

SECRET

COPY NO. 76

OCI NO. 0401/62

26 January 1962

CURRENT INTELLIGENCE WEEKLY SUMMARY



CENTRAL INTELLIGENCE AGENCY

OFFICE OF CURRENT INTELLIGENCE

SECRET

25X1

State Department review completed

THIS MATERIAL CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF THE ESPIONAGE LAWS, TITLE 18, USC, SECTIONS 793 AND 794, THE TRANSMISSION OR REVELATION OF WHICH IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW.

The Current Intelligence Weekly Summary has been prepared primarily for the internal use of the Central Intelligence Agency. It does not represent a complete coverage of all current situations. Comments and conclusions represent the immediate appraisal of the Office of Current Intelligence.

Page Denied

25X1

25X1

25X1

25X1

Next 4 Page(s) In Document Denied

25X1

25X1

25X1
25X1

25X1

25X1

25X1

25X1

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

WEEKLY REVIEW

EAST-WEST RELATIONS

Moscow evidently is still interested in negotiating with the West on Berlin and Germany, despite the harder line taken by Gromyko in his second conversation with Ambassador Thompson. A public lecturer in Moscow on 21 January, in discussing some details of the Thompson-Gromyko talks, stated that solution of the West Berlin problem by negotiations is clearly preferable to unilateral conclusion of an East German peace treaty. Current Soviet press commentaries are also stressing the importance of negotiations.

While the Soviet press has maintained complete silence on the Thompson-Gromyko talks, the public lecturer noted that the ambassador was seeking to determine whether there is a basis for negotiations. The lecturer did not predict the outcome of the Thompson-Gromyko meetings; he noted, however, that Thompson could hardly succeed in the talks until "Washington forces Paris and Bonn into agreement on negotiations." The lecturer said that one of the "major points" discussed by the ambassador was an international corridor authority which would include both East and West Germany as participants, and that the ambassador had also emphasized the necessity of agreement on Western access to West Berlin, to "be guaranteed by both the USSR and the GDR."

The lecturer did not comment on Thompson's call for an international access authority, even though President Kennedy's similar proposal--in his interview with Izvestia editor Adzhubey last November--was rejected in a speech by Khrushchev on 9 December. The Soviet premier termed such an approach

unrealistic and stressed that assurances of free access would have to be on the basis of an agreement with East Germany.

Commentaries in Izvestia on 18 January and Pravda the following day urged a negotiated settlement of the Berlin and German problems. Pravda reiterated the need for conclusion of a German peace treaty and creation of a demilitarized free city of West Berlin in the "shortest possible time," but did not mention a deadline. Izvestia took issue with "some American sources" who suggest that the US give formal acquiescence to a separate treaty between the GDR and USSR, only on condition that there be no change in the status of West Berlin. The article declared that negotiations are not needed to consolidate the "old, outmoded situation," but to "legalize" the new elements which have resulted from World War II. Without specifying that the status of West Berlin must be altered, Izvestia said it would be naive to suppose the conclusion of a peace treaty between the GDR, USSR, and other states would be a "mere formality."

There is no hint that Moscow expects an immediate collapse of the Thompson-Gromyko discussions; there are, however, indications that in the event of an impasse in these talks, the Soviet leaders will attempt to divert negotiations into a new channel and at a higher level rather than take any unilateral action. A Pravda article of 17 January, which vigorously attacked opponents of peaceful coexistence, made a special point of defending the value of Khrushchev's efforts to maintain contacts with

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

WEEKLY REVIEW

EAST-WEST RELATIONS

Moscow evidently is still interested in negotiating with the West on Berlin and Germany, despite the harder line taken by Gromyko in his second conversation with Ambassador Thompson. A public lecturer in Moscow on 21 January, in discussing some details of the Thompson-Gromyko talks, stated that solution of the West Berlin problem by negotiations is clearly preferable to unilateral conclusion of an East German peace treaty. Current Soviet press commentaries are also stressing the importance of negotiations.

While the Soviet press has maintained complete silence on the Thompson-Gromyko talks, the public lecturer noted that the ambassador was seeking to determine whether there is a basis for negotiations. The lecturer did not predict the outcome of the Thompson-Gromyko meetings; he noted, however, that Thompson could hardly succeed in the talks until "Washington forces Paris and Bonn into agreement on negotiations." The lecturer said that one of the "major points" discussed by the ambassador was an international corridor authority which would include both East and West Germany as participants, and that the ambassador had also emphasized the necessity of agreement on Western access to West Berlin, to "be guaranteed by both the USSR and the GDR."

The lecturer did not comment on Thompson's call for an international access authority, even though President Kennedy's similar proposal--in his interview with Izvestia editor Adzhubey last November--was rejected in a speech by Khrushchev on 9 December. The Soviet premier termed such an approach

unrealistic and stressed that assurances of free access would have to be on the basis of an agreement with East Germany.

Commentaries in Izvestia on 18 January and Pravda the following day urged a negotiated settlement of the Berlin and German problems. Pravda reiterated the need for conclusion of a German peace treaty and creation of a demilitarized free city of West Berlin in the "shortest possible time," but did not mention a deadline. Izvestia took issue with "some American sources" who suggest that the US give formal acquiescence to a separate treaty between the GDR and USSR, only on condition that there be no change in the status of West Berlin. The article declared that negotiations are not needed to consolidate the "old, outmoded situation," but to "legalize" the new elements which have resulted from World War II. Without specifying that the status of West Berlin must be altered, Izvestia said it would be naive to suppose the conclusion of a peace treaty between the GDR, USSR, and other states would be a "mere formality."

There is no hint that Moscow expects an immediate collapse of the Thompson-Gromyko discussions; there are, however, indications that in the event of an impasse in these talks, the Soviet leaders will attempt to divert negotiations into a new channel and at a higher level rather than take any unilateral action. A Pravda article of 17 January, which vigorously attacked opponents of peaceful coexistence, made a special point of defending the value of Khrushchev's efforts to maintain contacts with

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

Western statesmen by trips abroad, including his visit to the US.

The Polish party organ Trybuna Ludu on 19 January carried a dispatch from its London correspondent which treated in a favorable manner reports that Macmillan is considering a visit to Moscow. The reports were attributed to "London political circles."

Soviet interest in high-level contacts is also demonstrated by current Soviet actions in Bonn. Soviet Embassy officials there are spreading the idea that Khrushchev might respond favorably to an invitation to visit Adenauer. In informal meetings with West German political figures, Soviet correspondents are reportedly noting that old invitations are still outstanding for such a visit and for a visit of a West German parliamentary delegation to Moscow.

The Soviet hints are related to publication in Bonn of the informal memorandum of 27 December handed to West German Ambassador Kroll in Moscow. The Soviet press has not yet printed the memorandum, but a Pravda article of 19 January emphasized the advantages which would accrue to West Germany if it chose to embark on a policy of friendship and peace with all neighbors, and echoed some of the themes of the 27 December memorandum.

Geneva Test Ban Talks

At the 19 January session of the test ban talks, Soviet delegate Tsarapkin said the

Western proposal to move the test ban negotiations to the 18-nation disarmament talks is being studied by the Soviet Government and will be answered "in due time." Tsarapkin asked questions which suggested that the USSR does not want detailed discussion of a test ban at the disarmament talks. He indicated that the Soviet Government would not permit the US to lead the 18-nation committee away from general and complete disarmament by getting the committee to approve a wide system of control on tests.

Tsarapkin said the Western proposal indicates that the US wishes to push through its "old thesis--control without disarmament"--which he reiterated is unacceptable. He remarked that the US seems to be planning to go to the new organ "with its old luggage." He did not comment on the Western suggestion that the test ban question might be taken up at the disarmament talks by a subcommittee of three--the US, Britain, and the USSR.

In the event the Soviet leadership rejects the Western proposal, the USSR may bring the test question before the UN General Assembly. The assembly session is not expected to conclude until 10 February. The USSR may seek formal UN approval of its proposal for a ban on atmospheric, outer space, and underwater tests--using national detection means--and a moratorium on underground tests. The USSR may calculate that UN approval of the Soviet proposal would provide difficulties for the US if Washington should decide to resume atmospheric tests.
(Concurred in by OSI)

25X1

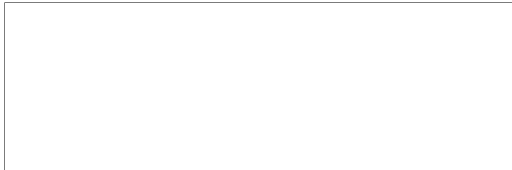
SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

THE OAS FOREIGN MINISTERS' MEETING

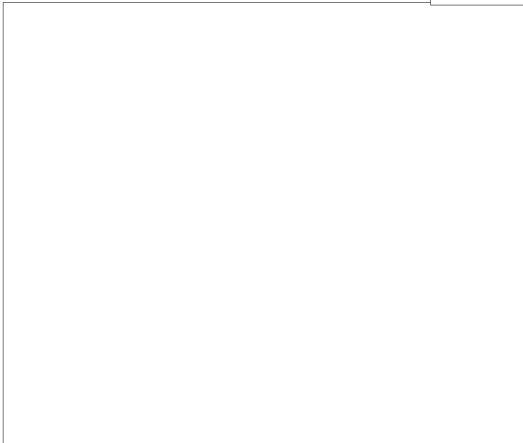
Despite the effective opposition of the larger Latin American countries to any conference decision imposing sanctions against the Castro regime, general agreement that a Marxist-Leninist government is incompatible with the principles of the Organization of American States appears to be emerging from the meeting at Punta del Este.



25X1

Cuba's approach to the conference has emphasized its common tradition and cultural ties with the rest of Latin America.

25X1

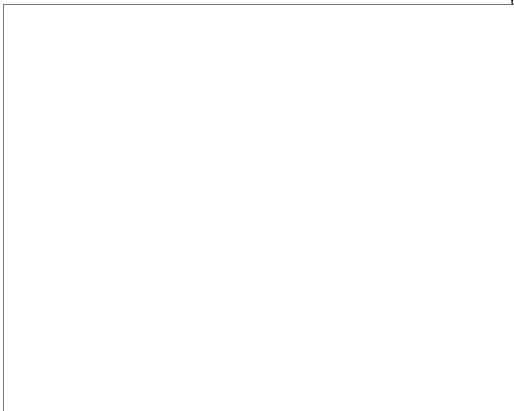


25X1

The countries which had indicated before the conference began that they were against sanctions--Argentina, Bolivia, Brazil, Chile, Ecuador, and Mexico--have maintained that stand and have been joined by Haiti, which apparently is seeking to indicate dissatisfaction with Haitian-US relations. This group as a whole, however, apparently has not been receptive to the proposal for "neutralization" of Cuba advocated by Brazil, which has been the most active opponent of strong anti-Castro action.

The general consensus of the conference that Cuba's Marxist-Leninist orientation is incompatible with the principles of the OAS implies eventual exclusion of Cuba from the organization. The importance of juridical considerations to most Latin American governments suggests that the development of legal provision for exclusion may require protracted negotiation and possibly the scheduling of another conference in a few months. The OAS charter now has no provision for expulsion of a member.

