

SECRET

COPY NO. 523

OCI NO. 0407/62

9 March 1962

CURRENT INTELLIGENCE WEEKLY SUMMARY



CENTRAL INTELLIGENCE AGENCY

OFFICE OF CURRENT INTELLIGENCE

SECRET



25X1

RECORDS CENTER
K AFTER USE
127 BOX 351

State Dept. review completed

35-228527

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.

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

9 March 1962

T H E W E E K I N B R I E F

(Information as of 1200 EST 8 Mar)

SOVIET FOREIGN POLICY DEVELOPMENTS Page 1

Khrushchev's acceptance of the Western proposals for a foreign ministers' discussion at Geneva was probably heavily influenced by his failure to gain support for an immediate summit meeting and by his interest in opening new contacts on the Berlin question. In addition, he made it clear in his letter of 3 March that he considered a subsequent summit meeting virtually agreed. Khrushchev's letter also opened the Soviet campaign to turn world opinion against the US on the question of new nuclear testing and the test ban. The dominant element in this campaign appears to be a Soviet threat to precipitate an intensive nuclear arms competition. Although his major address to the central committee plenum on 5 March did not deal directly with foreign policy, Khrushchev vigorously criticized known Chinese Communist views. [redacted]

25X1

KHRUSHCHEV'S AGRICULTURAL PROPOSALS Page 4

At the opening of the central committee plenum, Khrushchev freely admitted the failures of Soviet agriculture, but his promises for substantial increases in investment--a requisite to any major advance in production--were not specific. Similar promises at the 1959 plenum and afterward are apparently yet to be fulfilled. Again turning to organizational adjustments as the principal means of solving the USSR's chronic agricultural problem, he called for a far-reaching reorganization of the system of management and control over agriculture and outlined plans to enlarge the acreage of cultivated crops. [redacted]

25X1

LAOS Page 6

Souphannouvong has suggested several changes in the cabinet list proposed to him by Souvanna with Western concurrence. Chief among the undesirable features of Souphannouvong's changes--which Souvanna would accept--is the substitution of Souphannouvong for Phoumi as information minister. There is therefore the prospect of further negotiations among the various factions which will determine both Souphannouvong's flexibility and the extent of Phoumi's resistance to an accommodation with Souvanna. Military activity remains at a low level. [redacted]

25X1

FRANCE-ALGERIA Page 7

The negotiating session between the French and the rebel government which began at Evian on 7 March is expected to culminate in a cease-fire agreement, since all major substantive issues have reportedly been settled. OAS terrorism and lawlessness continue in spite of large-scale deployment of French troops in the major cities of Algeria. French security officials admit that the task of neutralizing the OAS is increasingly difficult as negotiations proceed. [redacted]

25X1

SECRET

BRIEFS

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

9 March 1962

CONGO Page 9

Tshombé's announcement that he will leave for Leopoldville on 15 March for talks with Adoula offers a prospect for a new break in the Congo stalemate. Tshombé's entourage, however, strongly resists any rapprochement with Leopoldville. Adoula has indicated to UN officials that he is under heavy pressure to bring Tshombé to heel, and that unless the Katanga issue is "resolved" by 31 March, he will attempt to settle the matter by military means. The movement of Congolese troops to northern Katanga continues, while in southern Katanga tension between Katangan and UN forces has resulted in shooting incidents at Kamina and Elisabethville.

25X1

BURMA Page 11

The Union Revolutionary Council under General Ne Win took over the government of Burma on 2 March and established an authoritarian government. The new government will probably reinstitute the reform programs launched by Ne Win between 1958 and 1960 and make no change in Burma's neutral foreign policy. Internal reforms may meet with opposition, especially because this time Ne Win's government lacks the approval of Nu, the country's most popular figure.

25X1

25X1

NORTHERN RHODESIA Page 12

African nationalist acceptance of Britain's constitutional proposals for Northern Rhodesia makes widespread violence in the protectorate unlikely, although some of moderate nationalist Kenneth Kaunda's more radical followers may still try to stir up demonstrations. Prime Minister Welensky of the Federation of Rhodesia and Nyasaland also seems ready to go along with the proposals. All sides--whites and Africans in the Federation as well as the British Government--appear to be preparing their position for an early renewal of the controversy over the future of the Federation, which most Africans still strongly oppose. The long-adjourned federal constitutional talks seem likely to reopen in the next few months.

25X1

FOOD SUPPLIES IN THE EUROPEAN SATELLITES Page 13

No basic improvement is likely until at least mid-summer in the amount of food available per capita from domestic supplies. Increases in imports and reductions in exports of some food products are planned, but this will probably not be sufficient to change the situation appreciably. While there will be adequate food in terms of caloric intake, the quality and variety of the diet will decline in most satellites this year.

25X1

ADMINISTRATIVE REORGANIZATION IN HUNGARY Page 14

For the past several months a shake-up within the party and government apparatus has been under way. Functionaries who have found it difficult to adjust to the party line or

SECRET

ii

BRIEFS

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

9 March 1962

have proved incompetent have been criticized and in many cases dismissed from their posts. The Ministry of Interior, the administration of heavy industry and investment planning, and the provincial party apparatus have been most affected. [redacted]

25X1

SOVIET PRIVATE HOUSING Page 15

The Soviet regime has apparently decided to continue temporarily its support for private housing construction, despite earlier indications that such activity was to be discouraged. The decision was probably made in order to aid achievement of Seven-Year Plan (1959-65) goals. [redacted]

25X1

25X1

THE USSR'S ATOMIC ENERGY AID PROGRAM ABROAD Page 16

The USSR is providing assistance to a number of countries in the field of atomic energy research. It has completed the construction and installation of nuclear reactors and related laboratory equipment in Yugoslavia and Egypt, and is implementing agreements to provide Iraq, Indonesia, Afghanistan, and Ghana with reactors. Moscow also is sending scientists and technicians to assist these countries in developing their atomic energy programs and is providing technical training as well as academic scholarships for the study of nuclear physics in Soviet universities. [redacted]

25X1

25X1

SOVIET AND CHINESE ECONOMIC AID TO YEMEN Page 18

Both Moscow and Peiping are discussing new development projects with Yemen. Moscow has offered to provide a water supply system and an improved electric power establishment for the city of Al-Hudaydah and to build an irrigation dam and a cement plant in the interior; it has also shown a renewed interest in providing assistance for civil aviation. The Chinese have completed preliminary surveys for a textile plant and have offered to develop production in the Jawf area to supply the local textile factory. [redacted]

25X1

JAPANESE-SOVIET TRADE GOALS FOR 1962 Page 18

Japanese and Soviet negotiators have agreed on an expanded trade program for 1962 amounting to \$225,000,000-- about 2 percent of Japan's total trade. The new program, marked by continued increases in Soviet purchases of Japanese heavy industrial equipment, also provides for a 17-percent increase in Soviet petroleum sales. At the same time it calls for an overall balance in Japan's favor, which would be Tokyo's first surplus in trade with the USSR since normal trade was resumed in 1958. Negotiations on the exchange of Soviet crude oil and Japanese steel pipe for the trans-Siberian pipeline have been deferred, possibly until next September, when Moscow is expected to seek a new five-year trade agreement to replace the three-year pact expiring this year. [redacted]

25X1

SECRET

BRIEFS

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

9 March 1962

BELGIUM Page 20

Strains between the Socialists and the Social Christians over the government's fiscal reform program threaten Belgium's coalition cabinet. Interparty relations are also complicated by differences between the Roman Catholic - oriented Social Christians and the anticlerical Socialists over education. [redacted]

25X1

ELECTIONS IN ARGENTINA Page 21

Prospects appear improving for President Frondizi's Intransigent Radical party (UCRI) in the elections on 18 March, in which 87 of the 192 seats in the National Chamber of Deputies are at stake, along with 12 provincial governorships and various local offices. The outcome of these elections will strongly influence the presidential elections in 1964 and Frondizi's ability in the meantime to continue the US-backed stabilization program. Widely publicized rumors that the armed forces plan a revolt if Peronista candidates are elected should elicit further support for the UCRI, since the majority of Argentines do not wish another military dictatorship. [redacted]

25X1

ELECTIONS IN COLOMBIA Page 22

The congressional elections in Colombia on 18 March will test the National Front system of government, which provides for parity between the Conservative and Liberal parties in all appointive and elective offices and alternation of the presidency every four years until 1974. This system, introduced in 1958 to return the country to constitutional rule after the Rojas dictatorship, has given Colombia relative stability but has been impaired by sharp divisions within and between the two parties. If the coalition of moderate factions of both parties, which has been President Lleras' principal support since 1960, suffers a marked reverse in these elections, prospects will be weakened for continued political stability and particularly for the election in May of a moderate Conservative to succeed Lleras as president. [redacted]

