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# CURRENT INTELLIGENCE DIGEST



CENTRAL INTELLIGENCE AGENCY

OFFICE OF CURRENT INTELLIGENCE

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GROUP 1  
Excluded from automatic  
downgrading and  
declassification

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C O N T E N T S

(Information as of 1200 EST)

GENERAL

Vietnam  
(Page 1)

Situation report.

Prospects for So-  
viet-Brazilian Trade  
(Page 3)

Negotiations between the two  
countries are likely to result in  
only a gradual increase in trade.

SOVIET UNION

Soviet Economic  
Picture  
(Page 4)

Official summaries for 1965  
indicate little improvement in So-  
viet economic performance over that  
of 1964.

NEAR EAST - AFRICA

Rhodesian Develop-  
ments  
(Page 5)

London now hopes to postpone  
Zambia's break with Rhodesia be-  
yond 15 February.

Rebellion Continues  
In Portuguese Guinea  
(Page 6)

The high level of rebel raids,  
ambushes, and reprisals shows no  
sign of diminishing.

WESTERN EUROPE

Italy May Be Forced  
To Call for National  
Elections if Present  
Political Stalemate  
Continues  
(Page 7)

President Saragat may choose  
this alternative should new efforts  
for the reconstitution of the cen-  
ter-left government again fail.

LATIN AMERICA

Dominican Republic  
(Page 8)

Minister of Defense Rivera and  
President Garcia Godoy continue  
negotiations on the present military  
crisis.

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LATIN AMERICA

Uruguayan Communists  
Oppose Reform  
(Page 9)

Party leaders hope to help de-  
feat proposals which, if enacted,  
could reduce the political and eco-  
nomic chaos they hope to exploit.

NOTES

USSR  
Indonesia  
South Korea

Belgium  
Panama  
Brazil  
Argentina  
Ecuador  
Chile  
(Page 10)

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NEAR EAST - AFRICA

5. Rebellion Continues in Portuguese Guiana

The struggle between Portuguese troops and native insurgents in the small west African province of Portuguese Guinea continues in apparent stalemate, although the high level of hit-and-run rebel raids, ambushes, and reprisals shows no sign of diminishing. There is no indication that Lisbon is ready to relax its authority over the area or that the rebels are willing to negotiate on any but their own terms. As military action, or threats of it, disrupts basic agricultural production, the economic situation continues to deteriorate.

The rebel African Party for the Independence of Guinea and Cape Verde (PAIGC) has an estimated 3,000 to 6,000 men in the field. They are well armed, and enjoy safehaven and logistic support from bases in nearby Senegal and Guinea. The rebels remain in control of the north central Oio district, where almost half of their forces is concentrated. Terrorists are also active in the southern tip of the country and in the northeastern corner near the Senegalese and Guinean borders. Most other areas are virtually free of rebel activity.

In Bissau, the provincial capital, the PAIGC is regarded as a formidable adversary, well organized, well financed, and well led by Guinea-based Amilcar Cabral. The Portuguese also

believe that it is financed and dominated by the world Communist movement. Viewed from outside, however, the PAIGC appears far less impressive, especially as a political force. Although some aid is received from Communist sources and from the OAU's African Liberation Committee, it is barely enough to maintain the present level of operations. Both Portuguese and non-Portuguese consider the rival rebel group, Senegal-based Front for the Liberation and National Independence of Guinea (FLING), as a relatively lightweight, ineffective group.

Portuguese troop strength appears to be stabilized at about 20,000, including 3,000 native conscripts. Supplies and organization are now adequate to permit increased offensives against rebel strongholds, expanded patrol action, and military protection of farms and transport. Nevertheless, the troops remain unable to seal off the frontiers or to break the rebel grip on the Oio area. Tighter internal security controls have been imposed in the last year, largely because the Portuguese authorities fear that, with their guerrilla activities somewhat checked, the rebels may switch to sabotage, terrorism, and wanton acts of violence.

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