The OAS may, however, act to limit Cuban access to certain



25X1

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

of its institutions. Last April, for example, Cuba was voted out of secret sessions of the 21-nation Inter-American Defense Board--the OAS military group which meets in Washington to plan defense strategy for the western hemisphere. The Board voted 12-1 to bar Castro's representatives as long as Cuba continues its evident alliance with the Communist bloc. Cuba was alone in opposition; Mexico, Venezuela, Ecuador, and Chile abstained; Brazil reserved its vote; and three countries were absent.

Communist calls for demonstrations against the conference are meeting with varying success and in several areas have been overshadowed by rallies protesting against the Castro regime. In areas where demonstrations have had to be postponed because of a poor turnout, plans are being made to hold later rallies, in some cases after the results of the conference are known, to correspond with Havana's "national assembly of the people" rescheduled for 4 February.

A reported 25,000 Bolivians participated in a torchlight parade in La Paz shouting "Cuba yes, Russia no" and "Bolivia yes, Communism no," and demanded that Bolivia break relations with Cuba. In Quito, from 6,000 to 10,000 anti-Communists met last weekend to demand that President Arose-

mena fight Communist infiltration and immediately break relations with Cuba. Simultaneously an estimated 35,000-70,000 Ecuadoreans demonstrating in Guayaquil made similar demands. In Lima, however, an anti-Castro "march of silence" drew only 100 persons, and the Peruvian regime--as is the case in Mexico--continues to prevent pro-Castro elements from holding public demonstrations.

The 18 January pro-Cuba rally in Santiago, Chile, attracted only a moderate crowd of about 3,000, and Chilean Communists now are reportedly awaiting the results of the conference and planning strikes throughout the country if political or economic action is taken against Cuba. Efforts to promote student demonstrations in Honduras met with such little response that pro-Cuban demonstrations, even among workers, have been postponed.

Communist agitators have realized their greatest success in Venezuela, where pro-Castro elements have capitalized on general labor unrest in the capital to stage widespread demonstrations which continued during three days despite strict security measures. In Costa Rica and areas of Brazil, local pro-Castro rallies have protested OAS action against Cuba. The Uruguayan Communists have taken little action, and calls for violence reportedly met with little enthusiasm. [redacted] 25X1

[redacted] 25X1

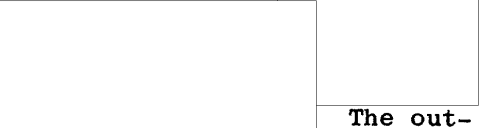
SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

FRANCE-ALGERIA

High French officials have asserted that virtual agreement has been reached with the provisional Algerian government (PAG) on all major issues, and they appear to be setting mid-February as a "deadline" for PAG concurrence.



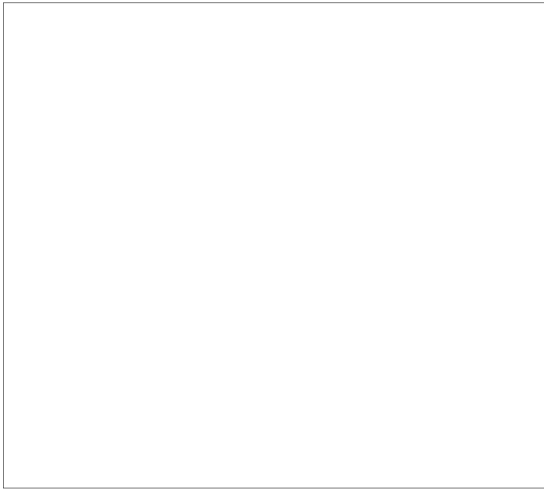
The outcome of current French efforts to control terrorism in Algeria and smash the Secret Army Organization (OAS) will probably be a key factor in any final PAG decision.

French negotiators and other officials are reportedly convinced that rebel premier Ben Khedda, supported by vice premier Belkacem Krim and foreign minister Saad Dahlab, is determined to achieve a negotiated solution with the French. Foreign Minister Couve de Murville told Ambassador Gavin on 20 January that "things are going along well and a settlement is anticipated."

A Foreign Ministry official told a US Embassy officer last week that government circles feel that agreement will have to be reached within the

next few weeks or "other measures" will have to be considered. While there is still occasional speculation concerning the old alternative of forming an "Algerian Algeria" without the cooperation of the PAG if negotiations fail, it now seems more likely that De Gaulle would be obliged to implement his threat of "regrouping" the European settlers as a last-resort pressure on the PAG to reach an acceptable accord.

25X6



The collegial decision-making process of the PAG is probably slowing down a final decision. Couve de Murville

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

commented to Gavin that, as each point arises, PAG negotiators must travel to discuss it with their colleagues--a procedure that takes about a week. Moreover, there are reports that the PAG, still apparently reluctant to take responsibility for a final decision, intends to call another meeting of the National Council of the Algerian Revolution (CNRA), the 54-man "parliament" of the rebel movement, to ratify any agreement. Yazid has explained to a US Embassy officer in Tunis that any agreement involving a ceasefire would have to be approved by a four-fifths majority. CNRA meetings have generally been long and chaotic, and in view of reports of serious rifts between the PAG and rebel fighting units which are represented in the CNRA, a meeting at this time could be particularly difficult.

Meanwhile, the OAS terrorism aimed at disrupting prospects for an agreement has now gained such momentum that French officials--adding up casualties caused by both Europeans and Moslems since 1 January--say this period is comparable to the worst weeks of 1956-57. De facto "partition" within the troubled cities of Algiers and Oran is already being achieved to some extent as both OAS and FLN gangs forcibly evict minority families from mixed residential areas.

While the Delegation Generale is avoiding proclamation of martial law, it has clamped severe security restrictions on Algiers, Oran, and Bone. The authorities hope that such measures as cordoning off troubled sectors and strict control of vehicular and pedestrian traffic will severely hamper OAS movements and lead to the apprehension of more activists. The special investigative police units recently sent to Algeria from metropolitan France are now reported to be making some headway in countering OAS activities.

Whether an accord can be implemented may depend on the effectiveness of these new security measures. An important factor will be the attitude of the FLN.

25X1
25X1

The loyalty of the French armed services in the event of a showdown with the extremists may again come into question following President de Gaulle's decision last week to overrule his advisers and proceed with immediate evacuation of two more army divisions and some air force units.

25X1

SECRET

SECRET

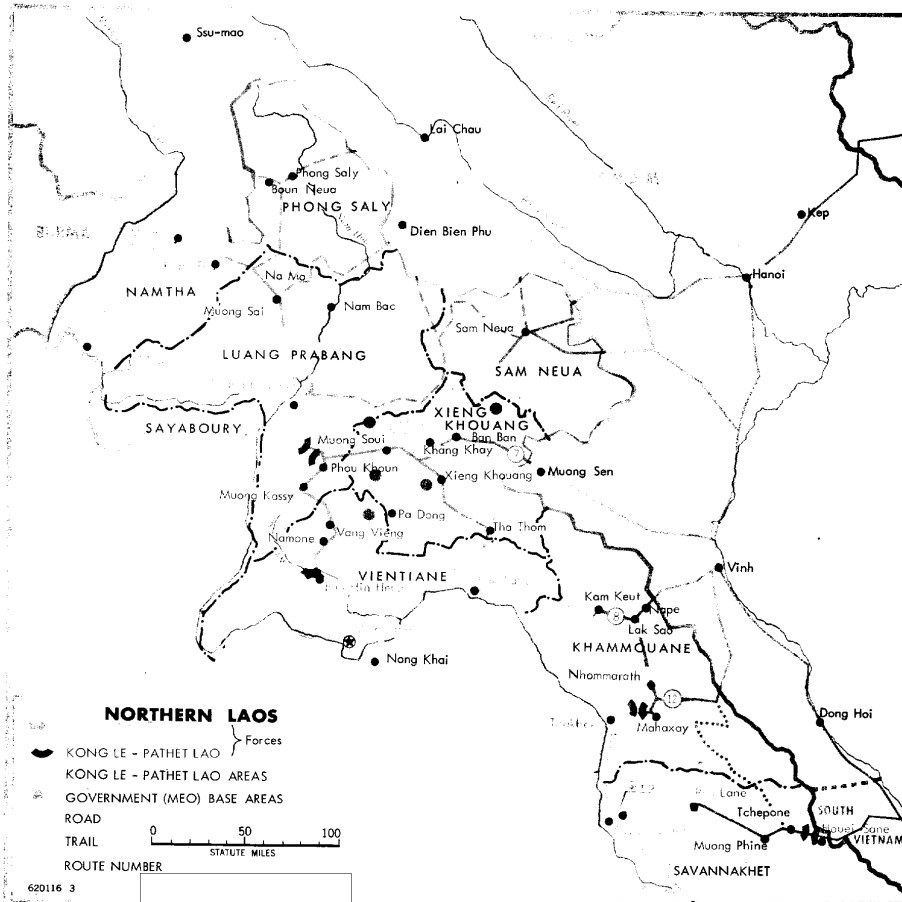
CURRENT INTELLIGENCE WEEKLY SUMMARY

LAOS

A political settlement in Laos still appears remote, despite the "formula" for a coalition government worked out at Geneva on 19 January between Boun Oum and Phoumi, Souvanna Phouma, and Souphannouvong. The two Vientiane leaders subsequently have made it clear in private statements that they are as unreconciled as ever to a coalition government under Souvanna, though their public utterances since returning to Laos have been more equivocal. Follow-up talks to those in Geneva are scheduled

to be held in Luang Prabang toward the end of the month, but it is not certain this meeting will materialize.

Boun Oum and Phoumi regard the outcome of the Geneva talks with great satisfaction, feeling that they managed to project an image of reasonableness by indicating willingness to relinquish the cabinet portfolios of defense and interior to Souvanna's neutralist supporters while injecting various conditions calculated to protect their



25X1

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

position of retaining these posts. Phoumi still argues that if Communists get these positions, disaster will ensue. Phoumi has had firm support in this view from Thai Premier Sarit, who would prefer to any definitive settlement an indefinite continuation of the status quo in order to gain time to improve Thailand's defenses against the threat of Communist subversion from Laos.

The outline for coalition devised at Geneva envisages an 18-man cabinet: four members each from the Vientiane and Pathet Lao factions, plus ten neutralists, including Souvanna. The exact proportion of so-called Xieng Khouang and Vientiane neutrals in the ten-man center group was to be decided at the projected Luang Prabang talks, as was the assignment of the various cabinet posts to specific individuals. Souvanna has provided Western representatives at Geneva with copies of a communiqué signed by the three princes embodying the general agreements reached, but Phoumi has indicated that he considers this an unofficial document.

Souvanna, outwardly optimistic at the conclusion of the Geneva meeting, may be having second thoughts as he prepares to return to Laos via Paris. A Vientiane representative, meeting with Sou-

vanna just before the latter's departure from Geneva on 22 January, said he was in a harsh and bitter mood. Souvanna warned that if fighting were resumed in Laos as a result of Vientiane's insincerity, his numerous and well-armed forces would pursue operations "without pity." Souphannouvong has yet made no public statements, but his outlook probably is in line with Peiping's open skepticism of progress reached at Geneva and with Moscow's suspicion of Vientiane's intentions. Meanwhile, the Geneva conference is deferring further plenary sessions until early February in hopes that a unified Laotian delegation will have been formed by then to enable the conference to conclude its work.