25X1

SPECIAL ARTICLES

SOVIET TACTICS AT THE GENEVA DISARMAMENT CONFERENCE . . . Page 1

General and complete disarmament is expected to be reiterated as the stated goal of Soviet policy at the disarmament conference scheduled to open in Geneva on 14 March. At the beginning of the conference, however, the nuclear test ban question is likely to predominate. Moscow may later introduce other proposals related more to the questions of Germany and European security than to disarmament. [redacted]

25X1

25X1

POTENTIAL OF FRENCH SECRET ARMY ORGANIZATION Page 5

There is increasing evidence of the OAS' capability to disrupt a French-rebel settlement in Algeria, and this

SECRET

iv

BRIEFS

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

9 March 1962

has been an important factor in the rebels' reluctance to come to terms quickly with Paris. While Paris is still confident it can overcome the OAS, French officials admit the likelihood of extensive bloodshed before the organization is crushed. The OAS now has enough die-hard personnel, arms, money, and food to maintain resistance for some weeks or months--possibly long enough to upset arrangements for the transitional period before Algerian independence and thereby to impose increased political strains on both the rebel regime and the De Gaulle government. [redacted] 25X1

FEDERAL REPUBLIC OF CAMEROON Page 8

Cameroon President Ahidjo, who will visit the United States from 13 to 17 March, has aligned his country with the moderate African states and has given a chilly reception to Soviet overtures. He wants to continue close ties with France but at the same time broaden his Western support. He sees his visit to the US as an opportunity to obtain more aid and to enhance his stature as an African leader. He has demonstrated a high degree of political skill, but he is beset with the problems of suppressing a long-standing Communist-supported terrorist campaign against him and of making economic gains in the face of large outlays for security. [redacted] 25X1

SECRET

v

BRIEFS

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

WEEKLY REVIEW

SOVIET FOREIGN POLICY DEVELOPMENTS

In the face of Western refusal and neutralist reluctance, Khrushchev has dropped his plan for opening the Geneva disarmament conference at the summit level. In his letter to President Kennedy on 3 March, he agreed that the foreign ministers should initiate the negotiations and stated that there would be no objection to informal meetings of the foreign ministers of the US, the UK, and the USSR prior to the conference. One factor influencing Khrushchev's decision probably was his interest in developing a new channel of negotiation on Berlin. His letter made no mention of the subjects to be covered in preliminary contacts, but the prospect that the Berlin question will be raised was reflected in East German leader Ulbricht's suggestion that the two German states also send representatives to Geneva.

Khrushchev sought to cover his retreat from the original summit proposals by conveying the impression that all concerned had virtually agreed to a subsequent meeting at the heads-of-government level. His letter asserted that there was "general agreement" on direct participation and personal responsibility on the part of the heads of government, and that this was a "definite step toward meeting our position." The US and the USSR, he said, should be guided by the consideration that the heads of government "will participate somewhat later." He thus has set the stage for requesting a summit meeting probably well before June, when the disarmament committee is scheduled to report to the UN.

The Nuclear Test Issue

Khrushchev also sought to offset his concession by launch-

ing a vigorous challenge to the US decision to resume nuclear testing in the atmosphere. The main element in this campaign will be the threat to precipitate a new and intensive arms race by renewing Soviet tests. The Soviet leader denounced the US decision as a "new expression of an aggressive course in international affairs." He repeated earlier warnings that the US tests in the atmosphere would leave the USSR no choice but to do likewise. His letter stated that the "Soviet Union will be faced with the necessity of carrying out such tests of new types of its own nuclear weapons," implying that the next Soviet series could have far-reaching implications for the future military balance.

Khrushchev is also trying to turn world opinion against the US and shift to it the onus for a nuclear arms race. To this end, he introduced a new contention: that since the US not only had conducted more tests than the USSR but had exploded the first atomic device, then the USSR "must be the last" to conduct nuclear weapons tests. Khrushchev claimed that the US tests would open a "new phase" of the nuclear competition and that it would inevitably lead to a "chain reaction which will become still more stormy."

While Khrushchev's letter makes it clear that the USSR will not hesitate to excoriate the US, it also reflects the problem facing Khrushchev in replying to the US proposals for a strictly controlled test ban to be agreed on before the latter part of April. Khrushchev merely dismissed these proposals as "atomic blackmail," and repeated that the US position on a test ban had already

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

been rejected. It thus would appear likely that the USSR will renew its offer of a ban on tests in the atmosphere, underwater, and at high altitudes, to be monitored by each country's own national detection systems. Khrushchev may even modify this plan to exploit the US-British offer last September of a ban on atmospheric tests only. Such a Soviet proposal, relying on national detection systems, however, would freeze the present status of nuclear technology --a situation which Moscow may no longer consider to be in its interest. At any rate, Khrushchev can be expected to use the period between now and the US resumption to score the maximum propaganda points and to generate mounting pressure on the US to refrain from testing.

Berlin and Germany

The acceptance of the foreign ministers' meeting, immediately after the US announcement on testing, nevertheless suggests that Khrushchev is not shifting to an all-out campaign of vilification and denunciation of the US. In such a highly charged atmosphere, he may believe that all chances for negotiating on Berlin would rapidly fade. Soviet interest in negotiations on this issue has been reflected in the commentary following the meeting in Moscow between Khrushchev and Ulbricht. During Mikoyan's visit to the Leipzig fair, moreover, statements by both him and the East German leader emphasized the dual themes of promoting an "international detente" and solving the Berlin and German treaty questions. In his speech of 5 March, Mikoyan stated that the USSR was doing "everything possible" to conclude a treaty, and he added that "our aim is to achieve an agreed solution." However, Mikoyan also warned that Soviet readiness for negotiation should not be construed as an opportunity for endless delays of a solution of the "German question"

and renewed the threat to conclude a separate peace treaty with East Germany.

Although Mikoyan abjured a more detailed discussion of a peace treaty in his speech, on the ground that "negotiations are being continued," the prospect of talks in Geneva has not inhibited the Soviets and East Germans from undertaking further calculated probes of the Western position in Berlin. Continuing the procedure they initiated late last month of regularly filing plans for use of the air corridors, the Soviets filed plans for and carried out on 7 March ten transport flights--the largest number up to that time. The following day they filed plans for 24 such flights on the 9th. They thus appear to be testing Western reaction to an increasing number of flights to the point where they virtually preempt the air space in one or more corridors. When the US representative at the Berlin Air Safety Center discussed with his Soviet counterpart a conflict in scheduling flight plans for Soviet aircraft and US flights, the Soviet controller said: "Maybe we will have 100 conflicts. . . maybe tomorrow, maybe later."

In another move toward harassment of access, the East Germans appear to be preparing for early enforcement of passport, visa, and customs regulations at the Friedrichstrasse crossing point between East and West Berlin as a step to assert their sovereignty over East Berlin. On 6 March barriers which had been built behind the sector border wall were removed, apparently to permit easier access to customs sheds, and the following day two new customs buildings were opened at the crossing point. This move has been accompanied by repeated high-level references to the necessity for Western acquiescence in East German demands for passports and visas at the East German "state frontiers," including the sector border.

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

Soviet - East German Relations

Following the talks between Khrushchev and Ulbricht in Moscow from 26 to 28 February, Mikoyan and East German Deputy Premier Leuschner on 5 March signed an agreement calling for a special goods credit for East Germany in the amount of \$325,000,000 and a trade agreement envisaging a 12-percent increase in 1962 trade to \$2.325 billion. At the signing, Mikoyan remarked that East Germany now is the USSR's biggest trade partner and takes about one fifth of the Soviet foreign trade volume. The new credit probably is intended to facilitate the purchase of badly needed commodities from the West, as well as to refinance existing heavy obligations to bloc countries, especially the USSR.

These agreements are designed to shore up East Germany's economy and enable it to progress toward its goal of "economic invulnerability" to any West German trade embargo, but they do not appear calculated to prepare the regime for weathering possible NATO countermeasures. Khrushchev evidently made clear to Ulbricht at their recent meeting that East Germany's economy must be markedly improved; Ulbricht told workers at a Leipzig factory that the achievement of "peace" depends not only on "the diplomats" but also on the speed of economic development, on "scientific-technological development of the socialist states...above all the GDR." He added that "the basis for the success of foreign policy lies in economic success, in the speed of the production drive, and in the increase in labor productivity."

Sino-Soviet Relations

In the opening part of his report on agriculture to the central committee plenum on 5 March, Khrushchev vigorously attacked Chinese criticism of the Soviet party's new program, derided by implication Mao's road to Communism, as set forth in 1958, and warned the Chinese and other Communist parties against using it as a future model. Among the "foreign comments" on the new program, Khrushchev singled out those of his opponents who uphold

idealistic positions and preach a low standard of life and asceticism--a reference to the Chinese statements that poverty must not be detested, as even a disciple of Confucius lived happily on a "single dish of food and a single ladle of water in a poor alley." He condemned the view that Communism is a "table with empty plates with 'highly conscious' people" sitting around it, and insisted--with an emphasis in sharp contrast to Chinese commentary--on abundance for the individual as a goal for any transition to full Communism.

