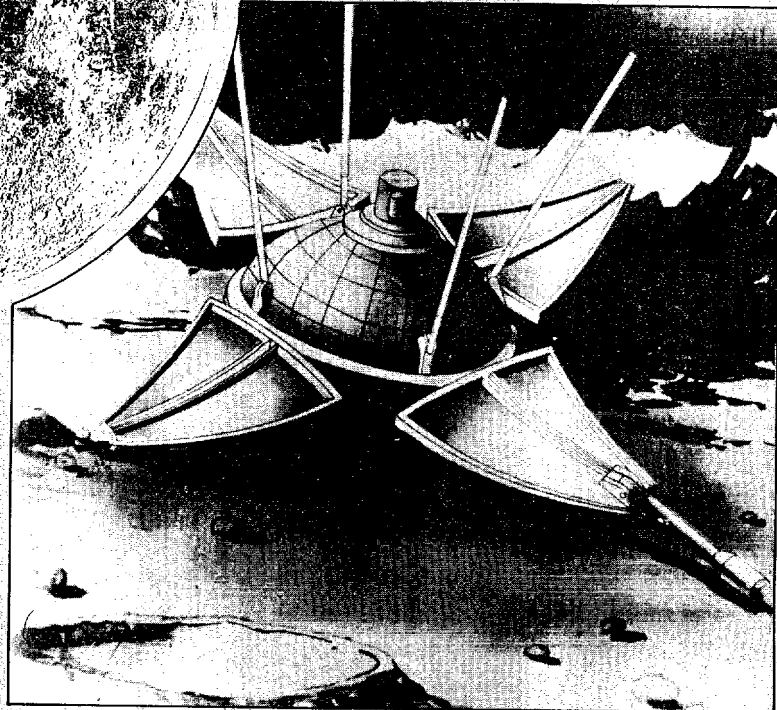
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THE MOON

SOVIET LUNA MISSIONS

27 DECEMBER 1966



Soviets state Luna 13 resembles Luna 9, shown above

USSR 1966 LUNAR EXPLORATION PROGRAM

VEHICLE	LAUNCH DATE	MISSION	RESULT (Success/Failure)
LUNA 9	31 Jan	"Soft" landing and take photographs	Success
COSMOS 111	1 Mar	Probably orbit moon	Failure (No ejection from earth orbit)
LUNA 10	11 Mar	Orbit moon; get scientific data	Success
LUNA 11	24 Aug	Orbit moon and photograph surface	Orbit success but no photographs
LUNA 12	22 Oct	Orbit moon and photograph surface	Orbit success and poor photographs
LUNA 13	21 Dec	"Soft" landing and take photographs	Success

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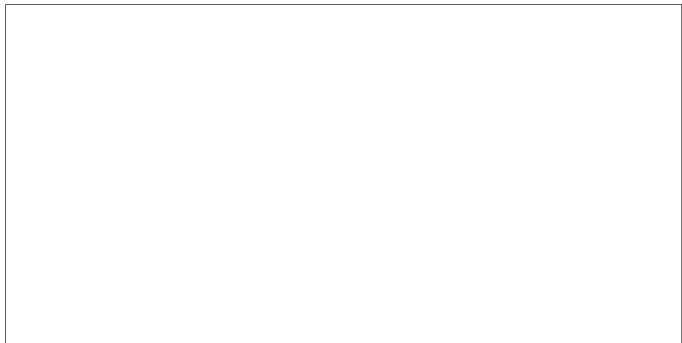
LUNA 13 CAPS SUCCESSFUL YEAR OF SOVIET LUNAR EXPLORATION

The Soviets ended a year of successes in lunar exploration on 24 December by soft landing Luna 13, which is sending back pictures and soil data from the moon's surface.

Luna 13 was the fifth successful Soviet lunar operation of 1966 and the second to make a soft landing. A sixth lunar attempt --Cosmos 111--failed to leave the earth's orbit.