The military situation in Laos remains tense. The effort launched by government forces to outflank enemy-held Mahaxay and Nhommarath in south-central Laos has produced the most serious fighting since last May's cease-fire. A government battalion probing an area several miles south of Mahaxay was forced to retreat on 18 January in the face of strong enemy counteraction which included the use of artillery and armored cars. Operations apparently continue in the Mahaxay-Nhommarath area.

25X1

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****CONGO**

Adoula's hopes to consign former Vice Premier Antoine Gizenga to political oblivion--and enable himself to get on with a solution in Katanga--may be more difficult to fulfill now that the Stanleyville leader, albeit under "protective custody," is back in Leopoldville. Adoula probably had hoped the Gizenga problem would be "solved" by Orientale provincial authorities, but concern for Gizenga's personal safety--voiced by Gizenga himself, UN officials, and Orientale officials, including his captor, General Lundula, apparently induced Adoula to agree to Gizenga's return under UN safeguards. UN officials have turned Gizenga over to Congolese authorities, and he is now under guard at a Congo army camp.

Gizenga has not yet been formally arrested. UN officials are under the impression that Gizenga will, in the first instance at least, be brought before parliament to face charges of refusing to return to his cabinet post and of provoking hostilities in Stanleyville. Adoula probably plans to bring Gizenga to formal trial, reportedly on numerous charges including murder. Pressures from the Soviet bloc, from radical African states, and from Congo nationalists may, however, deflect Adoula from his course.

Moscow has reacted sharply to the UN's actions against Gizenga. Pravda on 19 January strongly criticized the UN forces in the Congo for allegedly violating the Security Council's decision to restore order in Katanga, while at the same time undertaking unwarranted attacks against Gizenga. The article, which continued the USSR's recent critical approach toward U Thant, questioned whether he

was "blind to the danger" in these new developments. The Soviet press, meanwhile, continues its uncritical treatment of the Adoula regime, indicating Moscow's desire to keep the way open for a solution to Congolese factionalism that will include Gizenga as a symbol of radical nationalism.

The Yugoslav and Czech chargés have made representations on Gizenga's behalf. Among the radical African nations which have supported Gizenga, Mali and Ghana have voiced their concern to Adoula; the UAR will probably make a similar approach. Cairo's "Voice of Africa" on 18 January described Gizenga as "a true image of the late Lumumba" and criticized the UN and Leopoldville for their "shameless act."

Meanwhile, local "nationalist" pressures on Adoula are reflected in Adoula's caution in reorganizing his cabinet. In a talk with Ambassador Gullion on 19 January, Adoula indicated that the "nationalists" must be retained. He was vague on his previous plans for dropping Minister of Interior Gbenye--head of Lumumba's old party--and indicated that he might add two other "nationalists"--Cleophas Kamitatu, Leopoldville provincial president, and Lumumbist party leader and lower house president Joseph Kasongo.

Adoula is reportedly delaying his trip to the US because of fears the Gizenga affair may "backfire" and because of his occupation with the cabinet reshuffle.

Adoula's efforts to end Katanga's secession have not progressed discernibly this week. In the view of the Katangans, the depredations of the Congo Army

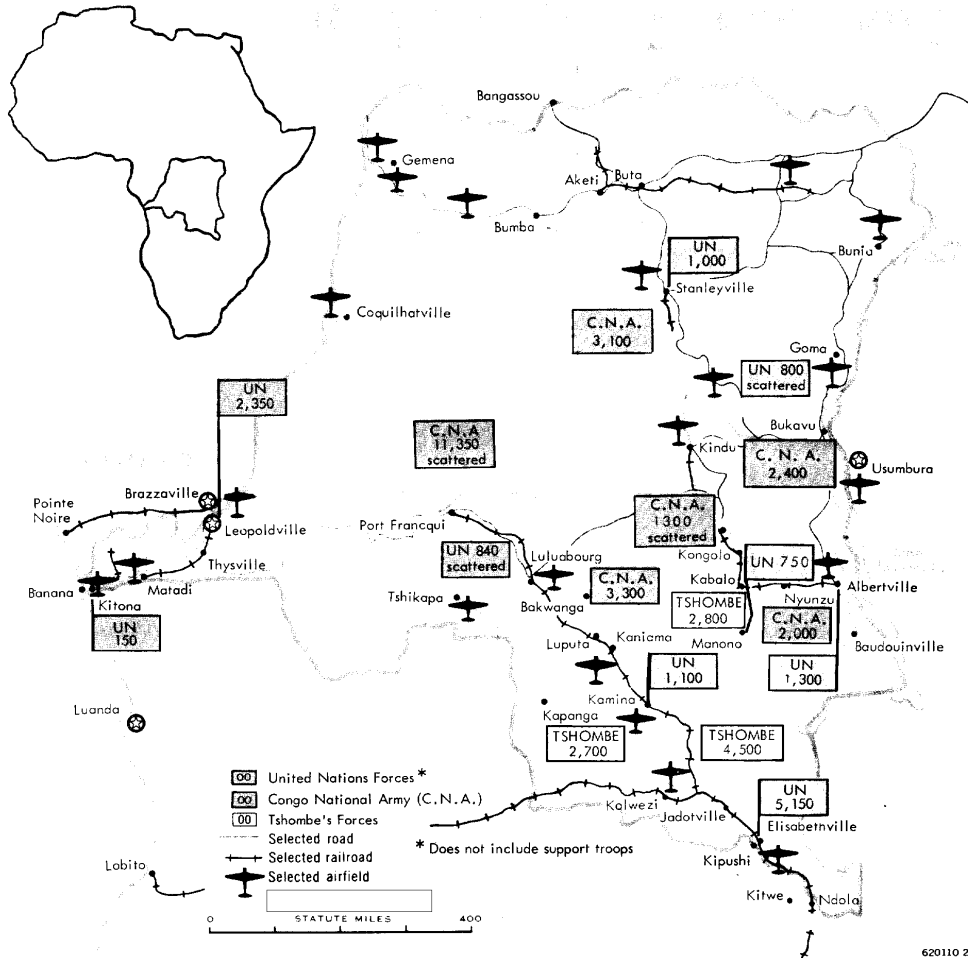
SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

troops in northern Katanga have probably offset whatever psychological advantage might have come from his moves to eliminate

25X1



25X1

Gizenga. Tshombé declared publicly on 17 January he could not take a post in the Adoula government pending a decision by the Katanga assembly on the 21 December Kitona accord.

25X1

Tshombé, according to the press, discussed the mercenary problem with UN officials on 24 January, but the results are unknown. He announced that he had dismissed some French officers, but it is not clear whether they left of their own accord or at Tshombé's request. In the meantime, Katanga military leaders continue to strengthen their positions at Kipushi, Jadotville, and Kolwezi.

25X1

25X1

25X1

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

IRAN

Student demonstrations in Tehran which the antiregime National Front attempted to use to overthrow the government of Prime Minister Amini appear to have subsided. Peaceful demonstrations were originally scheduled by the National Front students on 21 January as a gesture of solidarity with four secondary-school students who had been expelled for defacing a picture of the Shah. The demonstrations snowballed into a riot involving about 5,000 persons, and several hundred were reported injured when police and paratroopers invaded the university grounds. Extensive property damage was reported both on and off the campus.

The National Front Executive Committee, although upset at the violence and unprepared for action, decided to call for a general strike to try to oust Amini. Scattered demonstrations throughout Tehran on 22, 23, and 24 January apparently were easily dispersed by security forces, and the general strike did not materialize.

In addition to the nationalists who are demanding immediate elections, Amini has powerful opposition from reactionary elements whose interests are threatened by the land and financial reforms he has been trying to carry out. One such group was reported to have held a "victory celebration" over the impending collapse of Amini. The government has accused this group of complicity in the disturbances, and several of them, as well as a number of National Front leaders, are reported to be under arrest.

The Shah at the request of Amini has also ordered General Timur Bakhtiar, former chief of the National Intelli-

gence and Security Organization (SAVAK) to leave the country, charging that Bakhtiar's presence could aggravate the current crisis.

25X1

25X1

There is no evidence that Bakhtiar was involved in the demonstrations. He has maintained friendly contacts with members of the National Front but does not seem to have planned any joint action with them. Bakhtiar feels that Amini, like previous prime ministers, has become a tool of the Shah, who, in Bakhtiar's view, has no genuine interest in reforms. According to the American Embassy, the exile of Bakhtiar provides a striking example of the Shah's backing of Amini. While his departure may be considered as a gain for the Communists, many educated civilians will be pleased at the elimination of a person who represents to them the repressive force of SAVAK.

The chief of the Supreme Staff has told an embassy officer that the army is firmly behind the Shah and Amini.

25X1

25X1

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****POLITICAL UNREST IN VENEZUELA**

The Venezuelan Government is taking extensive security precautions against rightist plotting and leftist-Communist violence such as broke out in Caracas and a number of other cities on 22 and 23 January. The situation throughout the country is described as tense but not yet critical.

The leftist subversive campaign is timed to protest the meeting of foreign ministers in Punta del Este on the Cuban issue, as well as to exploit labor unrest and the recent split in President Betancourt's Democratic Action (AD) party. Betancourt has expressed complete confidence in the loyalty of the military and the stability of his regime. However, military support for the government may weaken if disorders continue. Moreover, the dissension within the AD will tend to weaken the governing two-party coalition.

The Venezuelan armed forces have been on the alert since mid-January, indicating that the government had ample warning of plotting by military dissidents and plans by pro-Castro students to demonstrate against the Punta del Este conference. Several officers suspected of antigovernment activity have been arrested, including a colonel connected with several movements to overthrow Betancourt.

Strike violence in the western provincial capital of San Cristobal on 18 January spread to Caracas and other major cities on 22 January. The labor unrest, arising from a government regulation requiring insurance for the operation of taxis, was apparently exploited effectively by leftist-Communist agitators. In addition, armed extremists, who have reportedly gained control of the Central University in the capital, may be planning more pro-Castro

demonstrations to follow those on 22 January. The government has control of the situation thus far but expects further outbreaks.

The mid-January split in the AD, Venezuela's largest party, which is joined with the Christian Democratic (COPEI) party in the governing coalition, may develop into a more serious problem to the regime than the present rightist plotting and leftist agitation. The two factions in the AD--Betancourt's "old guard" and the more leftist element known as the ARS--held separate national conventions earlier this month. Each faction claimed to be the legitimate party authority, and each expelled the leaders of the opposing group from the party. This action was the culmination of a long-smoldering struggle for power which included differences over ideology and foreign and domestic policies.

The seriousness of the AD break will depend largely on the amount of rank-and-file support the ARS faction can drain from the "old guard," which dominates top government positions held by AD representatives and largely controls patronage and party finances. In addition, the "old guard" has the firm support of the leaders of the country's principal labor organization as well as that of its coalition partner, the COPEI.

25X1

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

DOMINICAN REPUBLIC

The restoration of the Council of State following General Rodriguez Echevarria's abortive attempt last week to replace it with a junta dominated by the military has left the Dominican Government under civilian control. Upon the restoration of the seven-man Council on 18 January by a military counter-coup, Balaguer, who had resigned as President, was replaced by Rafael Bonelly, formerly the Council's first vice president. The vacant position on the Council was filled by Donald Reid Cabral, who, like Bonelly, is a popular symbol of the business and professional classes that spearheaded the underground movement against Generalissimo Trujillo. Recognition by the Dominican armed forces of strong international support for continued constitutional government and an overwhelming popular mandate demonstrated in support of civilian rule has at least temporarily destroyed the military's will to reassert the supremacy it gained after the dictator's assassination on 30 May.