Khrushchev's remarks and the assault by Leningrad party boss Ivan Spiridinov at the plenum on dogmatists and "attempts to run ahead" in applying the principles of Communism suggest that the Soviet leaders intend to maintain their pressure on the Chinese. Khrushchev's insistence that building Communism in the USSR serves the interests of "all revolutionary forces" is intended to counter Chinese charges that Moscow's "USSR first" policy is carried out at expense of revolutionary movements. The Soviet leader may also hope to undercut any future Chinese criticism of the program, possibly to be made at the forthcoming National People's Congress in Peiping.

The Russians have thus maintained the momentum of their assault on Chinese opposition. In a four-part series of talks broadcast to China from 26 February to 1 March, a Soviet commentator criticized the "Albanians" for rejecting Moscow's attack on the personality cult and for denying that the attack is "the common line" of the international Communist movement. The Chinese apparently are avoiding the issue of the personality cult--on which Mao is clearly vulnerable--and are pressing their case against Khrushchev's interpretation of "peaceful coexistence." An article in the early March issue of Red Flag, the Chinese party's theoretical journal, criticized the "Yugoslav" view that coexistence should be unconditional. Such a view, the article charged, really signifies "constant compromise and constant concessions toward imperialism."

25X1

SECRET

9 Mar 62

WEEKLY REVIEW

Page 3 of 22

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****KHRUSHCHEV'S AGRICULTURAL PROPOSALS**

At the opening of the Soviet party central committee plenum on 5 March, Khrushchev freely admitted the failures of Soviet agriculture, but his promises for substantial increases in investment--a requisite to any major advance in production--were not specific. Similar promises at the 1959 plenum and afterward are apparently yet to be fulfilled. Khrushchev offered no new solutions to the basic problem of inadequate work incentives. Again turning to organizational adjustments as the principal means of solving the USSR's chronic agricultural problem, he called for a far-reaching reorganization of management and control over agriculture which would centralize party control and government direction over both collective farms and state farms in a single administrative system.

In Khrushchev's reorganization, republic and provincial party bosses would head agricultural committees established in their areas and be made directly responsible under a national committee for local agricultural production. At the local level, "production administrations" would be established, each with a council consisting of the most experienced farm directors and "possibly" party and government chairmen. The executive arm of these administrations would be inspectors who are to be charged with making "recommendations" directly to the farms and with reporting any malfeasance. Eventually, their salaries would depend on the fulfillment of production tasks assigned to farms under their supervision. Apparently each farm would also have an "organ of agricultural management" which would be responsible for planning, book-keeping, and "influencing" farm production and would be responsive to the inspectors.

In these new committees and their local officers would be centralized the managerial powers which in large part had been diffused by earlier re-

forms also vigorously sponsored by Khrushchev, particularly the abolition of the Machine Tractor Station system (MTS) in 1958. Indeed, at one point in his speech, Khrushchev designated as "the purpose of calling the plenum" the assignment of those powers over collective farm management once exercised by the political department of the MTS system.

Since 1958 the question of administering the collective farms has been a politically explosive issue. Numerous organizational devices have been proposed, including a hierarchical structure of unions of collective farms. By the reforms adopted by the January 1961 plenum, state farm administration was made the direct responsibility of the State Planning Committee and, in most areas, of republic-level state farm ministries; however, no similar provisions were announced for the collective farm system. Khrushchev now claims that state farm production has not been controlled sufficiently. The new committees will apparently fill these gaps.

Khrushchev's proposals would institutionalize party control and dominance to a far greater extent even than during the Stalinist period. For the first time the party boss in every major territorial unit of the country will not only be a formal part of the state administrative machinery for agriculture but will be the man in his area directly in charge. The new system will thus be a major departure in Soviet administrative practice. Heretofore, the regime has carefully kept the government machinery institutionally separate from that of the party. If the new scheme proves effective, it may form the pattern for mergers of party and government machinery elsewhere. In any event, it is clear that Khrushchev intends the party organizations from the republics down to assume full responsibility and direct control over agricultural production.

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

Khrushchev's proposals would also mark a major step in destroying the collective farm system and creating a unified system of state agricultural producing units. Khrushchev admitted that the highly vaunted and much propagandized "collective farm democracy" had been a fiction. Maintaining that fiction, however, had kept the party from assuming direct control at the point that really mattered--the level of production. The authority to be given the new agricultural production administrations and committees will apparently remove most of the last vestiges of autonomy that remained in the collective farm. With both collective farm and state farm under the same administrative umbrella, further moves to make them more alike can only be a matter of time.

Khrushchev's decision to "put an end to the drift" in farm administration will, no doubt, reduce the number of abuses engendered by the looser control of the last three years--deviation from the state plan, statistical falsification, and the like. It does not, however, favor the development of agriculture--which by its nature requires a high degree of flexible, decentralized decision-making.

Khrushchev's further elaboration at the plenum of his decision--initiated at the 22nd party congress last October --to restructure the cropping pattern is obviously aimed at rapidly improving the milk and meat supply situation. Khrushchev frankly admitted that "we simply do not have enough meat.... If we remain with the present disposition of sown crops, with the present types of fodder crops, and with the present yield, we shall have no fodder. There will be no meat or milk either today or tomorrow."

Under the traditional crop-rotation systems, almost one fourth of the cultivated acreage has been in grass or in clean fallow each year. Khrushchev

called for the area so occupied to be cut by half in 1962, a move which would raise by some 55,000,000 the number of acres planted in cultivated crops. The resulting increase in production will be limited by shortages of machinery and fertilizer. These changes in land use might also have adverse long-term effects.

Khrushchev's proposal, which would eventually eliminate the ley or grass rotation system of farming and seriously restrict the practice of clean fallowing, calls for the more intensive cultivation of fodder crops on 128,000,000 acres currently sown to grasses or in clean fallow. Alfalfa and clover would be sown on 27,000,000 acres, while 101,000,000 would be shifted to the cultivation of corn, peas, sugar beets, and fodder beans. Because of the lack of mineral fertilizers, seed, cultivating tractors, and other machinery, the shift to row crop production will require several years. Of the additional acreage to be sown to cultivated crops in 1962, 45,000,000 acres will be sown to grain, peas, and fodder beans and the remaining 10,000,000 presumably to sugar beets.

A major increase in agricultural investment is an important key to the success of the crop programs proposed by Khrushchev. His statement on investment carried a scathing indictment of irresponsibility toward agriculture at the highest governmental levels and admitted that the party had relaxed its support of agriculture in the last two or three years. But his outline of steps for increasing investment, as with similar proposals at the 1959 and 1961 agricultural plenums, was vague as to target dates and sums involved. The presidium of the central committee was charged with working out a "concrete investment program" which presumably would include the doubling of agricultural machinery output and the expansion--of unspecified degree--of production capacity for equipment and fertilizer--at some unspecified time.

(Prepared jointly by ORR)

25X1

SECRET

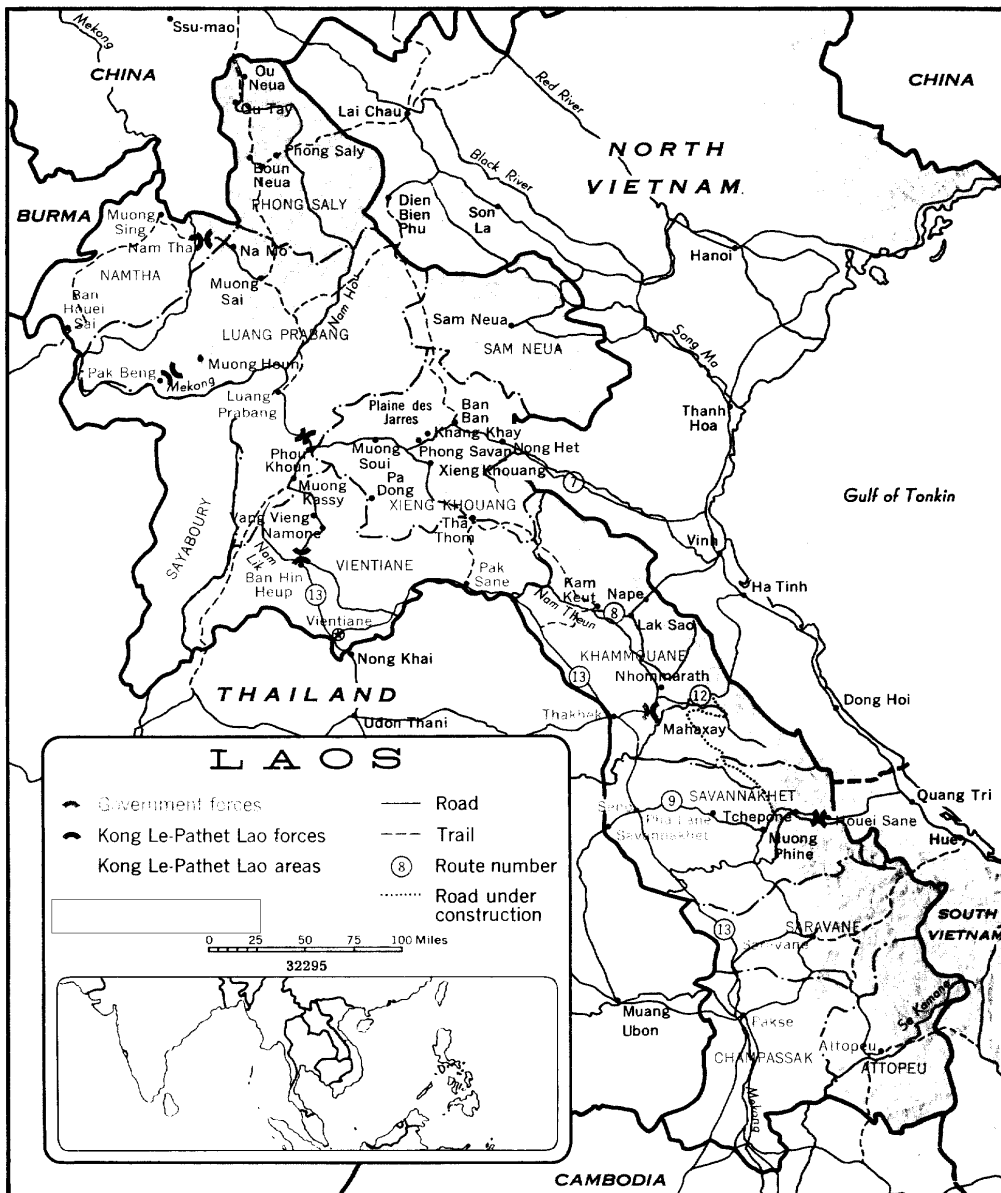
SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