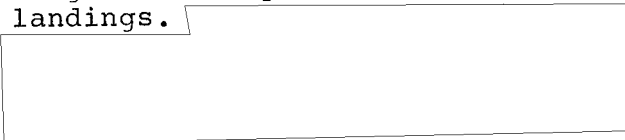
Lunas 9 and 13 both landed in the Sea of Storms, as did the US Surveyor I. The two Soviet capsules were similar and both took pictures of surface details, but Luna 13 added two soil-analysis experiments--one for hardness and another for density. The data obtained by this method, while valuable, does not directly measure landing conditions as did the US Surveyor I. The US vehicle not only tested soil texture and firmness by taking a picture of its landing leg resting on the surface, but also simulated the conditions of an Apollo landing.

Soviet statements have indicated that the lunar landing missions are intended to compile a map of the Sea of Storms. However, this would be a long and difficult task because of the limited horizon of the camera, which sits atop a two-foot sphere.



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The other three Soviet lunar operations in 1966--Lunas 10, 11, and 12--orbited the moon. Only one, Luna 12, succeeded in taking pictures, and these were of poor quality. Major improvements will be necessary to obtain the pictures needed to make large-scale maps for cosmonaut landings.



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ITALIAN COALITION FACES NEW TEST

The uneasy partnership of Italy's Christian Democrats and Socialists is under strain again. The two parties' mutual grievances are due to be aired in January at a top-level coalition meeting called to set legislative priorities. Unless the political atmosphere cools, the government--which also includes the small Republican Party--will face a major test at that time.

Last week, Socialist deputies --with help from Communists and some Christian Democrats--forced through an amendment to a farm subsidy bill. The amendment, opposed by a majority of Christian Democrats, called for channeling EEC parity payments to Italy's olive oil producers through a government agency rather than through a Christian Democratic - controlled agricultural consortium. The issue was a technical one with no direct implications for governmental stability. However, the Christian Democrats were disturbed that the Socialists chose to force through the amendment with Communist support despite prior agreement in the cabinet on the original bill. The affair illustrates how easily innate suspicions between the two parties rise to the surface to create political tension.

The Socialists are dissatisfied with the slow pace of the government's legislative program, as well as with the complicated parliamentary procedures that have contributed to delaying pas-

sage of the Five Year National Economic Plan (1966-70). They have also been disturbed by the results of local elections in November in which they did less well than the Christian Democrats. Some Socialists believe their party should quit the coalition now so that it can enter the national elections, due by 1968, unencumbered by participation in a "do-nothing" government.

The Christian Democrats are uneasy over the possibility that their dominant position in the government will eventually be challenged by the unified Socialists. Adding to their concern has been an aggressive Socialist campaign to extend the party's political patronage by putting forward candidates for a whole series of subcabinet posts. Moreover, personal jealousies against Premier Moro persist, as does some belief that a more vigorous premier is needed to refurbish the party's image in the pre-electoral period. Some Christian Democrats argue that the party could gain an advantage by forcing early elections.

Responsible leaders in both parties want to keep the coalition together until 1968. However, they will have their work cut out for them if they are going to get an acceptable compromise on legislative priorities at the top-level session next month.

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NO HOLIDAY PASSES FOR WEST BERLINERS

The East Germans insisted on political conditions for a pass arrangement this year with the result that, for the first time since 1963, no West Berliners made holiday visits through the Wall. Previously the Western side has been able to deny that negotiations with the East German regime implied recognition of its sovereignty by means of a so-called "savings clause." This was a joint statement that both sides agreed to disagree on terminology. This year, the East Germans refused this and negotiations ended.

The stiff East German attitude was probably in part an effort to test the new West German Government's stated intention to take a more flexible attitude toward East Germany.

The hardening of the East German position is probably also a reaction to the prospect of improved West German relations with the other countries of East Europe, a prospect that is highly displeasing to Pankow.

The East Germans, however, have not so far carried over their tough attitude on the pass issue to other areas of contact with West Germany. They withdrew similar demands for political conditions in connection with the opening of a new autobahn bridge on the border on 19 December, and they are relatively relaxed in interzonal trade matters. The difference in approach may be intended to buttress the Communists' contention that West Berlin is not a part of West Germany, a position that has been challenged anew by the participation of former Berlin officials in the new Bonn government.

The Bonn government and the Senat were willing to make a concession on the savings clause last October in order to obtain a hardship pass agreement, but they were not under enough public pressure for a Christmas agreement to do so again. The hardship agreement--which provides for emergency passes for such family matters as births, marriages, serious illness, and death--lapses at the end of January. The East Germans presumably hope that public pressure will force the Senat into concessions when negotiations are reopened.