Having achieved the removal of the last symbol of Trujilloism in the government and the subordination of the military to civilian authority, the new regime will still face difficult problems. While moderate political leaders were able to rally a large majority against the old regime, continued popular support for the new Council will depend largely upon its ability to improve the social and economic circumstances of the impoverished population without alienating the wealthier members of the anti-Trujillo opposition--the original sponsors of the Council. These may be called

upon for financial sacrifices to implement the reforms benefiting the peasants and urban workers.

Political inexperience and jubilation over the ouster of the Trujillos have led many politically prominent leaders now endorsing a program of reform and economic rehabilitation to underestimate the difficulties ahead. The leaders of the National Civic Union (UCN), a loosely organized corps of business and professional men, will be especially hard pressed in attempting to fulfill their extravagant promises of reform to the peasants and urban workers.

The UCN is the largest political group in the country and plays a correspondingly dominant role in influencing the Council of State, which thus far has been moderate in political orientation and pro-US. A significant dwindling of support for reform among the more prosperous members of the UCN, when they are confronted with the actual implementation of the reforms, however, probably would disillusion many of the UCN's peasants and urban workers and cause them to turn to the extreme leftist parties. An estimated 300,000 workers--or about one tenth of the population--are currently unemployed.

Maximo Lopez Molina, leader of the pro-Communist Dominican Popular Movement party, who returned from exile on 21 January, called on the people the next day in a radio address to rid the country of "Yankee exploitation" and to support him in carrying out an agrarian reform and in establishing a "socialist" state.

25X1

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

EAST GERMANY

With its hopes for the early signing of a separate East German-Soviet peace treaty apparently in abeyance, the Ulbricht regime is taking steps to enact measures designed to invest it with all the attributes of sovereignty short of control over Western Allied military personnel, still reserved to the USSR under the Bolz-Zorin exchange of letters of 20 September 1955.

On 24 January, the rubber-stamp People's Chamber passed the first reading of a customs law underlining the regime's claims that the interzonal border with West Germany is a state frontier. The law asserted that West Berlin was "situated in the customs and sovereign territory of the German Democratic Republic" and that movement of goods to and from the city eventually must be "settled within the framework of treaty arrangements."

The published text of the law, however, did not explicitly include the sector and zonal borders of West Berlin in its listing of the GDR's "state frontiers," although regime spokesmen invariably refer to them in this manner. This may indicate that the USSR is still reluctant to permit the Ulbricht regime to carry out the formal incorporation of East Berlin into East Germany, perhaps because such a move might detract from Moscow's claims to an occupation role in West Berlin.

Ulbricht in his address to the People's Chamber on 24 January nevertheless declared that the West Berlin Senat must

negotiate with the GDR "in order to reach an agreement regarding movements across the frontier"--the sector border. He reiterated earlier proposals to the Senat to permit the establishment of East German travel bureau branches in the Western sectors for the purpose of issuing passes to visit the Soviet sector, acceptance of which by the Senat would be tantamount to recognition of East German claims to sovereignty in East Berlin.

The customs law, which has to pass a second reading before going into effect, emphasizes the regime's contention that West Berlin is a separate juridical entity and must no longer be included in the West German customs area. Commenting on the measure, Minister of Foreign Trade Julius Balkow remarked that the regime counts on the three Western powers to annul the West Berlin customs administration's subordination to West German customs authorities and to ensure that the West Berlin Senat will establish its own customs administration. He noted, however, that pending the settlement of the city's position from the customs viewpoint "within the framework of contractual agreements," "West Berlin's trade with the GDR, West Germany and other countries will proceed in accordance with rules valid thus far."

The effect of the law on West German traffic to and from Berlin and on West German trade with the GDR is not clear. Balkow emphasized that the bill was not aimed at levying customs

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

duties on goods imported from West Germany into the GDR customs territory. This suggests that the GDR is concerned at present with maintaining its interzonal trade with West Germany.

The People's Chamber also enacted a law calling for general military conscription, to go into effect this year, which provides for regular three-year enlistments for volunteers or the induction for 18 months of other able-bodied males between the ages of 18 and 26, a total of slightly more than one million men. Several categories are exempted from the effects of the law, including students, persons whose scientific and technical skills are deemed essential to the economy, and youths who provide the principal means of support for their families. The measure in addition provides for a regular reserve structure to back up the armed forces, now estimated to total some 164,000 men. The new measure will enable the regime to substitute a methodical system of induction and avoid the type of disruption caused by last autumn's all-out campaign to force "volunteers" into uniform.

In line with the regime's move to regularize its ground forces, an expansion and reorganization of the East German

Air Force (EGAF) is under way. Such moves will ultimately make it possible for the EGAF to assume a greater role in the defense of East Germany. The recent delivery of additional Soviet aircraft to the East Germans supports this view. It is expected that some months will elapse before the majority of these aircraft can be effectively utilized and completely integrated into an expanded EGAF organization. The East German air defense system is to be strengthened by a reorganization of all antiaircraft artillery units and a new air defense department in the Ministry of National Defense.

The East German regime appears to be having difficulty in adjusting its propaganda to conform with the tactics adopted by the USSR in its line concerning direct Soviet - West German talks as outlined by the Soviet memorandum to Ambassador Kroll. In a television interview of 17 January, Gerhard Kegel, a high party propaganda official, noted that the position of the USSR and the GDR differed in respect to West Germany's continued membership in NATO. Soviet policy, said Kegel, offered the West Germans an opportunity to establish better relations with the USSR without leaving NATO, whereas East German policy looking toward German reunification or "even only a rapprochement of the

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

two German states" demanded that Bonn quit NATO. He is saying in effect that West Germany would have to leave NATO before there could be any move toward reunification between the "two German states" as distinct from Soviet - West German talks.

Kegel then softened the effect of these remarks by adding that Soviet Foreign Minister Gromyko at the Geneva Foreign Ministers' Conference in 1959 had proposed that the withdrawal of the two German states from NATO and the Warsaw Pact, respectively, be postponed after the signature of a peace treaty and that each continue "for some time" to remain a member of its grouping. Ulbricht's 24 January address, although carefully couched, reiterates the same points, emphasizing that reunification is the concern of the two German states.

In recent weeks the USSR has been taking steps to make its presence visible along the sector and zonal borders of West Berlin. There have been recurring reports of Soviet foot patrols along the borders, and Soviet personnel have been observed adjacent to the sector border at the Bornholmer elevated railroad station (S-

Bahn) adjacent to the French sector. Approximately 100 watch towers have been constructed along the city borders; at least some of the towers are manned by Soviet personnel. These moves appear to have been made in an effort to improve the Soviet capability to take immediate control over developments.

There have been at least two instances of recent Soviet cooperation with US personnel in East Berlin. In the more important of these, on 14 January, a US military sedan inadvertently drove across the zonal border into East Germany, and when the vehicle turned around the traffic gate had been lowered, blocking its re-entry into the Soviet sector. An East German policeman, however, immediately telephoned, with the result that a Soviet officer soon appeared, apparently telephoned the Soviet Kommandatura, and permitted the car to return to East Berlin. Both the East Germans and Soviets showed unusual courtesy toward the Americans, perhaps reflecting orders issued by the Soviet high command following the harassment of a US Military Liaison Mission officer on 10 January and the subsequent apology by Soviet officers.

25X1

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

SOUTH VIETNAM

Old hands at setting up ostensibly independent Communist parties in Southeast Asia, the Communists of North Vietnam have created another such party in South Vietnam. On 18 January Hanoi announced that "during the last days of December 1961" a conference of Marxist-Leninist delegates in South Vietnam decided to set up the Vietnamese People's Revolutionary party (VPRP). Hanoi then broadcast this new party's "manifesto."

Praising the old Communist party of Indochina--the Ho Chi Minh--created parent for Communist organizations in Laos and Cambodia as well as in North and South Vietnam--the VPRP manifesto pledged to carry on the "glorious historic cause of the forerunner revolutionary parties." What is now the Communist party of North Vietnam, the Lao Dong party, clearly was the source for much of the manifesto, which parrots, almost word for word, the Communist objectives in South Vietnam as they were outlined over a year ago by Le Duan, second to Ho in the North Vietnamese party. These objectives are to overthrow South Vietnam's President Diem, form a coalition government, and achieve "peaceful reunification" with the North.

Hanoi believes that creation of an indigenous Communist party will enhance the fiction that the Communists of South Vietnam are purely local patriots. This portrayal of the elite who direct military and political subversion under Hanoi's auspices may be particularly important to Communist plans for the National Front for the Liberation of South Vietnam --the semi-overt political arm of the Viet Cong which the new party has "volunteered" to join.

This Front was organized in December 1960 in accord with Le Duan's call to unite all shades of anti-Diem sentiment

in the South "under the leadership of the Marxist-Leninist party." The Front has organizational structure, its own propaganda service, and one other member party, the Radical Socialist party formed in July 1961 to appeal to Southern intellectuals. The Front is recruiting subsidiary groups to represent labor, women, and students, but so far it apparently has not been able to attract much of a popular following. Hanoi may feel that recruiting for the Front will be easier if the Communist party which controls it is native in character.

The Viet Cong are beginning to circulate propaganda for the new party in the provinces, and there was an upsurge of Viet Cong actions last week to the highest level since mid-November. This increase occurred despite the fact that in recent weeks South Vietnam's forces have conducted several successful operations, combining air, infantry, and naval forces, as well as some successful engagements by newly trained Civil Guard and Self-Defense Corps units. These operations may be a factor in the Viet Cong employment of smaller units, generally at company size, and the main Viet Cong activity continues to be attacks on militia outposts, ambushes, and terrorism.

Although domestic criticism of Diem has moderated with increased US support for the Diem government's efforts to combat the Viet Cong, Diem's critics probably regard the next few months as critical for the government to show some evidence of progress against the Communists.

25X1

25X1

25X1

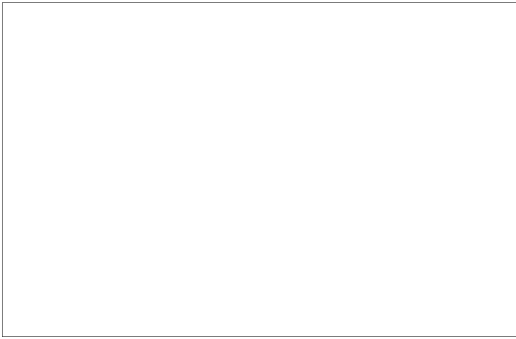
25X1

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

25X1



A South Vietnamese air attack on a village in Cambodia, apparently in connection with strikes conducted on 21 January against Viet Cong targets near the Cambodian border, is likely to set back recently renewed efforts to arrange some form of joint Cambodian - South Vietnamese border control.