LAOS

Following several days of consultations with Souphannouvong on a Western-approved cabinet list, Souvanna on 4 March produced a new roster incor-

porating several undesirable changes. In addition to giving Souphannouvong instead of Phoumi the Information Ministry, it proposes members from the



25X1

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

center, "neutralist" grouping who are somewhat weaker personalities than those on the former list. Souvanna seems likely to go back to Vientiane soon for further talks with the Western ambassadors and possibly with Phoumi, who returned there on 7 March from medical care in Bangkok.

Phoumi still has shown no disposition to moderate his opposition to any government headed by Souvanna. He apparently will continue to promote his plan for a government by

functional councils under the aegis of King Savang--a plan which has been firmly rejected by Souphannouvong.

In the meantime, military activity in Laos continues at a low level. Souvanna and Souphannouvong have said they will maintain the cease-fire so long as government troops do likewise. The government airfield at Nam Tha has again become usable, with enemy mortars there apparently having withdrawn beyond range.

25X1

FRANCE-ALGERIA

The negotiating session between the French and the provisional Algerian government (PAG) which began at Evian on 7 March is expected to culminate in a cease-fire agreement, since all major substantive issues have reportedly been settled. Terrorism and lawlessness on the part of the Secret Army Organization (OAS) continue in spite of large-scale deployment of French troops in the major cities of Algeria. French security officials admit that the task of neutralizing the OAS is increasingly difficult as negotiations continue.

lems to be settled before a cease-fire announcement are: the precise composition of the provisional executive that will govern Algeria until a self-determination referendum is held; a timetable for withdrawal of the French Army; and the release of prisoners. Prime Minister Debré, however, told a US Embassy officer on 2 March that the PAG was not yet ready to agree to a cease-fire and was still making demands.

The PAG has publicly and privately expressed concern over OAS-inspired killings of Moslems in Algiers and Oran, and over the French Army's alleged willingness to fire on Moslems while at the same time failing to crush the

25X1

25X1

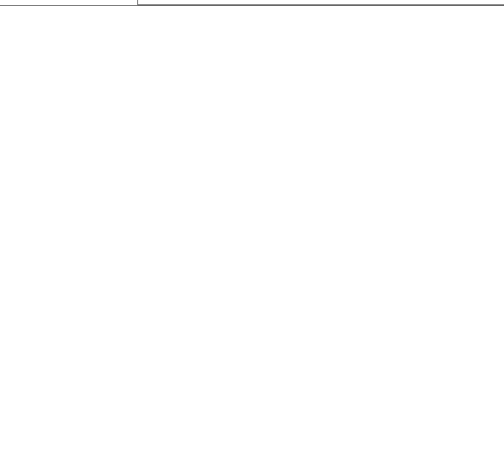
the prob-

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

OAS. Some PAG ministers are reportedly deeply pessimistic regarding what will happen in Algeria after a cease-fire. Ambassador Walmsley in Tunis, however, feels that the PAG's decision to go ahead with public negotiations, reached at a 3 March meeting in Tunis, indicates that it has secured satisfactory assurances from the French that the OAS will be controlled and an agreement enforced.



A French Foreign Ministry official told a US Embassy officer in Paris on 5 March that the French now are considering promulgating a cease-fire agreement by means of a simultaneous announcement by Paris and the PAG, rather than by signing a document. The embassy comments that, while such a plan may reflect continued disagreement over who is to sign a cease-fire, it may also result from the PAG's fears regarding the efficacy of a cease-fire and its consequent reluctance to commit itself in a signed document.

Rebel information minister Yazid told a US Embassy officer

on 3 March that the negotiators had not yet settled the question of a timetable for the release of PAG vice premier Ben Bella and the other ministers detained in France and their incorporation into PAG deliberations. There are indications that the PAG resents Moroccan King Hassan's attempts to take credit for the prospective release of these important figures, and that it is making efforts to keep their stay in Morocco as short as possible--or even induce the French to return them directly to Tunis. Vice premier Belkacem Krim, a potential rival of Ben Bella for power in an independent Algeria, is said to feel that the problem of assimilating Ben Bella into the PAG would be made more difficult if he were lionized in Morocco.



25X1
25X1

25X1

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

CONGO

Tshombé's announcement that he will leave for Leopoldville on 15 March for talks with Adoula offers a prospect for a new break in the Congo stalemate. It is not certain that Tshombé will carry through on his commitment. He remains under heavy pressure from extremists in his entourage to resist any rapprochement with Adoula. In his statement on 6 March, however, Tshombé indicated that he was satisfied with assurances for his personal safety provided by the UN.

Tshombé's announcement came at a time when friction was mounting among the Leopoldville government, the UN Command, and the Tshombé regime in the absence of discernible progress toward Katanga's reintegration with the Congo. Adoula told Ambassador Gullion in early March that he had warned the UN Command that unless the Katanga issue were "resolved" by 31 March, he would proceed to settle the matter by military means. In conversation with UN officials, Adoula has asserted that he is under heavy political pressure to bring Tshombé to heel. Ambassador Gullion believes Adoula's threat represents in part a bargaining position. He notes, however, that Adoula is under some pressure to attempt the recapture of Kongolo.

In a move to strengthen the central government's presence in northern Katanga, 600 poorly disciplined Congolese troops were airlifted from Luluabourg to Albertville in late February and early March. Other Congolese forces are being sent to Kabalo, which the central government regards as threatened by Katangan units. Adoula has sought to prevent his northern Katanga operation from being used by Katangan extremists as justification for breaking off communication with Leopoldville; on 4 March, following an inspection trip to Albertville, Adoula announced that Congolese troops had been ordered to fire only in self-defense.

There is evidence that Adoula is confronted with serious problems in maintaining his unwieldy coalition. President Kasavubu reportedly is concerned over a spate of telegrams from Orientale Province protesting Adoula's ousting of Gbenye from the Interior Ministry. The President is worried that Adoula may have overplayed his hand. Kasavubu reportedly has urged all deputies to consider carefully the effect any substantial weakening of the Adoula government would have on the stability of the state.

There are indications that leftist elements may become more aggressive in their criticism of the Adoula government. Stanleyville elements

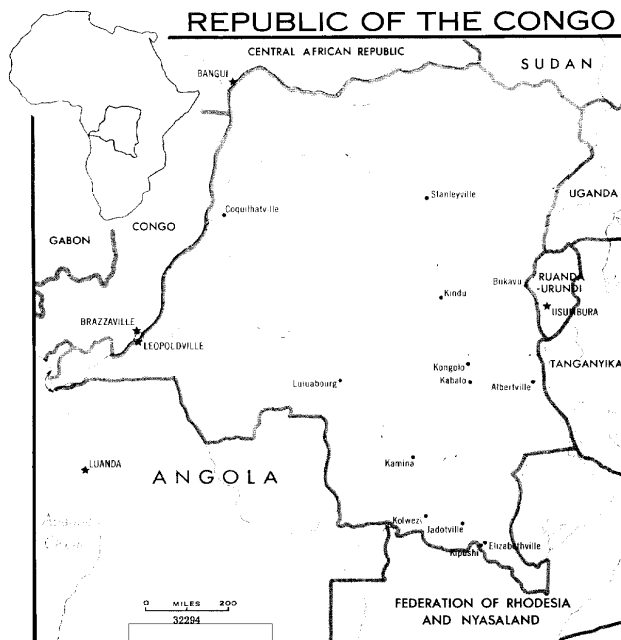
SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

of Gbenye's National Congo Movement (MNC) who attended the MNC conference in Leopoldville in late February reportedly favor going into formal opposition and bringing down the Adoula government. Less radical members reportedly support Gbenye in his refusal to accept a vice-premiership, but are not disposed to withdraw from the government at this time.

ing to the base. In Elisabethville, UN officers had noted an increase in tension between UN forces and the Katangans, and shots were exchanged by UN and Katangan soldiers on the outskirts of Elisabethville on the night of 6 March.