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MIDDLE EAST - AFRICA

Continued high tensions among the Arab states dominated the week's developments.

King Husayn, still adamant against the entry into Jordan of troops from other Arab states, last weekend succeeded in persuading the United Arab Command to delay a final decision on this move. Bomb explosions near government buildings in Amman have freshly dramatized the radical nationalist pressures he faces. In Saudi Arabia, Husayn's ally King Faysal is also feeling pressure in the form of bombing incidents carried out by Yemeni terrorists probably inspired by Nasir. The incidents have been played up by Cairo radio. Nasir has also accorded Faysal's ousted predecessor, former king Saud, a friendly welcome to residence in Cairo.

Tensions have generally eased in other Middle East trouble spots. In Athens, the "nonpolitical" Paraskevopoulos government seems well launched in its mission to preside over preparations for general elections next May. In India, the Punjab Sikh leaders' decision not to carry out their plans for self-immolation has given Prime Minister Gandhi a breathing spell. Ceylonese Prime Minister Senanayake's opponents appear to be counting on a mid-January by-election to register protests against last week's slash in the rice ration.

In tropical Africa, Mobutu's government is troubling the Portuguese as well as the Belgians. Deteriorating Congolese-Portuguese relations have most recently been punctuated by raids into Angola by Congo-based Angolan insurgents, and Lisbon has warned that it would retaliate. President Mobutu has also taken a decisive step toward gaining control of the Union Miniere mining company's Congolese assets. In Nigeria, the federal regime is further developing plans for military action against the recalcitrant Eastern Region. [REDACTED]

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JORDAN DELAYS FINAL DECISION ON ENTRY OF FOREIGN TROOPS

At a United Arab Command (UAC) meeting in Cairo last weekend, Jordan parried a final decision on stationing other Arab troops on its territory. The UAC meeting had been called to carry through on the 10 December decision of the Arab Defense Council, which Jordan had accepted, to deploy Iraqi and Saudi troops in west Jordan along the Israeli border.

Jordan won a reprieve by playing on Arab fears of another war with Israel and by being, in effect, more Arab than the others. The Jordanian representative again expressed Amman's agreement to the 10 December decision but then insisted upon full implementation of the defense council's plan for meeting the Israeli threat--a plan that calls for additional military and financial steps by the other Arab states. These conditions on Jordanian acceptance of foreign Arab aid have necessitated another higher level meeting of the defense council that probably will be held early in February.

Jordan has been reinforced in its determination to avoid having other Arab forces on its territory because of information it has received that Palestine Liberation Organization (PLO) troops wearing Iraqi insignia would be part of the Iraqi contingent slated to enter Jordan. King Husayn continues to regard the PLO as a subversive menace.

The official radio and press in Cairo and Baghdad have been

critical of Jordan's delaying tactics. According to a PLO announcement, that organization has responded by forming a "secret" revolutionary council aimed at overthrowing the King. The PLO also claims to be taking "all necessary measures" to prepare for the entry of its Palestinian army into Jordan despite Husayn's opposition.

King Husayn's reorganization of the Jordanian Government under the same prime minister, Wasfi Tal, has had a negative impact on Palestinian west Jordan, where antipathy toward the government has been strongest. The two Palestinians added to the cabinet --including the new foreign minister, Abdullah Salah--have no broad base of support on the West Bank.

Terrorist activity within Jordan is becoming more serious. Four bombs, presumably planted by Palestinians, exploded the night of 26-27 December in the area of Amman where most government ministries are located. The following night, two more bombs exploded in the government's broadcasting station. Jordan has charged that a Syrian Army patrol crossed the border into Jordan and murdered a Jordanian security guard on 28 December.

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"NONPOLITICAL" GOVERNMENT TAKES OVER IN GREECE

A new Greek government headed by banker Ioannis Paraskevopoulos has been installed following the fall of the 15-month-old regime of Stephan Stephanopoulos. The old government collapsed when the conservative National Radical Union (ERE) withdrew its support, as it had long threatened to do. King Constantine replaced it with a transitional administration of nonpolitical personalities which he would like to have remain in office until general elections can be held in late May.