25X1

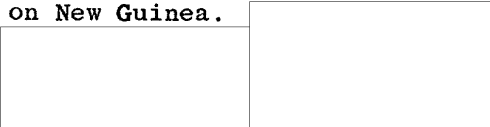


25X1

WEST NEW GUINEA

President Sukarno continues to insist that negotiations on West New Guinea must be based on Dutch agreement to transfer administration of the territory to Indonesia. While U Thant is trying to get talks started between the Dutch and the Indonesians, Sukarno is attempting to use contacts among private Dutch citizens to extract a promise from The Hague on transfer of administration. He is unlikely to succeed in this, but his maneuver will have the effect of delaying Indonesia's reactions to U Thant's efforts.

The replacement of the Indonesian Air Force chief of staff by a young and well-trained officer is apparently intended to place the air force under more competent leadership in case of joint operations against West New Guinea. The former chief of staff, Marshal Suryadarma, assured Sukarno some months ago that the air force was ready for an attack on New Guinea.



new chief of staff, Vice Marshal Umar Dani, is US trained and well regarded by the other service chiefs.

The Dutch-Indonesian naval clash of 15 January off the New

Guinea coast has, in the Netherlands, underscored the need to find an acceptable settlement of the West New Guinea dispute but has also stiffened resistance to capitulation before military threats. The Dutch remain willing to begin negotiations without conditions, but the US Embassy in The Hague believes any attempt by Indonesia to use informal talks to obtain a prior commitment from the Dutch to transfer control over the territory might kill prospects for a peaceful solution.

US officials in The Hague see at least a reasonable prospect that at an early stage of talks in the presence of a third party, the Dutch will agree in principle to the transfer of administration under an arrangement which would include commitments by Indonesia concerning the interests of New Guinea's Papuan inhabitants.

In West New Guinea, the partially elected 28-member council opened an emergency session on 22 January and called on the Dutch to institute compulsory military training to repel a possible Indonesian invasion. Later in the session, the council is expected to discuss plans for independence. Dutch efforts to train the Papuans for self-government have lent urgency to Indonesia's campaign to acquire the area, and the emergency session may further irritate Sukarno.



25X1

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****SOVIET LEADERSHIP DEVELOPMENTS**

A series of unusual actions on the part of Soviet officials in recent weeks has brought forth a rash of speculation about what is going on in the Kremlin. The most celebrated of these was the confused handling of the Molotov incident, but oddities in the foreign policy field--the on-and-off pressures on Finland, the apparent lack of consistency from one week to another in relations with Iran and Greece, and the contradictions in Soviet approaches to Bonn--have also been noted.

The more extreme interpretations of these developments take the view that a power struggle is currently being waged at the top of the Soviet hierarchy with Khrushchev's authority in the balance. These interpretations appear unfounded. Khrushchev's position was strengthened, if anything, by the 22nd party congress last October, and many of the signs that almost certainly would appear if Khrushchev's authority were being seriously challenged are absent.

The possibility that a power struggle against Khrushchev is brewing cannot be entirely ruled out;

25X1

The evidence presently at hand, however, does not point in that direction.

25X1

Khrushchev is not acting like a man under attack. Since

the 22nd party congress he has been involved in what is for him a normal round of activities. He has made numerous speeches, toured the Soviet provinces, chaired high-level meetings, conferred with foreign and bloc officials, and given his traditional beginning-of-the-year replies to journalists' questions on foreign affairs. Even a mid-January vacation, such as the hunting trip in the Transcarpathian mountains he presumably took following the recent Belorussian agricultural conference in Minsk, is a Khrushchev tradition of several years' standing interrupted only by last year's central committee meeting and attendant problems in the agricultural sphere.

It would be entirely unlike Khrushchev to accept limitations deliberately imposed on him by other members of the regime. It is probably true that he has not had Stalin's power to rule by fiat; there is even doubt that he is particularly interested in achieving that kind of power. He appears content to exercise his leadership more by persuasion than by dictate; he listens to his colleagues, is influenced by their opinions, and on occasion has deferred to their judgment. There seems little doubt, however, that he can get his way when he really wants it. He would almost certainly react vigorously to any attempt at forcibly circumscribing his authority.

Public statements and reactions of upper echelon party professionals and provincial leaders also seem to militate

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

against the view that Khrushchev is in political trouble. The interest these functionaries have in protecting their positions and developing their careers has made them acutely conscious of the power relationships at the top. Their political life depends on their ability to read signs of conflict, assess strengths, and predict outcomes in intra-Kremlin political maneuvers.

If Khrushchev has suffered serious political reversals or is under attack, with the outcome at all uncertain, there should be unmistakable signs of these important second-level officials climbing off the Khrushchev bandwagon.

Such signs are lacking. Praise for Khrushchev since the congress has been somewhat more restrained than in the preceding weeks--probably out of deference to his sensitivity to the possible charge of an emerging "cult of Khrushchev"--but references to him by other Soviet officials continue to acknowledge and praise his leading role. He continues to be publicly cited by Soviet officials, in the press and on the radio, as the authority on internal and external matters, and he is the only leader so cited. He is frequently referred to as the "head" of the presidium, although formally there is no such position. There are few, if any, signs that Soviet offi-

cial have any qualms about committing themselves to Khrushchev's leadership.

The ambiguities in Soviet actions since the congress seem to be the result more of indecision than of sharp disagreements among the top leaders, although there can be little doubt that differences over policy in regard to several current problems do exist. Many of these troublesome problems are ones that have plagued Khrushchev for many years, despite various attempts to deal with them. The perennial agricultural problem and the creation of effective incentives for economic activity are but two such domestic problems. Abroad, the unity of the bloc has steadily deteriorated, and the Berlin issue is still far from a settlement. Khrushchev does not appear at present to have any ready-made solutions; he has not come forward with one of his celebrated policy initiatives for some time, and he has avoided taking an unequivocal stand on a number of issues discussed during the past several months. For example, he did not take a stand at the recent congress on the expulsion of the antiparty group from the party, and he has appeared uncertain about several proposals for improving agricultural production. This personal indecision on Khrushchev's part could be the cause of the "drift" in Soviet policy observed in recent weeks.

25X1

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

SINO-SOVIET-ALBANIAN RELATIONS

Moscow's latest replies to Chinese and Albanian criticism suggest that Khrushchev feels Sino-Soviet differences are too fundamental to be adjusted and are therefore irreconcilable. The political struggle continues to center on Moscow's foreign policy line--peaceful coexistence and negotiations with capitalist states--and is being given sharper focus by renewed Soviet attacks on Molotov. Recent attacks on the former foreign minister clearly are aimed at the Chinese as well and indicate that both continue their obdurate opposition to Khrushchev's international strategy.

Moscow is using some of the bitterest language and strongest epithets that it has employed in the dispute. Writing in Pravda on 17 January, Soviet commentator N. Inozemtsev defended "peaceful coexistence" as the most important matter of this era and claimed that the "enemies" of the line laid down at the 22nd Soviet party congress--clearly the Chinese--are "slandering Leninism" and are "enemies of Leninism." Inozemtsev, like Kadar earlier, levels the charge of Trotskyism at Khrushchev's opponents--a somewhat more accurate description of their view on international revolutionary strategy than the designation "Stalinism."

Inozemtsev's article is a vigorous defense of Khrushchev's policy of maintaining "direct contacts" with Western leaders, using "flexibility and initiative" in foreign policy, stressing "ideological" rather than

armed methods of struggle, and seeking "normalization" of East-West economic ties and "effective cooperation." In this connection, he probably hopes to impress Western opinion with the view that Moscow supports peaceful coexistence not as a short-range, tactical principle, but as an enduring base of Soviet policy. Molotov, and indirectly the Chinese, are attacked for asserting that Lenin "nowhere and at no time spoke about the peaceful coexistence of states with different social systems." The burden of the article appears to be that Moscow will maintain its current policy toward the West, despite complaints from Molotov and like-minded Russians as well as the Chinese.

An article on 18 January in Pravda by party ideologist P. N. Pospelov, marking the 50th anniversary of the 1912 Communist party conference in Prague, states that the party will never tolerate either right- or left-wing "liquidators." The historic significance of the Prague conference, according to Pospelov, was that the party was strengthened when it expelled the Menshevik "liquidators," suggesting that Molotov and other members of the antiparty group can expect the same fate.

Confronted with "dogmatic obstinacy"--presumably Molotov's and Mao's position as Khrushchev sees it--Moscow has gone so far as to hint that a break in Chinese-Soviet party relations is a good possibility.

Pospelov seems to be pointing to the Chinese and the

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

Albanians when he discusses what he terms the "international significance" of the conference. That is, it provided "other socialist parties with an example of irreconcilable" struggle against "foreign groups...going as far as a complete organizational break." Pospelov's remarks may foreshadow the severing of Tirana's ties with the Warsaw Pact in the near future.

The Chinese leaders have indicated that their attacks on Soviet policy will not subside. In a statement by the central committee on 14 January attacking the "persecution" of American Communists, the Chinese party described President Kennedy's appeal for "peace and general and complete disarmament" as "ballyhoo," and strongly implied that Soviet negotiations with the US in effect constitute betrayal of the international Communist cause. The recently intensified Chinese effort to undercut US-Soviet negotiations prospects includes the epithets "war maniac" and "fascist" to describe President Kennedy--the sharpest public attack on an American President in years.

Moscow has again warned the Chinese that it will continue to withhold economic support. A Soviet broadcast on 15 January to China states, "It is impossible to follow a policy of deviating from the world's great socialist family and engaging in construction independently." The commentator, referring to Peiping's recently expanded trade contacts with the West, asserts that such a

policy is "harmful economically because...it drives the nation to become dependent on capitalist countries."

The Albanians are hitting back at Moscow where it is most vulnerable--Soviet support of certain "revisionist" Yugoslav policies. Zeri i Popullit on 17 January insisted that the views of "Tito and Khrushchev coincide on many questions, because Khrushchev and Tito are united by the common revisionist platform against socialism and communism." The "constant fluctuations" of Khrushchev's policy toward Yugoslavia since 1955 are attributed to his fear of being "unmasked" as an apologist for Tito.

Although the Albanians use names, the Soviets and the Chinese continue to avoid doing so when referring to each other. The Chinese almost certainly do not want the dispute to result in a break in Sino-Soviet party relations. They probably continue to believe that Khrushchev will stop short of such a drastic move, calculating that his prestige would suffer considerably in the Soviet Union and in the "camp" if he drove them out. Khrushchev, who now holds the initiative in the dispute, probably does not want a party break either and appears, for the present at least, to prefer threats to the act. The dynamism of the dispute, however, not only continues to separate the Soviet and Chinese leaders but is driving them farther apart.

25X1

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

ALBANIA'S FOREIGN RELATIONS

Albania continues to devote considerable effort to establishing new ties and broadening existing ones with nonbloc countries. At the same time, however, it apparently contemplates continuing trade relations with some European satellites. Albanian approaches to nonbloc countries probably have Chinese approval, since Peiping cannot supply all of Albania's trade needs.

The Dutch representative to NATO's Political Advisory Committee on 9 January announced that his government had received a demarche from Tirana proposing establishment of diplomatic relations. Austria reportedly has agreed to the opening of an Albanian legation in Vienna; the two countries have had diplomatic relations since before the Albanian-Soviet dispute, but the Albanian minister to Vienna was resident in Czechoslovakia until ousted last December and the Austrian minister to Tirana resides in Belgrade. Tirana probably hopes to use a legation in Vienna to broaden its contacts in Austria and Western Europe.