UN Under Secretary Bunche told US officials on 2 March



25X1

The uneasy truce between the UN Command and Tshombé's forces in Katanga was disrupted on 5 March, when Katangan and UN soldiers clashed near Kamina. Tshombé alleged that 1,200 UN troops had launched an "offensive" from the base; the UN countered with a statement charging that Katangan soldiers had fired on a UN patrol, which had returned fire before retreat-

that UN military commander McKeown would be instructed once again to curb provocative actions by UN officers in Katanga. Bunche observed that McKeown had earlier made a trip to Elisabethville to discourage such activity, and that the continuing problem was one more example of McKeown's ineffectiveness.

25X1

25X1

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****BURMA**

The takeover on 2 March by the Union Revolutionary Council suspended indefinitely all semblance of democratic government in Burma. General Ne Win, the new premier, has followed closely the pattern set by Ayub Khan's seizure of power in Pakistan in 1958. Contemptuous of the inefficiency, weakness, and corruption of U Nu's civilian administration, the general has suspended the constitution, fired all elective officers, and arrested all major leaders of the Union party cabinet. To replace the ousted civilians, Ne Win has appointed a cabinet which, with one exception, is composed of military officers.

In the ethnic states, Ne Win has appointed "Supreme Councils" to head the governments and told them to maintain order: "Go and do your best. If you fail, just hang yourselves." To underscore the authoritarian nature of his regime, Ne Win has called in leaders of the major political parties to ask their cooperation and to warn that opponents face "retirement from public life."

The takeover was apparently timed to take advantage of the presence in Rangoon of almost all major political leaders and was sparked by an accumulation of grievances against the U NU government. Administrative weaknesses, economic deterioration, and the decline in internal security had disturbed Ne Win ever since he left office in April 1960 to allow parliamentary democracy a second chance. As early as in January 1961, even while he rejected the urgings of his military colleagues to oust Nu, Ne Win declared that the civilian leaders, "too busy fighting among themselves," were failing to provide effective

government, and that "the Burmese people have once again shown that they are not ready for democracy and self-rule."

Since that time the flaws in civilian rule have become increasingly apparent. The constitutional amendment making Buddhism the state religion alienated the minorities and added force to demands for the decentralization of control and the establishment of a feudal system for Burma. Insurgent bands have increased their depredations. The business community has been alienated by government efforts to nationalize the import-export trade. The political parties were on the verge of fragmentation. To cap Ne Win's disillusionment with parliamentary democracy, of which he had long been one of Burma's staunchest supporters, Nu was apparently ready to yield to the minority pressures for decentralization and to reinstitute Soviet economic development projects canceled during the previous military administration.

The new government has announced that it intends to continue Burma's neutral foreign policy and concentrate on internal problems. It will probably attempt to reinstitute the reforms which were launched by Ne Win between 1958 and 1960 but scrapped by Nu. Ne Win will probably face greater difficulties than in the past, however. Despite his national prestige, which is second only to Nu's, the discipline and austerity of army rule are not popular in Burma. Moreover, since Ne Win failed to obtain Nu's approval--as he did doing the earlier military regime--the latter, whether kept in jail or released, may become the rallying point for opposition.

25X1

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****NORTHERN RHODESIA**

General African nationalist acceptance--albeit conditional--of British constitutional proposals for Northern Rhodesia makes widespread organized violence in the protectorate unlikely. The proposed constitution, a modification and to some extent a simplification of an earlier plan to which Africans had reacted with violence last summer, appears designed to produce a slim African majority in a 28-member legislature. Under a system of separate voters' rolls and weighted representation, however, African nationalists might find their numbers balanced by those of whites and African conservatives.

After some soul-searching, Kenneth Kaunda and his United National Independence party (UNIP) decided to accept the proposals if Britain would agree to modify certain restrictions on African political activity. British officials in London doubt whether these conditions can be met fully; nevertheless, UNIP's provisional acceptance sets the party's policy in a moderate key, and further efforts by Kaunda and the British to reach an accommodation seem likely.

Kaunda has so far carried with him his party's radical wing, which advocates direct and often violent action against the whites who control Northern Rhodesia's political and economic life. The radicals, however, may still try to stir up scattered demonstrations against the new plan. Moreover, UNIP's rival, the African National Congress, may try to embarrass Kaunda by charging that he has sold out to the British. To establish a reputation as an "extreme" organization, it

may also try to stir up trouble in its areas of strength in the southern part of the protectorate.

Prime Minister Welensky of the Federation of Rhodesia and Nyasaland--which includes the colony of Southern Rhodesia and the Nyasaland protectorate as well as Northern Rhodesia--made a sudden trip to London last week, ostensibly to protest the constitutional plan. There are indications, however, that his bluster was largely for the consumption of the Federation's 312,000 whites and that he had already agreed to the proposals during Commonwealth Relations Secretary Sandys' recent visit to Salisbury. In any event, little opposition has materialized among the British right-wing conservatives who normally support Welensky, and the Macmillan government should be able to resist pressures to change its decision.

The center of controversy now is shifting to the constitution of the Federation as a whole. Welensky, the focus of African opposition to the Federation, is already saying that discussion of the federal constitution cannot be put off any longer. His personal prestige with the Europeans was never higher, and there are signs that he may call elections to get a mandate from the largely white electorate which would strengthen his position when the long-adjourned constitutional talks are reconvened--probably within the next few months. White Southern Rhodesians, however, will probably be reluctant to stay closely tied to African governments in the two northern territories. In the face of African and European opposition to a continued political connection, therefore, it is unlikely that the reconvened talks will accomplish much more than agreement to maintain an economic and customs union.

SECRET

25X1

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****FOOD SUPPLIES IN THE EUROPEAN SATELLITES**

Agricultural production in the European satellites last year indicates no basic improvement until at least midsummer in the amount of food available per capita from domestic supplies. Bad weather in most satellites and difficulties associated with collectivization--especially in East Germany, Czechoslovakia, and Hungary--reduced overall food production. Increases of imports and reductions in exports of some food products are planned, but this probably will not be sufficient to relieve the situation.

Estimates of the satellite grain harvest indicate it was slightly below 1960 and totaled about 43,000,000 tons. Exceptions were the Polish grain harvest, which established a postwar record, and that in Albania, which was 31 percent over 1960. The satellites' potato crop approximated that in 1960, but reduced output in East Germany, Hungary, and Rumania will result in continued shortages in those countries. Total satellite production of sugar beets decreased about 12 percent from 1960. Production of vegetables and fruits was generally below 1960 in Czechoslovakia, East Germany, Hungary, and Rumania.

Output of meat increased about 6 percent, but production

of some livestock products fell. In Bulgaria and Hungary, the heavy slaughtering in the latter part of the year reduced the number of animals available for slaughter in 1962. Meat and butter are reportedly already scarce in East Germany, Bulgaria, and Czechoslovakia; unless imports of livestock products are increased, such foods will be in even shorter supply. Total milk production, however, probably did not change appreciably from 1960, when it was adequate in comparison with past years.

Although sufficient food will be available in terms of caloric intake, the quality and variety of the diet will decline--except in Poland and Albania. In all the other countries, fruits, vegetables, and potatoes, as well as some animal products, will soon be in short supply, and only bread and sugar will be readily available during the next few months.

Only in Poland can the consumer expect an improved diet in 1962. East Germany will suffer the sharpest decline in the quality of diet unless food imports are increased significantly. Even though total satellite food imports will probably rise in 1962, most consumers in Eastern Europe face a worsening supply situation in the coming months.