The withdrawal apparently resulted from an agreement between ERE leader Kanellopoulos and the chief figure in the opposition Center Union, George Papandreou. Papandreou had been demanding elections ever since he fell from power in a row with the palace in the summer of 1965.

The government crisis has left both major parties in disarray. A caucus of the ERE agreed to support Kanellopoulos, but his move caught many of his

parliamentary deputies by surprise.

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The majority of Papandreou's deputies have also agreed to follow his lead, which calls for supporting the new government, but a sharp split has developed between him and his controversial son, Andreas. The younger Papandreou's alleged role in the conspiratorial military "Aspida" group and his hostility toward the palace have stirred Greek political circles for two years. Now Andreas has publicly demanded that his father reverse his decision to support Paraskevopoulos.

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Paraskevopoulos is expected to receive a parliamentary vote of confidence next week, thanks to the backing of both major party leaders. In view of the basic instability within both parties, however, a withdrawal of such support and another change in government before the elections is possible.

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CONGO INTENSIFIES CONFRONTATION WITH BELGIAN MINING COMPANY

President Mobutu of the Congo (Kinshasa) has sharply raised the stakes in his duel with the Union Miniere mining concern and has moved much closer to his goal of "Congolizing" the company inside the Congo.

On 23 December Mobutu announced the creation of a new entity, controlled by the Congolese Government, to take over the company's assets in the Congo. This new "council of administration," according to the government's announcement, will supplant Union Miniere irrevocably on 1 January unless the company agrees by then to move its headquarters to Kinshasa. Simultaneously, Mobutu stopped the export--but not the production--of copper and other minerals mined by Union Miniere.

Mobutu apparently believes that a sufficient number of the expatriates (mostly Belgians) in the Congo--who are crucial to the country's mineral production--will stay on under the new arrangement. While he has stepped up army and police activity in the Katanga mining region, he apparently is trying to minimize open harassment of the Belgians and has assured them that he wants them to remain. He is also giving a majority of seats on the new "council of administration" to expatriates, including five Union Miniere officials now in Katanga.

Union Miniere has several strong cards to play, but so far it has not shown its hand. Its

personnel in Katanga have been instructed to cooperate with Congolese officials and to concentrate on producing copper.

On the other hand, the company's spokesmen have repeatedly said there is no chance that it will transfer its headquarters to Kinshasa.

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The company could also institute legal proceedings that would hamper the Congo in its efforts to make alternative marketing arrangements.

There appears to be little chance that Mobutu will back down to the extent of letting Union Miniere run the mines after 1 January. Nor does Union Miniere seem likely to move its headquarters to the Congo. If some way out of the impasse is not found, all sides will be damaged, the Congo perhaps most of all. If a deal is reached, it probably will involve Congolese control of operations inside the Congo, with Union Miniere continuing to market the Congo's mineral products. This would give Mobutu a substantial political victory with minimal disruption to the Congo's portion of the copper-producing process.