Part of the Albanian delegation that negotiated the economic agreements with Communist China on 13 January stopped off in Burma on its way home to Albania, presumably to discuss a trade agreement and diplomatic recognition; the absence of a communiqué suggests the talks were fruitless. The other part of the delegation negotiated a 1962 trade agreement with North

Korea which was announced on 24 January.

Albania's relations with Italy are also continuing to improve.

25X1

25X1

A representative of Alitalia, the Italian civil airlines, arrived in Tirana on 14 January to inspect airfield facilities. If he finds them satisfactory, Alitalia will soon begin stopping at Tirana twice a week on its regular Rome-Athens flight. This will provide Tirana with links to the outside world which were severed when bloc airlines ceased regular service to Tirana late last fall. Only the Yugoslav airline, JAT, now serves Tirana.

25X1

Although Albania and Yugoslavia publicly continue violent propaganda exchanges, some contacts evidently have been quietly established. A Yugoslav Foreign Secretariat press spokesman on 19 January, denying rumors of bilateral economic negotiations with Tirana, said, "This does not mean Yugoslavia would not be prepared to carry on negotiations...concerning normal trade relations." A Yugoslav Foreign Ministry official has privately admitted that Belgrade has responded favorably to a recent Albanian proposal to conclude a 1962 trade agreement.

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

Greek Foreign Minister Averoff appears to have made progress in improving relations with Albania.

supply Albania with "machinery and installations," although no values or amounts were disclosed in the brief announcement. This is the first trade agreement for 1962 between any Soviet bloc state and Albania, although trade talks with the Czechs are under way in Tirana.

25X1
25X1
The question of the disputed territory of Northern Epirus has already come up in talks between Greek and Albanian officials, but neither country is willing to abandon its long-standing position. Averoff appears confident, however, that the dilemma can be bypassed by mutual agreement not to let the question prevent establishment of diplomatic relations.

These negotiations probably do not reflect a disagreement with the Soviet policy. The USSR may realize that the economic sanctions so far imposed on Albania have proved fruitless in bringing the Tirana regime to heel, and that Tirana has been able to find sources of economic assistance and trade in Communist China and in non-bloc states. Moscow may also wish to avoid giving substance to Albanian charges of blockade by not requiring all the Soviet satellites to cease economic contacts with Tirana.

Some differences in the Soviet bloc's approach toward Albania are reflected in the signing on 18 January of an Albanian-Polish trade and payments agreement for 1962. Poland will

25X1

CHINESE COMMUNIST ECONOMIC RELATIONS WITH BURMA

Negotiations for implementing Peiping's \$84,000,000 credit agreement with Burma, which became operative on 31 October, have laid the groundwork for the most ambitious Chinese aid program yet undertaken in a nonbloc country. Despite their economic problems at home, the Chinese apparently intend to make good on their commitments and may try to use the aid program in Burma as an example to other underdeveloped countries of the advantages of Chinese aid. If Moscow embarks on a new economic aid effort

in Burma--which seems likely--Peiping will have to make good its commitments or suffer a loss of prestige among its Asian neighbors.

Under protocols recently signed in Peiping, the Chinese have agreed to construct a number of light industrial plants producing such items as paper, textiles, plywood, sugar, and tires; to build several small hydroelectric plants; to expand a small steel-rolling mill; to build two bridges; and to survey and construct part of

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

a major road project in Burma's northeast frontier area. In addition, the Chinese have offered agricultural aid and technical assistance for establishing small-scale industries in a number of Burma's ethnic states. All of the projects appear well within Chinese capabilities.

Although dozens of proposals for using Chinese aid have been submitted by civil agencies of the Burmese Government, by private firms, and by the ethnic states, most of the initial projects evidently will be carried out under the auspices of the army-controlled Economic Development Corporation. This arrangement probably is favored by both sides in the interest of maximum efficiency, and particularly because of China's preference for government-to-government relationships--in this case with Burma's influential and politically powerful army leaders.

Although the portion of the Chinese credit allocated to these projects amounts to more than half the total, the Chinese reportedly have asked that Burma limit allocations to \$42,000,000 until the end of 1963, at which time steps may be taken toward utilization of the remainder of the credit. Because agreement specifies that the entire credit is for use during the period 1961-67, solid progress in only two years on even the agreed portion of the program would be a significant accomplishment.

Initially, at least, the Chinese will probably limit their agricultural aid to technical assistance in such fields as irrigation, livestock breeding, and rice growing. The Chinese have temporarily parried Burma's requests for more extensive assistance in agriculture with the explanation that until the end of this year, at the earliest,

Peiping could not deliver agricultural hardware or fertilizers because of pressing domestic needs for these items. The Chinese also indicated that they could not deliver heavy agricultural equipment any time soon.

While Peiping's aid credit is intended primarily for financing Burmese imports of Chinese industrial machinery and equipment, Sino-Burmese trade remains an exchange of Rangoon's rice for Chinese consumer goods. Because of large Chinese purchases of Burmese rice last year--most of which was re-exported--and the lag in reciprocal Chinese deliveries, Peiping by the end of November had accumulated a \$24,000,000 clearing account debt to Burma.

Although the Sino-Burmese payments agreement provides for settlement of this debt in convertible currency, Rangoon apparently has not pressed the Chinese for such a solution, and the Burmese appear confident that they will be able to import sufficient quantities of Chinese goods in the future. Chinese deliveries picked up toward the end of 1961, and reduced purchases of Burmese rice--from 350,000 tons in 1961 to 200,000 tons in 1962--will also help to hold down the imbalance.

Meanwhile, the Soviet Union has been offered the opportunity to revive its aid program in Burma. In response to a Burmese request for assistance in the construction of a national theater and an irrigation project, Moscow has offered new credits. A Burmese mission in Moscow to negotiate for such assistance probably is pressing for outright grant aid rather than repayable credits. However, the USSR is not likely to change its opposition to grants, although it may be willing to liberalize credit terms. [redacted] (Prepared by ORR)

25X1

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****MIKOYAN'S TRIP TO WEST AFRICA**

Soviet Deputy Premier Mikoyan's hastily arranged trip to West Africa was aimed primarily at smoothing Soviet-Guinean relations. In mid-December Soviet Ambassador Solod was expelled from Guinea for allegedly collaborating with indigenous extremists opposed to President Sekon Touré's leadership. Touré also curtailed the activities of bloc personnel in Guinea and ordered home from Moscow more than 40 Guinean students who had denounced his actions against militant Marxist leaders of the Guinean teachers' union. (Some 300 Guinean students and trainees remain in the USSR, however.)

On 27 December the USSR announced that Mikoyan would visit Guinea to discuss "all matters relating to the strengthening of cooperation" between Guinea and the USSR. On 5 January Mikoyan left Moscow accompanied by a high-level delegation, including D. D. Degtyar, a ranking member of the Soviet administrative body that deals with foreign economic relations. Degtyar was subsequently named ambassador to Guinea. Moscow probably feels that the substitution of a ranking economist for an ambassador accused by Touré of political maneuvering will demonstrate that the USSR has no intention of meddling in Guinea's internal affairs.

The question of technical assistance--including the problem of repayment of travel

expenses for Soviet technicians to Guinea--was probably settled to Guinea's satisfaction during Mikoyan's visit. Degtyar can be expected to concentrate on strengthening Soviet influence in Guinea by increasing economic ties. He will probably advance some new Soviet proposal for assistance on a large hydroelectric dam on the Konkoure River. Solod had expressed discouragement last November at the Guinean response to a Soviet study of this project.

In his public speeches in Conakry, Mikoyan traced the history of Soviet-Guinean cooperation and reiterated that the USSR had no intention of interfering in the internal affairs of the country. He blamed the West for the deterioration in Soviet-Guinean relations, and in his farewell speech of 10 January he accused the imperialists of "sowing doubts which will be cleared up later" and of "throwing shadows on the various fields of our cooperation." Touré's public statements were restrained, in contrast to Mikoyan's effusive praise of Guinean achievements. Touré emphasized that aid to Guinea must be "disinterested" and based on equality between states.

Mikoyan left Conakry on 10 January for a brief visit to Ghana.

		25X1
	Moscow probably felt	25X1

25X1

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

that by extending Mikoyan's trip to include Ghana and other African countries it could reduce the impression of urgency in the mission to Guinea. Mikoyan may also have wanted to ensure that the difficulties with Guinea would not affect the USSR's close relations with Guinea's neighbors.

In Ghana, Mikoyan was received with great cordiality by Nkrumah and the top leaders of the Ghanaian Government. As in Guinea, he reiterated that the Soviet Union adhered to the principle of noninterference in the internal affairs of other countries. He praised Ghana's progress in "building socialism." A joint communiqué issued on 16 January indicated that Soviet and Ghanaian officials had had cordial talks on increased trade and technical cooperation.

According to the US ambassador in Accra, Mikoyan concluded a new agreement revising the conditions under which the USSR is furnishing assistance to Ghana and agreed to reduce the salaries of Soviet technicians by 50 percent and to pay half the cost of their air transportation between the USSR and Ghana. The cost of Soviet aid had been a source of mounting disagreement within the Ghanaian Government, and the compromise on the cost of technicians reflects Moscow's desire to maintain its influence in Ghana's economic development. Mikoyan

apparently accomplished his purpose in assuring Nkrumah of the USSR's "peaceful intentions" in Africa. The US ambassador, following a talk with the Ghanaian leader on 19 January, feels that Nkrumah, who now regards Sekou Touré as an "uncooperative and unsatisfactory partner," has become an "apologist for the Soviet position in the Guinea episode."

Mikoyan arrived in Mali on 16 January and was given a resounding welcome. He again assured his hosts that the USSR had no intention of impeding any nation's right to "complete independence on the path it chooses." A joint communiqué on 19 January suggested that the USSR's close economic and military ties with Mali have been strengthened and improved by Mikoyan's visit.

The Soviet deputy premier stopped off in Morocco on the last leg of his journey. There he probably urged on King Hassan the advantages of Soviet military equipment as well as of improved economic relations with Moscow. Negotiations on Soviet military assistance to Morocco now are in progress in Moscow. A Soviet-Moroccan trade agreement, concluded in Moscow on 17 January, was hailed by the Moroccan ambassador as "providing a good stimulus for further development of Moroccan-Soviet relations."

25X1

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

TANGANYIKA'S PRIME MINISTER RESIGNS

Prime Minister Nyerere's resignation on 22 January probably has inaugurated a period of political instability in Tanganyika. The resignation brought into the open the split between moderates and radicals in the government and in Nyerere's Tanganyika African National Union (TANU). The accompanying cabinet reshuffle, although it moved radicals to positions of greater power, failed to provide them with a clear-cut victory. Further shifts are therefore likely.

Nyerere has attempted to portray the changes as his own decision, but it seems likely that he has at least partly lost control of TANU. The dispute between the party's two wings apparently came to a head during a three-day meeting of its national executive last weekend. At this meeting the extremists, led by Education Minister Oscar Kambona, apparently obtained their main goals: the shifting of Kambona to the Home Affairs Ministry, where he will control the police; and the replacement of able, British-born Finance Minister Sir Ernest Vasey by an African. That they did not get their way entirely, however, is indicated by the appointment of Rashidi Kawawa, a loyal Nyerere follower and a relative moderate, as premier; the appointment of Vasey to an advisory position; and the retention of such conservatives as Legal Affairs Minister Fundikira.