25X1

25X1

SECRET

SECRET

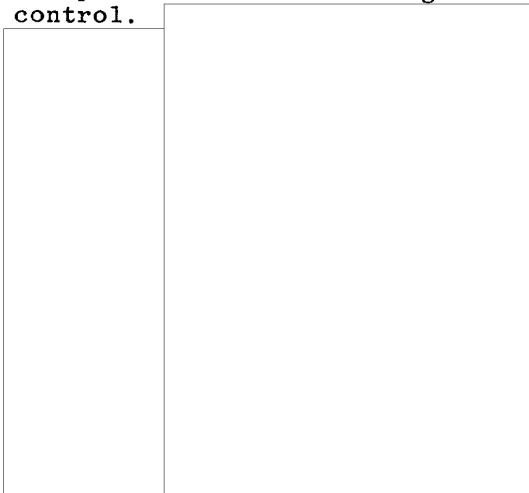
CURRENT INTELLIGENCE WEEKLY SUMMARY

ADMINISTRATIVE REORGANIZATION IN HUNGARY

For the past several months a shake-up in the secondary levels of the party and government apparatus has been under way in Hungary. Functionaries who have found it difficult to adjust to the party line or who have proved incompetent have been criticized and in many cases dismissed from their posts. At least 12 persons in the central government with the rank of deputy minister or of committee head have resigned, been dismissed, or have moved to other jobs since September 1961, and over 20 new appointments have been made.

Extensive changes made in the Ministry of Interior since September appear designed to downgrade the security apparatus and place it under firm regime control.

25X1



25X1

indication of dissension here was the dismissal in January of former Stalinist Istvan Friss from the chairmanship of the public finance department of the party central committee because of his lack of enthusiasm for the investment policy of the Five-Year Plan (1961-65). Articles in the party economic journals and a speech on 16 February to the National Assembly by politburo alternate member Sandor Gaspar have implied regime concern about criticism of the plan's moderate targets.

A reorganization of the economic leadership--perhaps to cope with this criticism--has resulted in the transfer on 11 February of the first deputy minister and three other deputy ministers of the Machine Building and Metallurgy Industries and in the appointment of three former provincial factory managers to replace them. On 22 February the composition of the new Committee for Technical Development was announced, and several new members were named to the Planning Bureau.

The provincial party apparatus is yet another area which has undergone far-reaching personnel changes. Six of the 19 regional first secretaries were moved to other posts, and 20 to 30 percent of the leadership in the primary party organizations was changed as a result of elections held last fall. The turnover constituted a purge of inadequate or dishonest workers, as well as the elimination of those who retained views in opposition to Kadar's policies. The provincial press continued to report dismissals of party functionaries earlier this year, and politburo members were unusually active in attending party meetings in the provinces through February. One report suggests that party secretary Gyorgy Marosan was appointed the chairman of a "de-Stalinization" committee and is traveling about the countryside dismissing "neo-Stalinists" from rural party positions.

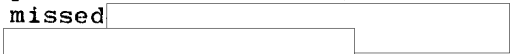
25X1

25X1

25X1

During the same period, the chiefs of the major departments in the Ministry of Interior were replaced. In late October, Deputy Minister and head of the civil police Antal Bartos was dismissed

25X1



25X1

A new police chief was named in January. Also in early 1962, the chief commander of the workers' militia was replaced, and the border guards were transferred to the jurisdiction of the Ministry of Defense.

The heavy industry and investment planning sectors have also been heavily affected by personnel changes. An early

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

SOVIET PRIVATE HOUSING

The Soviet regime has apparently decided to continue its support for private housing construction in order to aid achievement of Seven-Year Plan (1959-65) goals. Despite earlier indications that such activity was to be discouraged, a recent article in the Soviet newspaper Economic Gazette gave grudging sanction to a limited program of loans for private building but warned that private housing will eventually be replaced by a system of "home-builders' cooperatives." To date, cooperative housing has accounted for an insignificant and declining share of total housing.

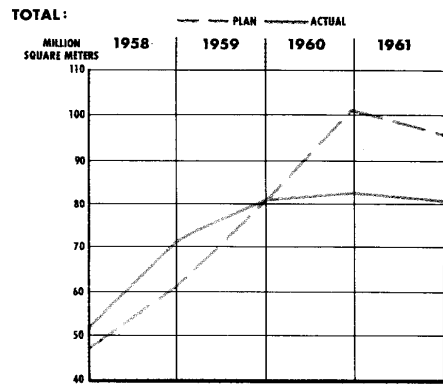
The government's attitude toward private construction--originally scheduled to make up 35 percent of urban housing under the Seven-Year Plan--has grown gradually cooler since 1958, when the goal for private housing was substantially exceeded. In early 1960, Khrushchev disparaged private housing as wasteful and out of tune with the Communist way of life. In October of that year, Izvestia stated in an inconspicuous article that loans to individuals for housing construction--normally used by half of the private builders--had been discontinued, but conflicting reports over the past year made it unclear whether such a policy had actually been carried out. The recent Economic Gazette article and a statement to US Embassy officers by officials of the State Committee for Construction Affairs confirm that state loans are still available on a limited scale.

While the private housing sector will decline slightly in importance during the 1962-65 period, it is still expected

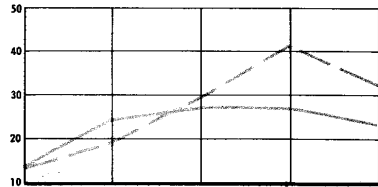
to contribute "about 25 percent" of total new urban housing during that period. Actually, materials of the kind used in private construction would be available for substantially more.

At the same time, however, the Soviet leadership remains uncertain as to the correct approach to private housing. The drive to eliminate the chronic and severe housing shortage in the USSR began in

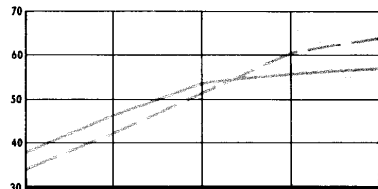
**USSR
URBAN HOUSING CONSTRUCTION**



**HOUSING BUILT BY
PRIVATE INDIVIDUALS:**



**HOUSING BUILT BY
STATE AND COOPERATIVE
ORGANIZATIONS:**



62 02 26 -2

25X1

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

1957 and was scheduled to be accomplished in 10 to 12 years, but it has bogged down in the past two. Although plans for neither state nor private housing have been fulfilled, that for private housing fell short of achievement to a considerably greater degree.

While each year of under-fulfillment makes the task of meeting Seven-Year Plan goals more difficult, they can still be met through annual increases of only 4-5 percent over the last three years of the plan, provided the ambitious goal of a 19-percent increase in 1962 is achieved. During housing's peak growth period, 1956 to 1959, annual increases averaged more than 25 percent. In order to achieve 1965 goals, the regime will have to grant additional resources to state construction; it probably will attempt to minimize the burden on state funds by liberalizing its attitude toward private housing.

Cooperative housing, mentioned in the Economic Gazette article, would enable the regime to secure the desired state control over the housing program and at the same time benefit, without ideological embarrassment, from the advantages of private construction. Not only would private rather than state funds be used, but private labor would assist in this type of construction. The state will be able to impose the type of architecture it advocates both on aesthetic and economic grounds. The construction of large cooperative apartment buildings is cheaper in overall cost per resident than that of private houses because of economies in the construction of municipal facilities and utilities. Finally, there is less chance for speculation in building and renting under the cooperative system.

25X1

THE USSR'S ATOMIC ENERGY AID PROGRAM ABROAD

The USSR is providing assistance to a number of countries in the field of atomic energy research. It has completed the construction and installation of nuclear reactors and related laboratory equipment in Yugoslavia and Egypt, and is implementing agreements to provide Iraq, Indonesia, Afghanistan, and Ghana with reactors. Moscow also is sending scientists and technicians to assist these countries in developing their atomic energy programs and is providing technical training as well as academic scholarships for the study of nuclear physics in Soviet universities.

Under its first atomic energy agreement, Moscow in 1956 contracted with Yugoslavia to deliver and mount a 10-megawatt reactor and provide the enriched uranium and heavy water for its use. The reactor, completed in 1959, is in operation at the Boris Kidric Nuclear Institute at Vinca. Subsequent Soviet assistance appears to have been limited to the supply of instruments and some chemicals and to training facilities for Yugoslav scientists and technicians.

Soviet assistance for Egypt's nuclear energy program has been considerable. The USSR

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

drew up the plans and supplied equipment and technicians for the establishment of a nuclear research center at Inshans. Facilities of the center include a Van de Graaff accelerator (2.5-3.0 mega-electron volts), a 2-megawatt VVT S-type research reactor, and associated research equipment. By the end of 1960, equipment had been installed in the nuclear physics laboratory and experiments were under way using the accelerator. The reactor--construction of which started in 1958--began to operate at full capacity last October, with Soviet scientists assigned to guide laboratory operations. The USSR is providing technical training for Egyptian personnel in the use of the equipment, and a number of students are in Moscow attending a five- to six-year course in atomic energy.

Soviet scientists arrived in Baghdad in January to supervise construction of the initial stages of the Tammuz atomic reactor project. The USSR is supplying a 2,000-kilowatt IRT-type reactor and the principal laboratory components, and is providing technical training for Iraqi personnel in Soviet atomic establishments. Work is scheduled to begin soon on the necessary infrastructure; bids for the construction of the reactor building and related buildings will be announced in March. The component parts of the reactor are in temporary storage in Baghdad awaiting uncrating and assembly. The reactor is scheduled to be installed early next year and is to be in full operation in 1964. The cost of Soviet equipment--over \$2,000,000--is not included under the Soviet economic credit and will be paid

for in convertible currency upon completion of the project.