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NIGERIAN REGIME WEIGHING MILITARY ACTION AGAINST EASTERN REGION

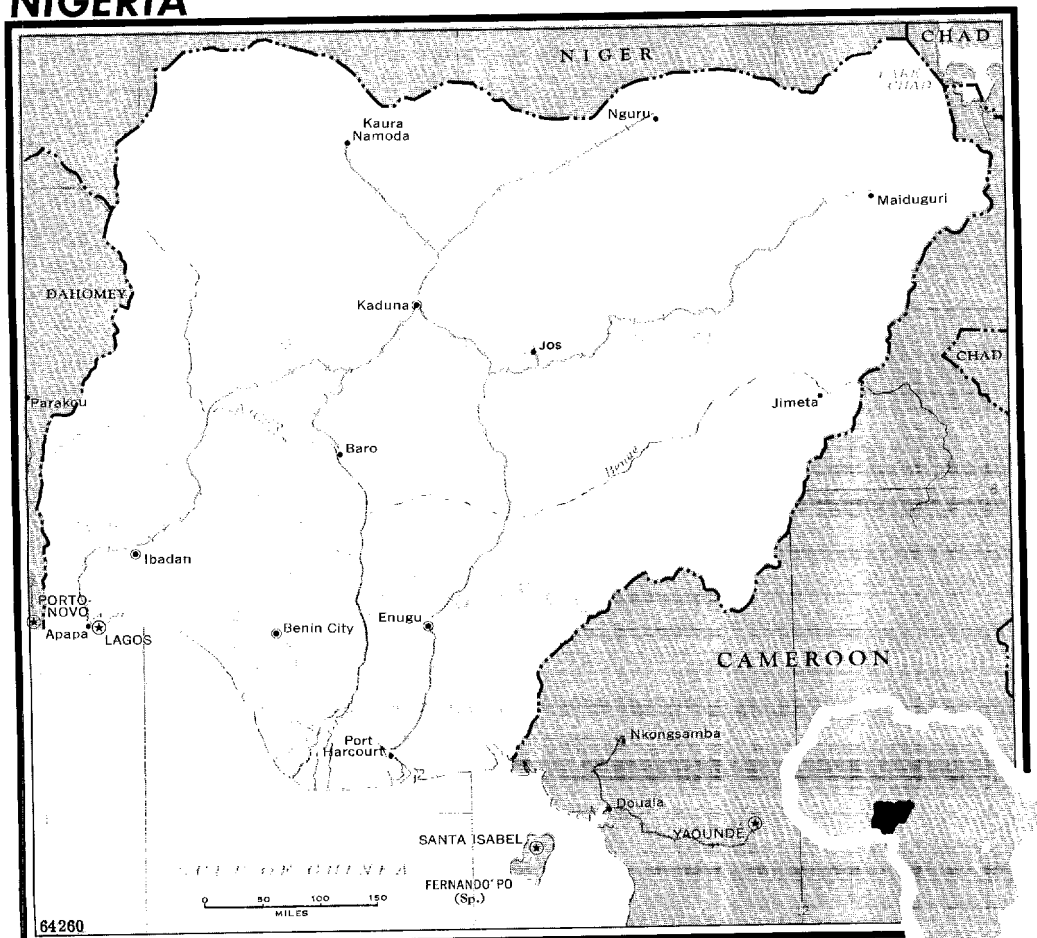
Leaders of Nigeria's federal regime are thinking seriously of resorting to military action against the Eastern Region in order to break the impasse over the country's future.

Supreme Commander Gowon and other key leaders of the Federal Military Government (FMG) are becoming increasingly im-

patient with Eastern military governor Ojukwu. Since Gowon took over last summer, Ojukwu has managed, by constantly imposing new preconditions, to avoid meeting with Gowon and the military governors of the other three regions.