Underlying the dispute is growing racial antagonism. At

least five Europeans have been ordered deported for alleged hostility to Africans, and Kambona is said to have a list of 87 candidates for expulsion. The drift toward racism is likely to affect not only Europeans but Asians, who live in closer contact with the Africans and are more vulnerable to pressure and intimidation.

TANU's running dispute with the Tanganyika Federation of Labor (TFL) also weakened Nyerere's position. Nyerere has long hoped to subordinate the TFL to party discipline, and in their resentment the unionists have tended to ally themselves with the TANU extremists, the only other important opposition group. The shifting of extremist Commerce and Industry Minister Swai to the health and labor post may indicate an attempt by the radical and labor groups to consolidate this alliance.

Nyere has said he will stay on as TANU president, and he will apparently attempt to regain the grass-roots support which would enable him to turn the tables on the radicals. It is doubtful, however, whether a further drift toward extremism can be prevented with Nyerere removed from active participation in government. Even if he should come out on top, his control over the radicals would probably not be as strong as it has been heretofore.

25X1

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

PARLIAMENTARY ELECTIONS IN FINLAND

The Finnish parliamentary elections to be held on 4 and 5 February, which were called by President Kekkonen last November in an effort to convince Moscow that most Finns support

Agrarian assistance to win support in urban centers such as Helsinki, may have some success in appealing to rural migrants in the cities.

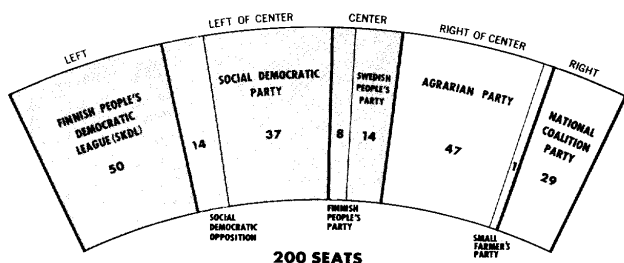
The SKDL, the largest party, with 50 of the 200 seats in parliament, hopes to gain sufficient support to edge its way into the postelection government. The Communists are aided by their ability to get out the vote and by the fragmentation of the non-Communist parties, which under the Finnish proportional representation system benefits the larger political groups. A voter turnout as large as in the presidential election would help the non-Communist parties and counteract these advantages.

The Social Democrats, who fared badly in the recent election, may do better in this one by making inroads in the strength of the dissident Opposition Social Democrats, who seem destined for virtual elimination. The Conservatives are expected to gain moderately.

Barring an unlikely upsurge of Communist strength, the right and center parties will in all likelihood win control of parliament and form a democratic coalition under the leadership of a strengthened Agrarian party. Such a government, which might be a majority coalition with or without Social Democratic participation, would diminish President Kekkonen's tendency to manipulate foreign policy matters for domestic political advantage and would provide greater unity among the Finns in the event of another crisis in foreign relations.

25X1

FINNISH DIET



his policy of accommodation toward the USSR, will probably confirm the trends apparent in the presidential election of 15-16 January and result in gains for Kekkonen's Agrarians. The lack of foreign policy issues may, however, dispose some Finns to revert to traditional party loyalties.

Kekkonen's personality and reputation carried his Agrarian party to a landslide victory in the presidential contest. Agrarian leaders hope that his image will continue to help them in the parliamentary election to the extent of winning a few seats from the Communist-front Finnish People's Democratic League (SKDL)--particularly in northern Finland, where the two parties constitute the only significant political organizations and are bitter rivals. The Agrarians also hope to win support from elements in the Swedish People's and Finnish People's (liberal) parties. The Center party, recently organized with

SECRET

Page Denied

Next 2 Page(s) In Document Denied

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****INDIAN NATIONAL ELECTIONS**

The question at issue in India's third national elections is less one of continued dominance by Prime Minister Nehru's Congress party than of the magnitude of its anticipated victory and the trend of voter preference among the numerous opposition parties. During the period from 16 to 25 February, more than 60 percent of India's total electorate of 210,000,000 is expected to vote for candidates for the 494 elective seats at stake in the Lok Sabha, the lower house of parliament, and nearly 3,000 legislative assembly seats in the states. In addition, the February elections will indirectly determine the makeup of the Rajya Sabha, the upper house, as well as the choice of the country's largely ceremonial president and vice president.

1957 Election Results

The Congress party was reconfirmed in power in 1957 with preponderant electoral and parliamentary strength in the Lok Sabha and in 12 of the 14 states

in which elections were held. Results in the other two states, Orissa and Kerala, necessitated unstable coalitions which in time broke down. Kerala was under a Communist government for over two years before the imposition of central government rule, and a special election in 1960 resulted in a relatively stable, anti-Communist coalition government in which the Congress is the major partner. A coalition government in Orissa, where Congress shared power with a local conservative party, foundered in early 1961; subsequent elections returned a substantial Congress party majority under rejuvenated state leadership. Neither state assembly is up for re-election this year.

The Congress party in 1957 polled almost 48 percent of the popular vote for the Lok Sabha, winning 371 seats, slightly better than in 1952. Runners-up in 1957 were the Communists, with about 9 percent of the popular vote and 27 seats in parliament, and the Praja Socialists, with 10 percent and 19 seats.

Congress Record

The Congress party is running on its record in meeting the challenges it has faced during the past 14 years and its plans for the future. These challenges have arisen in two broad problem areas which India shares with other underdeveloped countries. The first--the economic--concerns the pressure set in motion by rapid population growth and including poverty, famine, and underemployment of human as well as natural resources. The second--social and political--is the problem of promoting national unity in a country which has many and disparate linguistic, regional,

COMPOSITION OF INDIAN LOWER HOUSE

PARTY	1952 ELECTION	1957 ELECTION	JAN, 1962
CONGRESS	364	371	366
SOCIALISTS	21	19	19
COMMUNISTS	16	27	29
JAN SANGH	3	4	5
AKALI DAL	4	--	--
SWATANTRA	--	--	14
OTHER PARTIES & INDEPENDENTS	<u>81</u>	<u>73</u>	<u>61</u>
Totals	489	494	494

In 9 of 13 states where legislative assemblies are up for reelection, the Congress Party now controls better than 70% of the seats; in no case is its margin less than 61%.

620119 2

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

communal, and caste traditions and which only 14 years ago was not even united on the issue of anticolonialism.

Two five-year plans have been completed and fulfilled in their main aspects under Congress party rule. Despite rising prices and births, enhanced income and food production have made the Indian of 1962 better off, generally speaking, than he was ten or even five years ago; moreover, he has been led to believe that his situation will continue to improve as a direct result of the development effort.

Political action and a wide variety of pressures from the secular-minded central government have been the principal means the Congress has used to fight separatist tendencies in Indian society. Linguistic regionalism has been met where possible by aligning state boundaries along linguistic lines, substantially reducing political exploitation of this emotionally charged issue. At the same time, the Congress government has displayed moderation in protecting lesser regional tongues, in preserving English as a lingua franca, and in providing for the eventual but slow adoption of Hindi as the national language.

Caste, at the root of Hindu separateness and compartmentalization, has been attacked on a broad front with the approval of the educated and with protection and benefits for the untouchables and other minority groups at the bottom. Notwithstanding the high-sounding words of the central leadership, local leaders of the Congress and of other parties satisfy local requirements by adroit manipulation of "caste politics."



25X1

Communalism--primarily Hindu-Moslem tension--is also under attack by New Delhi in its efforts to promote national unity, and also to ensure that the Moslems, who look to the Congress to "protect" them from the Hindu majority, remain in the Congress fold.

In its efforts to promote a national identity, Congress has evolved its peculiarly Indian form of village self-government and its nonaligned foreign policy, which seeks to give the country enough time to complete its internal transformation by avoiding foreign entanglements. Both of these policies strike a responsive chord through a broad stratum of Indian society, cutting across party lines in most instances.

Congress Party's Difficulties

The principal political problem which the Congress has

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

faced in recent years has been the intense intraparty factionalism which the absence of real competition from other parties has encouraged. Major power contests, often without ideological overtones, have occurred repeatedly within the party at the state level. Nehru has been drawn more and more frequently into these controversies, in part because of a rise in factional tempers generally and in part because of the deaths of several of his trusted lieutenants who kept the state organizations in line.

The prime minister has neither the taste nor the toughness needed for this type of day-to-day involvement, preferring instead to concentrate on the problems of party and country at the national level. In hopes of reducing future demands from the state organizations, however, he has intervened more directly in the party's choice of candidates than ever before. Acting through his daughter Indira, a party leader in her own right, and his trusted home minister, L. B. Shastri, Nehru has selected slates with the aim of ensuring that his preference for chief minister in each state will have strong support within the Congress party in that state's assembly.

While the state organizations can be expected in general to rally behind the party slate, a considerable number of Congress party members denied places on the ballots have resigned to contest as independents or under another party banner. They are, however, not expected to hurt the party significantly, except perhaps in Andhra.

Opposition Attacks

Because it has been the sole instrument of rule during India's 14 years of independence, the Congress party is blamed for all that is wrong or unalleviated. While offering differing remedies, the other parties are at one in their castigation of the Congress for inflation, unemployment, faulty industrial policy, bureaucratic waste, and corruption. There is also strong criticism of the ruling party's "appeasement" of the Chinese and Pakistani "aggressors"; although the Goa action has blunted the appeal of this charge, it may later increase pressure on the Congress government to act with equal vigor on these other questions of disputed territory.

Each party, in addition, has its own ideological and doctrinal differences with the Congress, although much of the "purity" of these differences is sullied on the local level by various alliances and no-contest agreements, sometimes with Congress factions but most often with other opposition parties. Such deals reduce multi-party contests and permit the strongest opposition candidate in a given district to contest bilaterally with his Congress counterpart.

Congress Prospects

Despite Congress factionalism and opposition attacks, the ruling party is still the one favored by the largest single slice of India's population, particularly in the rural areas, where most Indians live. This

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

support derives from tradition as much as from the Congress record of achievement. Congress also is the only party sufficiently endowed with funds, talent, nationally known leaders, and organizational skills to contest in every constituency in the country. This is particularly telling in the contests for the Lok Sabha, campaigns for which are considerably more costly than for local state assemblies.

Congress and its supporters thus are expected to be returned to power in the Lok Sabha with roughly the same strength as in 1957; in addition, they are expected to maintain control of all the state governments, although in some cases by a reduced margin.

Other Parties

The Communists continue to have serious difficulties. Membership is down and factionalism is up. Hamstrung by the necessity of supporting Nehru internationally and torn by the ramifications of the Sino-Indian and Sino-Soviet disputes, the party's national image has suffered badly. On the usual bread-and-butter issues, Congress development plans, by their success thus far, have undercut some of the Communists' best scoring points. As a result, the Communist party's prospects on the national level are not bright.

On the local level, its chances appear less impaired and in some cases enhanced because of stands on purely local issues, splits among the non-Communist left, and the relative homogeneity of leadership within certain state parties, as in West Bengal.