The USSR is supplying Indonesia with two atomic reactors--a subcritical assembly and an IRT 1,000-kilowatt swimming-pool type--at a total cost of about \$2,200,000 under the terms of its long-term economic credit. Soviet experts have installed the subcritical assembly reactor at the Gadjah Mada University, where it is being utilized for training and research purposes. This January the USSR signed the contract for construction of the second reactor, which is scheduled for completion in 1963.

The atomic energy agreement concluded last October between the USSR and India provides for research in the development of atomic power reactors, reciprocal exchange of scientific and technical information, training of Indian specialists, and assistance in the mining and production of Indian uranium. The agreement specifies that individual contracts are to be signed covering the details of collaboration in specific fields. Thus far, Moscow and New Delhi have not signed any implementing protocols, but the agreement provides a framework for extensive Soviet collaboration and assistance to India's nuclear energy program.

The USSR has also agreed to provide the universities of Ghana and Afghanistan with nuclear reactors for research purposes and is to provide training in Moscow for students from those two countries.

25X1

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****SOVIET AND CHINESE ECONOMIC AID TO YEMEN**

With the completion of their two principal economic undertakings in Yemen, both Moscow and Peiping are discussing new development projects with that country. Moscow has offered to provide a water supply system and an improved electric power establishment for Al-Hudaydah and to build an irrigation dam and a cement plant in the interior, and has shown a renewed interest in providing assistance for civil aviation. Chinese experts have selected the site and completed preliminary surveys for a textile plant, and Peiping has offered to develop cotton production in the Jawf area to supply the local textile factory.

The port at Al-Hudaydah--the major Soviet project--was officially opened in April 1961. Despite reports of deterioration, it has stimulated economic activity in Yemen and is a visible reminder of Soviet economic assistance. Moscow now has prepared blueprints for 600 private dwellings and 12 government buildings there. Seventy-five percent of the cost is to be financed under the 1956 Soviet credit of \$25,000,000, with the balance in grant assistance.

A Soviet offer in June 1961 of extensive assistance for organizing a domestic airline service in Yemen apparently never was seriously discussed. Moscow, however, is providing some equipment and service for Yemen's airports

as well as training for local personnel. Soviet technicians operate weather stations at all three airports, and Soviet navigational beam units are in operation at Sana and Taiz airports. Soviet instruction for local personnel has been limited to radio operation and meteorology, but aviation training, including flight instruction, is to be inaugurated soon at Sana. In view of Yemen's interest in buying modern aircraft, Moscow may repeat its offer of Soviet models.

In August 1961 the USSR and Yemen initialed an agreement for the construction of a road from Al-Hudaydah to Taiz, and shortly thereafter Soviet experts arrived to conduct preliminary surveys. However, plans for Soviet construction appear to be in abeyance and Yemen has approached the Chinese. Peiping is likely to agree to build this road, since it achieved considerable prestige with the successful completion of the road from Al-Hudaydah to Sana. Discussions also have been held with the Chinese on extending that road to Marib, but thus far there have been no serious negotiations.

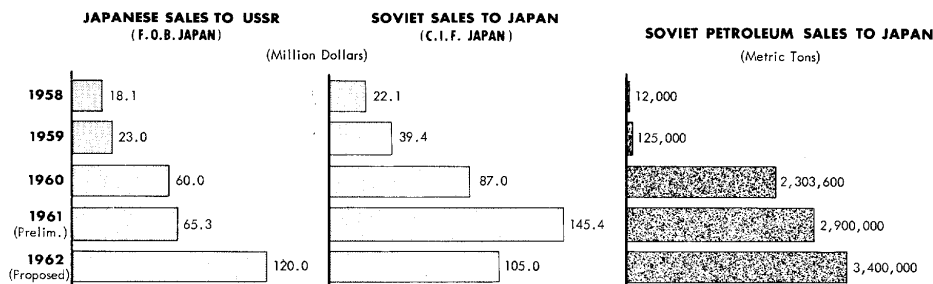
The textile plant is to be financed under the \$16,000,000 Chinese credit extended in 1958, but the project came to a standstill because of Yemeni reluctance to use good agricultural land for the project. Recently, however, Yemen has decided to compel the farmers to sell their property. 25X1

JAPANESE-SOVIET TRADE GOALS FOR 1962

Japanese and Soviet negotiators have agreed on a trade program for 1962--the concluding year of a three-year trade pact signed in 1960--which calls for a 17-percent increase in

Soviet petroleum sales but an overall balance in Japan's favor. This would be Tokyo's first favorable balance in trade with the USSR since normal trade was resumed in 1958. The new

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****SOVIET - JAPANESE TRADE**

42 0727 -2

25X1

program--which would account for about 2 percent of Japan's total trade--does not include any exchange of Soviet crude oil and Japanese steel pipe for the trans-Siberian pipeline.

The Japanese target for exports to the USSR has been set at \$120,000,000--almost double the 1961 performance. Taking into consideration long-term sales contracts for steel products, dockside cranes, industrial machinery, and tire cord, this goal appears reasonable. Most of the contracts for complete plants, merchant ships, and industrial machinery are being financed by five-year credits, and delivery schedules range over several months or even years. The imbalance in Soviet-Japanese trade has arisen in large part because of this lag between conclusion of the contracts and delivery of the goods.

Soviet exports to Japan, on the other hand, have exceeded planned goals, largely because of the ready availability of Soviet raw materials and semi-finished goods. As a result of Japanese complaints, Soviet export goals have been reduced to \$105,000,000, or 28 percent below last year's level. The

Japanese are planning to reduce by half their imports of Soviet lumber, valued at more than \$150,000,000 in 1961, and to cut pig-iron purchases from 500,000 to 200,000 tons.

Negotiations for a new long-term trade pact are to begin next September. Conclusion of the five-year agreement Moscow is requesting will depend on the USSR's willingness to step up its cash purchases of Japanese goods and also on a satisfactory settlement of the problems connected with Japan's imports of Soviet oil.

The USSR, which in 1961 provided 6.3 percent of Japanese crude oil imports, has agreed to limit petroleum sales in 1962 to 3,400,000 metric tons. The Japanese fear that if foreign exchange controls on petroleum imports are liberalized as scheduled in October, relatively cheap Soviet oil will cut into sales of both American suppliers and the Japanese-owned Arabian Oil Company (AOC), which operates in the Persian Gulf. Tokyo is considering postponing liberalization until administrative measures can be devised to enable the AOC--whose production for 1963 is estimated at close to 20 percent of Japanese needs--to market its output in Japan.

25X1

SECRET

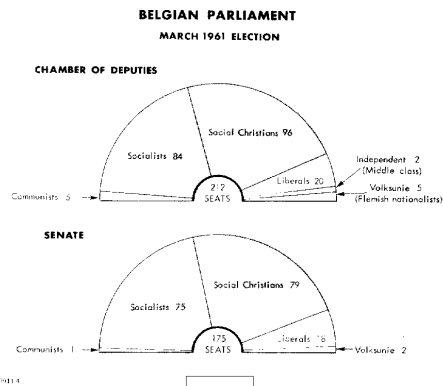
SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****BELGIUM**

The Belgian cabinet is threatened by increasing strains between the two members of the coalition government, the Socialist party (PSB) and the Social Christian party (PSC). These strains, in turn, jeopardize the prospects for a meaningful fiscal reform program.

The cabinet--formed by Prime Minister Lefevre of the PSC in April 1961, following parliamentary elections the previous month--has been dominated by pro-labor elements in his party and by moderate Socialists like Foreign Minister Spaak. Its program seeks to reform the tax structure and put government finances on a sound fiscal basis by eliminating inequities and abuses and by increasing government revenue. It also hopes to stimulate investment and thereby national economic growth. The economic austerity features of this program are not as severe as those proposed by the previous conservative PSC-Liberal coalition--features which provoked the widespread protest strikes led by left-wing Socialists in December 1960 and January 1961.

Recently, however, the Social Christian leadership has started to water down the reform measures because it is alarmed by the inroads which the Liberals, hostile to the fiscal reform program, have made among the middle-class elements of the PSC. The Socialists, harassed by discontent within their left wing, are responding with counter-proposals. Spaak's preoccupation with foreign affairs has prevented him from exerting his maximum influence in getting his Socialist colleagues to back the program.

In addition, long-standing party differences on education are coming to a head in a PSC proposal to split the Ministry of Education, now headed by a Socialist, into Walloon and



25X1

Flemish components. The Socialists, however, wish to keep the ministry intact to prevent the Roman Catholics from acquiring full control over the Flemish sector. Both the labor and middle-class factions of the PSC would hold together on this issue, while the Socialists would rally around the banner of anticlericalism. The fact that the Socialists are largely French-speaking and the Social Christians heavily Flemish further complicates the situation.