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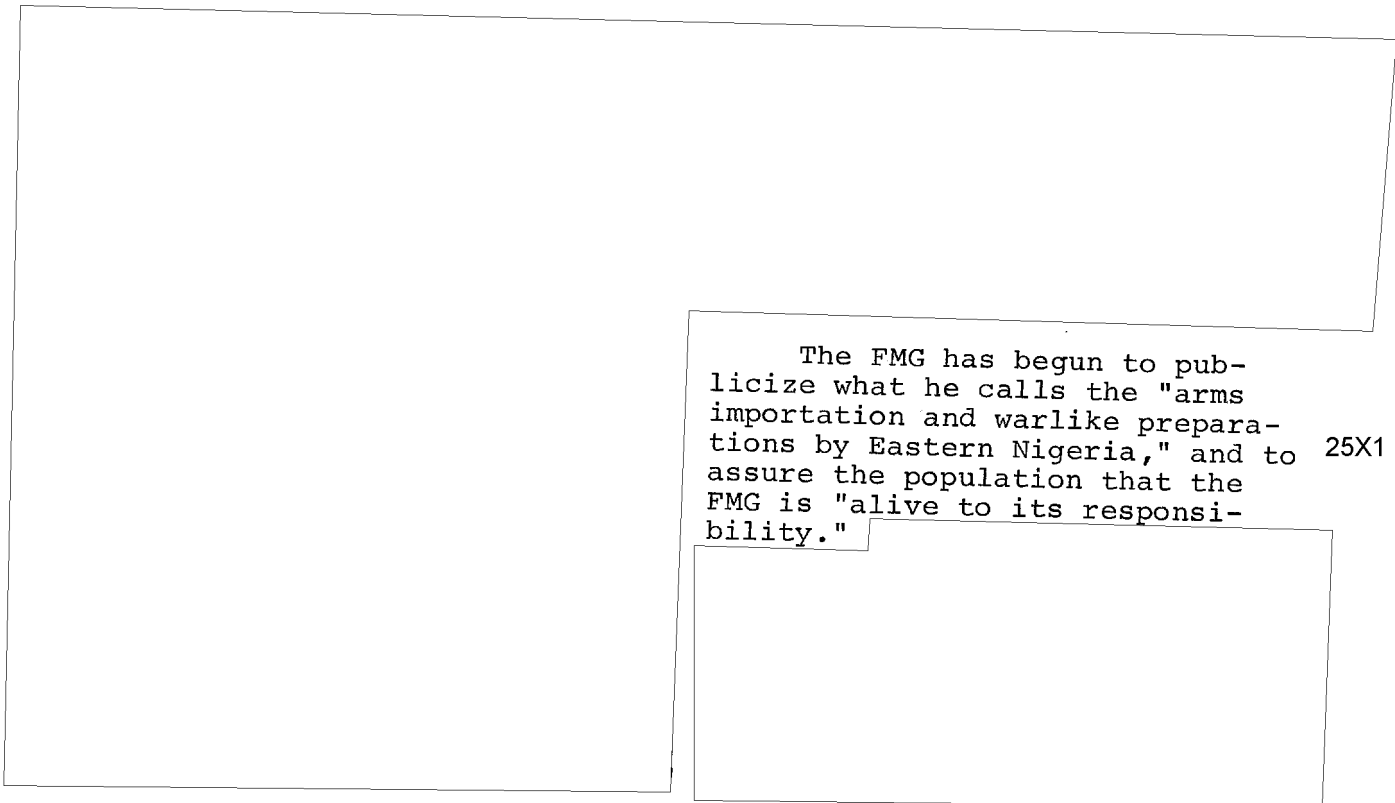
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WESTERN HEMISPHERE

Most of Latin America followed its traditional Christmas holiday pattern by taking time out from jousting with internal and international problems. However, there were rumblings from two British possessions and a former colony that suggested developing trouble.

In the Bahamas, strikes and political infighting in preparation for the 10 January parliamentary elections produced ugly moods in Nassau and elsewhere in the island chain that caused the governor to fly to London for consultations and the British to move a ship with marines aboard into the area. The strikes have been settled, however, and British authorities think local security forces can cope with any foreseeable unrest. Nevertheless, there is some talk of assassinations if the opposition Progressive Liberal Party believes itself cheated in the coming elections and the situation will remain tense until well after the voting.

The British also dispatched a warship to lie off St. Vincent in the Windward Islands as a result of unrest there. Here, too, an electoral dispute is at the bottom of the problem. The two major parties are embroiled in a legal battle over alleged irregularities in last August's legislative elections. London is involved heavily in this quarrel because the dispute could delay the granting of full internal self-government to the island, scheduled for February 1967.

The former British colony of Guyana came close to another government crisis as Premier Burnham shuffled his cabinet but stayed short of changes that would have jeopardized his party's coalition with that of Finance Minister D'Aguiar. The two men have been at odds since before independence and a showdown between them may still be ahead. The big danger in this situation is that Cheddi Jagan, the pro-Communist leader of the opposition, is waiting in the wings for just such a development.

The lull in Latin America will soon pass. One predictable event for the new year is Castro's major speech on 2 January during the celebration of his take-over in 1959.

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ARGENTINE GOVERNMENT SPLIT OVER LABOR POLICY

A serious split over labor policy has developed within the Ongania government as the result of a hard-line faction's attempts to prevent any compromise with the unions and recently introduced work rules. In the latest incident, armed maritime police enforced a lockout of longshoremen returning to work after their union called off the dock strike that had begun on 21 October.

The hard-liners are led by Transportation Secretary Antonio Lanusse, who believes that negotiations with labor would give the impression the government is weak and incapable of enforcing the new rules, which are designed to improve the efficiency of the nation's ports and railroads. It seems that Lanusse's faction was responsible for the lockout on the docks, as well as for earlier police raids on union meetings in Buenos Aires. Lanusse is apparently convinced that President Ongania also favors a tough approach. The President, in fact, has not yet committed himself to either Lanusse or to the moderates, led by Labor Secretary Rubens San Sebastian, who are prepared at least to discuss the issues with labor leaders.