The Praja Socialists (PSP) will be hurt in a number of

states because of their dispirited organization, their decision to reject alliances with Communist and Communist-front parties, and their difficulties in competing with a socialist-oriented Congress party. The 1962 elections may in fact see the eclipse of the PSP as a national force and pave the way for its eventual reabsorption into the Congress, whose aims the PSP leadership generally shares.

The Right

The most noteworthy trend among the opposition voters in this election probably will be a shift toward the right. The main immediate beneficiaries will be two principal right-wing parties, the secular, anti-socialist Swatantra or Freedom party, formed in 1959, and the revitalized but essentially Hindu communalist Jan Sangh. Both these parties, through judicious alliances, weaning of independents, and a crystallization of both secular and traditional right-wing sentiment, are expected to better their positions in the central parliament and in most of India's northern tier of states. In no state, however, do they appear to pose a threat to continued Congress party rule, and in only one or two do they offer sufficient challenge to raise the possibility of their emergence as leaders of the opposition.

The Congress party itself has a substantial right wing, led by Finance Minister Morarji Desai and Food and Agriculture Minister S. K. Patil and financed by India's large corporate interests. In the long run the Congress right wing may be the ultimate beneficiary of any swing to the right in 1962.

25X1

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****COMMUNISM IN IRAN**

The Communist movement in Iran is more than 40 years old, and many of its present leaders have been active for more than half that time. At the peak of its strength during the Mossadeq regime, Iran's Communist party--called the Tudeh (Masses) party --was able to bring out crowds of nearly 50,000. The hard-core membership, however, has probably never exceeded about 7,000, mostly intellectuals and urban workers.

The party was strongly suppressed in 1953 and 1954, but it apparently has been rebuilding since 1959 and is cautiously resuming its activities. Throughout its history it has shown the ability to rebuild when its apparatus has been broken by internal dissension or by the security forces. Although sacrificed more than once to larger considerations of Soviet foreign policy, it has remained a faithful instrument of Soviet objectives in Iran.

The Adalat

Iranian communism had its beginnings with the Adalat (Justice) party, which was founded in 1917 among Iranian workers in Baku, whence it spread rapidly into Iran. Taking advantage of the chaos produced by the activities in neutral Iran of British, Russian, and Turkish troops during World War I, Iranian Communists in 1920 proclaimed the Soviet Republic of Gilan on the southern shores of the Caspian. When the Bolshevik troops withdrew the next year after a treaty of friendship was signed between the Soviet Union and Iran, Iranian Government troops quickly smashed the rebels. The Russians also attempted, without success, to gain control of separatist

movements in Azerbaijan and Khorassan.

The Adalat went underground in 1931 when Reza Shah banned Communist activity. The old Communist activists were joined in the 1930s by a new group of European-educated and Marxist-oriented intellectuals opposed to Reza Shah's dictatorship. In 1937, 53 of this group were arrested, including present Minister of Justice Nur ed-Din Alamuti, and 49 of them were sentenced to prison, where they were indoctrinated by Soviet-trained agitators who had been jailed previously. They emerged as a disciplined band of Communists in September 1941, when they were released after Iran was occupied by Soviet and British troops. The following month the Tudeh party was founded. About half the members of the present central committee were among those released at that time.

Early Tudeh Successes

Although occupied, Iran remained formally neutral until mid-1943, when it declared war on Germany. The war years were important for the organization and development of the party. Supported and protected by the Soviet Union, which occupied most of northern Iran, the Tudeh demonstrated its strength by electing eight deputies, five of them central committee members, to parliament in 1943. Soviet-backed separatist republics of Azerbaijan and Kurdistan were established in 1945. In an attempt to conciliate the rapidly growing party, the prime minister appointed three Tudeh cabinet members and a Tudeh mayor of Tehran. The Tudeh continued to support all Soviet policy objectives in

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

Iran, however, including Moscow's demands for an oil concession.

Faced with their intransigence and with a threat by the powerful anti-Communist Qashqai tribe to revolt, the prime minister in 1946 dismissed the Tudeh members of the government. Shortly thereafter the puppet regimes in Azerbaijan and Kurdistan collapsed when Soviet troops were withdrawn in the face of international pressure. These setbacks to the party forced a soul-searching, which resulted in the desertion of most of the moderates and in the dissolution of the central committee. The party withdrew to semi-obscurity and concentrated on rebuilding its strength.

The rebuilding process came to an abrupt halt in early 1949 when an attempted assassination of the Shah was blamed on the Tudeh. The party was outlawed, and seven members of the central committee were sentenced to death in absentia.

The Mossadeq Era

However, the party soon began a recovery which was accelerated when Mohammad Mossadeq became prime minister in 1951 on a nationalistic, anti-British program. Although the party was still illegal, Mossadeq sought its support and the Tudeh gladly gave it. Playing down Communist ideology, the party joined Mossadeq in his attacks on the British, the Shah, the army, and parliament.

During this period, most of the pro-Mossadeq demonstrations were organized and run by the Tudeh, which operated a panoply of youth, women's, labor, and anti-imperialist front organizations. The party also apparently supplied Mossadeq with information on the various con-

spiracies aimed at overthrowing him. It felt strong enough by July 1953 to demand, among other things, that Mossadeq form a united front with it, end the monarchy, dissolve parliament, and cooperate with the "democratic" countries.

Negotiations to settle Iranian-Soviet disputes started less than a month later. In mid-August 1953, three days before a pro-Shah army coup ousted Mossadeq, the Tudeh was demanding the establishment of a "republic" and the arming of the party--demands which apparently were refused by the prime minister. The party was either unwilling or unable effectively to support Mossadeq in the street fighting which took place during the royalist coup.

Suppression of the Tudeh

With the overthrow of Mossadeq, the Tudeh went into another decline. Nearly 1,000 party members were arrested within the first month after the pro-Shah forces took over, and many of the leaders fled into exile. Party activities continued underground, but membership shrank rapidly.

The security forces--notably the military governorship and later the National Intelligence and Security Organization (SAVAK), both under General Timur Bakhtiar--launched an extensive and effective campaign to suppress Tudeh activity. In 1954 they discovered among the military forces a Tudeh organization consisting of nearly 500 officers which had been operating undetected for more than a decade. These officers included at least six colonels, among them the prime minister's security officer, the head of the Palace counter-espionage section, and the liaison

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

officer between the prime minister and the military governor. Four hundred and fifty were tried; 27 of them were executed. Portions of a similar organization for noncoms were also discovered. Subsequently, Khosrow Ruzbeh, chief architect of the Tudeh military organization, was captured and executed. About 40 officers fled to Eastern Europe, and a small number are now in Peiping.

The Tudeh in Exile

After the suppression of 1954, the Tudeh leadership moved from Iran to Eastern Europe. By 1958 the organization in exile was well organized under a central committee, with headquarters in Leipzig, East Germany, and branches extending throughout the bloc and into Western Europe. Iranian students in France, West Germany, and Austria have been particular targets.

The party's secretary general and titular head since 1948 has been Dr. Reza Radmanesh. Imprisoned in 1937 and later a founder of the Tudeh, Radmanesh has been under a death sentence in Iran since 1949. He has lived in Moscow for nearly ten years and is the party's main liaison with the Soviet Communist party. He represented the Tudeh at the 19th and 21st Soviet party congresses.

The Iranian Communists' main labor organizer has long been Reza Rusta, who fought for the Soviet Republic of Gilan in 1921. He spent most of the decade of 1931-41 in prison. He founded the Communist-front organization in Iran which still claims to speak for Iranian labor, and he has been on the Executive Committee of the World Federation of Trade Unions since 1949.

The revolution in Iraq in 1958 was a morale booster to the Iranian Communists, who apparently expected a revolution to take place almost immediately thereafter in Iran. The exiled executive committee sent a delegation to Baghdad, where it was given aid and encouragement by the Iraqi Communists. Funds and propaganda began moving through this channel to Iran. Internal differences caused the withdrawal of the Baghdad mission, however, and resulted in the dismissal of veteran central committee member Dr. Keshavarz, who had inspired the mission.

The party subsequently began tightening its discipline. By mid-1959 the Tudeh was calling for a revival of party activity in Iran and demanding a united front with antiregime elements in the country. A short time later the central committee announced amalgamation of the Tudeh and the Azerbaijan Democrat party, formed in 1945 by the Soviets as the basis of the Azerbaijan Democratic Republic.

Tudeh headquarters in Leipzig publishes newspapers for clandestine distribution in Iran and also operates a radio station. Its propaganda broadcasts from East Germany are supplemented by a station called the "National Voice of Iran" which transmits from the Caucasus--specializing in scurrilous attacks on the Shah, the government, and the United States--and by Radio Moscow's Persian-language broadcasts.

The Tudeh in Iran

Inside Iran, however, the party remains disorganized and fragmented. Some factions, in fact, appear to have been organized or protected by the security forces in order to monitor activities of the party

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

and provide an instrument for provocation operations. Arrested Tudeh members have frequently been released after recanting and making public confessions. Some who have tried to resume party activities are suspected by those who have escaped arrest. Some low-level Tudeh members still in the country felt that the leaders, by going into exile, had forfeited the right to head the party.

An additional divisive factor was a split between Turki- and Farsi-speakers. The renewed activities of the leadership abroad, the radio propaganda, and the calls for party unity nevertheless appear to have had some effect, and some cautious attempts have been made by party remnants still in the country to resume operations.

Iranian security forces have reacted sharply to any signs of new life. In mid-1959 five Tudeh members in Azerbaijan were executed, and scattered arrests were made among noncoms and officers in the army and the gendarmerie when evidence was uncovered suggesting that substantial portions of the Tudeh members in these organizations had not been touched by the 1954 roundups.

The arrest of about 60 Tudeh members and the confiscation of an illegal printing press in Isfahan in late 1961 are the most recent indications of the party's activities. The government claimed to have turned up evidence of Communist infiltration of the antiregime National Front. Two major duties of the Tudeh have been described in a party document as "creating a united front while keeping our organizational and political independence intact," and "overthrowing the coup regime and establishing a nationalist government, following neutralism in foreign policy."

The degree to which the Tudeh has in fact penetrated the National Front is not clear. The leaders of the National Front are well known, and their non-Communist political orientation appears well established. Communist influence has probably been on the lower level of membership.

25X1

25X1

Another area for Tudeh exploitation is among the officers and officials who were arrested in the mid-1950s but subsequently released. Many of these individuals have been employed by ministries and other government agencies. Some of the ministries--notably Justice, Education, Finance, and Posts and Telegraph--which were heavily penetrated during the heyday of the party probably still contain a substantial number of Tudeh members or sympathizers. The party has never had much success among the peasants; however, urban workers--particularly in Tehran, in the textile factories in Isfahan, and in the oil industry in Abadan--have long been strong Tudeh supporters.

Outlook

The Tudeh presents no immediate threat to the government, and security controls remain stringent. However, economic and political conditions in Iran are conducive to growth in the party's activities. A more neutral-minded government--such as might follow the collapse of Prime Minister Amini's efforts at moderate reforms--would be more inclined to ease security measures, thereby providing the party with a new opportunity to achieve a position of influence.

25X1

SECRET

25X1

Page Denied

SECRET

SECRET

25X1

Page Denied

ILLEGIB

25X1

Next 4 Page(s) In Document Denied

ILLEGIB 25X1

25X1

25X1

25X1

ILLEGIB

25X1

25X1

ILLEGIB