The government's moves against the unions are forcing the leaders of the General Confederation of Labor, which is dominated by Peronist moderate Augusto Vandor, to take a stronger antigovernment stand than in the past. During the past few months, Vandor has urged union leaders to avoid a confrontation with the Ongania regime and to rely on negotiations to achieve labor demands. Now, however, Vandor's position is being eroded by the tough position of Lanusse and his followers. Some union leaders, especially Lorenze Pepe of the railroad workers, are urging labor to plan for strikes, and possibly even terrorism and sabotage, in the face of an inflexible government attitude.

The chances of avoiding a major confrontation between the government and the labor unions, which seemed quite good in November, have been considerably reduced by the latest series of events. The government can count on military backing to enforce its position, but a struggle with organized labor could put a roadblock in the way of a number of economic and labor reforms contemplated by the government.

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BRAZILIAN CONGRESS CONSIDERS CONTROVERSIAL LEGISLATION

The basic text of President Castello Branco's new constitution has been approved by the Brazilian Congress with the expected support of progovernment party (ARENA) legislators. However, many influential members--including respected ARENA leaders--are deeply concerned about such key provisions of the constitution as the indirect election of the president, military trials for civilians accused of crimes against national security, and the general expansion of presidential authority.

Many members apparently hope to be able to modify the draft--now returned to committee for submission of amendments, which must be sponsored by at least one fourth of the membership of either house. By law, the committee must complete its consideration of amendments by 5 January, Congress must vote on them by 19 January, and the new constitution--with or without amendments--must be promulgated by 24 January. It is not likely that the government will accept major alterations, but it may agree to some liberalizing amendments on human rights and on the President's authority to issue decree laws. Some critics of the constitution reportedly hope to secure approval of more far-reaching amendments later on.

In addition to the constitutional debates, Congress on 22 December received from the President a draft press law that must be acted upon within 30 days or become law automatically. The draft, which has drawn immediate protests from many press groups, provides for increased fines and penalties for "abuse of liberty of the press," for transmitting false news, or for twisting or distorting facts to cause public disturbances. Notoriously slow court processes would be speeded up, and media accused of calumny and defamation--charges almost impossible to prove under present Brazilian law--would have the burden of proving their allegations. Further, anonymity (pen-names are frequently used by political writers in the Brazilian press) would be forbidden. Foreigners would not be permitted to own "journalistic enterprises" nor to distribute national news in Brazil.

Some responsible Brazilian newsmen have admitted, however, that the law is necessary to eliminate abuses of press, radio, and television by both newsmen and politicians. They point out that the law sets up neither mechanisms nor provisions for censorship. 25X1

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PANAMANIAN GOVERNMENT OPTIMISTIC ABOUT CANAL NEGOTIATIONS

The Robles government is becoming more hopeful over prospects for reaching a canal settlement with the US next year, and Foreign Minister Eleta has scheduled a trip to this country on 31 December to try to speed up the pace of the talks.

nian aircraft that made an emergency landing at the site claimed he had been "detained" by US personnel. News media and extreme nationalists charged that the country's sovereignty had been violated, and the furor over the incident was quickly magnified into criticism of the US role in the treaty talks. Most media portrayed the Robles administration as taking a newly vigilant and forcefully patriotic stance in relations with the US.

In addition to reflecting renewed confidence regarding the negotiations, the tone of the news media probably indicates that Robles and his aides have an eye on the approaching third anniversary of the 9-11 January Canal Zone riots. The television station owned by Eleta is stressing the "desirable pace" of the canal talks and is urging the public to avoid any "fruitless excesses" that would retard them. Leaders of Panama's small, fragmented Communist movement are making plans for agitation during the anniversary period and, as a result of the Rio Hato affair, there is more tension this year than last.

Panama City news media, largely owned or controlled by government officials and members of the oligarchy, are giving heavy coverage to the negotiations. The recent calm and optimistic tone of most of the editorials and broadcasts contrasts sharply with the emotional, anti-US clamor that was touched off in early December after a minor incident at the US-leased Rio Hato training area. At that time, the pilot of a Panama-

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