Friction between the parties now has reached the point where an open break is possible if compromises on these issues are not reached. There are strong pressures for a continuation of the present coalition, even if it involves elimination of Lefevre, whose handling of the economic program has been criticized. The labor wing of the PSC strongly opposes the formation of another PSC-Liberal coalition.

25X1

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****ELECTIONS IN ARGENTINA**

The prospects for President Frondizi's Intransigent Radical party (UCRI) in the 18 March elections appear to be improving. Elections will be held in 18 of 23 electoral districts to choose 87 of 192 members of the Chamber of Deputies, 12 governors, and other provincial and local officials. These elections will strongly influence the presidential elections in 1964 and Frondizi's ability in the meantime to continue the US-backed stabilization program, which he adopted in January 1959 and has pressed at the cost of considerable political support in previous elections. Frondizi considers the program in line with the Alliance for Progress, for which he would like to become a leading advocate in South America.

To retain its slim majority in the Chamber, the UCRI must win 50 of the 87 contested seats. It must place first in either the powerful Province of Buenos Aires, which is electing 26 deputies, or in the Federal Capital--Buenos Aires city--where 18 seats are at stake; it must also place second in the other. In both areas it faces strong opposition from the People's Radical Civic Union (UCRP) and the Peronistas, the only other political groupings that have been able to poll as much as 20 to 25 percent of the vote on a nationwide basis.

The Buenos Aires provincial elections are also of priority importance to the UCRI, since 6,000,000 of Argentina's 21,000,000 people live in that province. The UCRP, which has threatened to scuttle Frondizi's economic program if it gains control of congress, has lost ground

in various provincial elections during the past year.

The Peronistas are split into a number of neo-Peronista parties, and all parties are angling for the Peronista vote. The Justicialista party, the formal successor to the outlawed Peronista party, has been banned in both the capital and Buenos Aires Province, but some of the neo-Peronista parties are collaborating in the so-called Justicialista Front. Support for the Front has been announced by the Communist party--with some 50,000 members, Latin America's largest outside Cuba--since the Communists have been banned from most provincial elections.

President Frondizi's speeches over the past fortnight, emphasizing that hopes for better living conditions lie in support for the UCRI's economic program, have given a considerable boost to his party's candidates throughout the country. His effective presentations have also served to counteract the impression which resulted from the early February crisis over the break in relations with Cuba that he is dominated by the military.

25X1

25X1

25X1

Widespread rumors that the military is threatening a coup if there are Peronista victors on 18 March could elicit further support for the UCRI, since most Argentines do not want another military dictatorship.

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****ELECTIONS IN COLOMBIA**

The congressional elections in Colombia on 18 March will be an important test of the National Front system of government, which provides for parity between the Conservative and Liberal parties in all appointive and elective offices and alternation of the presidency every four years until 1974. This system, introduced in 1958 to return the country to constitutional rule after the Rojas dictatorship, has given Colombia relative stability but has been impaired by sharp divisions within and between the two parties.

Moderate factions of both parties have formed a coalition which since 1960 has provided majority support in congress for the administration of President Lleras, a Liberal. Opposition to the system exists primarily among Conservatives aligned with former President Laureano Gomez and in the leftist Liberal Revolutionary Movement (MRL), a Communist-influenced minority faction of the Liberal party. If either of these two groups should make significant gains in its congressional strength, prospects for the successful operation of the National Front and for continued stability would be reduced.

More immediately there would be an impact on the May

presidential election, when a Conservative must be elected. The coalition of moderate Conservatives and Liberals has selected Guillermo Valencia as presidential candidate, but the Laureanistas hope to win a majority of Conservative votes to force acceptance of their candidate as the Conservative nominee, while the MRL refuses to accept any Conservative and has nominated its faction leader. The possible loss of moderate Conservative strength may be offset by gains in the majority Liberal faction at the expense of the MRL, which has suffered serious internal dissension in recent weeks.

No other parties are permitted to present candidates, but the followers of former dictator Rojas are campaigning strongly against the National Front. The Communists, who have relatively minor voting strength, have announced that they will support the MRL.

Lleras has cooperated with the United States on the Alliance for Progress and on the Cuban question, but neither foreign policy nor the country's gradually deteriorating economic condition has figured significantly in the campaign. A recent increase in rural violence--which has plagued Colombia since 1948--may intimidate many people and keep them from voting.

25X1

* * *

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**SPECIAL ARTICLES**SOVIET TACTICS AT THE GENEVA DISARMAMENT CONFERENCE**

General and complete disarmament will remain the stated goal of Soviet policy at the disarmament conference scheduled to open in Geneva on 14 March. At the beginning of the conference, however, the nuclear test ban question is likely to predominate.

Origin of the Conference

The conference is the direct result of US-Soviet talks last summer in Washington, Moscow, and New York--in which Ambassadors Zorin and McCloy were the chief participants--and subsequent conversations last December between Zorin and Ambassador Stevenson in New York. When the Zorin-McCloy talks ended on 20 September, Zorin had virtually accepted a US declaration on principles to govern a future disarmament conference. However, he did not accept a clause which called for verification of armaments retained as well as armaments abolished in initial stages leading to total disarmament. After McCloy noted that the clause is a key element in the US position, Zorin responded that such "control of armaments would deteriorate into an international system of legalized espionage." Zorin and McCloy also failed to reach agreement on the composition of a new disarmament forum.

After the UN urged a further US-Soviet effort to reach agreement on the latter point, Zorin last December worked out an agreement with Stevenson adding eight countries to the old 10-nation disarmament committee. At the beginning of the talks Zorin demanded that the new forum add five nonaligned states to the old committee of five NATO and

five Warsaw Pact powers. While the agreement fell short of this position, Moscow probably considered it had gained further recognition for the troika concept by securing the addition of nonaligned states in negotiations on what had traditionally been an East-West issue. Three of the countries selected for the new forum--India, the UAR, and Mexico--were among the five initially nominated by the USSR. Agreement on the other five states--Brazil, Nigeria, Ethiopia, Burma, and Sweden--was reached after hard bargaining in which Zorin refused to accept countries associated with the US in military pacts, especially Japan, Iran, and Pakistan.

In the Zorin-Stevenson talks, the USSR gave up its demand that the disarmament forum submit a draft treaty to the UN General Assembly by 1 June 1962 and settled for the committee's being instructed to make a progress report to the UN Disarmament Commission by that date.

Test Ban Issue

President Kennedy's announcement of 2 March was immediately denounced by the Soviet press and radio as an "aggressive action." Soviet commentators stressed that the Western control proposals were "completely unacceptable."

On 3 March--in Moscow's first high-level response--Khrushchev "reluctantly" accepted the US-British proposals to hold a Big Three foreign ministers' meeting prior to the opening of the 18-nation conference and to convene the conference at the foreign minister level. However, he denounced

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

the President's decision, rejected the treaty proposal as "atomic blackmail," and declared that the USSR will resume testing if the US conducts tests.

Khrushchev may eventually propose a Big Three or Big Four summit meeting on the test ban question. In a recent letter to De Gaulle, he pointed out that the four nuclear powers have a special role and responsibility in disarmament negotiations and expressed willingness to take part in a Big Four exchange of views, which he said could facilitate agreement on the most important disarmament problems. Khrushchev added that the four nuclear powers must agree on liquidating nuclear weapons and prohibiting nuclear tests. At a Big Three or Big Four summit meeting, or even at the forthcoming foreign ministers' meeting, the USSR might suggest a test ban limited to atmospheric testing, in line with the Kennedy-Macmillan proposal of 3 September. Moscow may believe that such a move could embarrass the West and stimulate unfavorable reaction to a US resumption of atmospheric testing.

Moscow has been on record since last November with a draft treaty which would ban testing in the atmosphere, under water, and in outer space, each side using its own national detection means and agreeing to a voluntary moratorium on underground testing. Although in late January the USSR abandoned its former position and rejected the US-UK proposal to merge the test ban negotiations with the

broader disarmament negotiations, S.K. Tsarapkin, the chief Soviet delegate at the test ban talks, informed US-UK delegates at an informal meeting on 22 February that the USSR would make every effort at the 18-nation conference to resolve the test ban problem within the context of general and complete disarmament.

Partial Versus Total
Disarmament

Khrushchev has clearly indicated, in his recent letters to the heads of the governments participating in the conference, that Moscow still regards the slogan "general and complete disarmament" as a key political warfare weapon against the West and as a rallying point for neutralist and nationalist forces in the non-Communist world. The USSR can be expected at Geneva to continue agitating for a treaty on general and complete disarmament as a device for discrediting and inhibiting US policy and for identifying itself with the universal desire for peace and an end to the arms race.

At the same time, there have been increasing signs that the USSR will also seek measures bearing on European security and restrictions on the armaments of the two German states and foreign military installations and forces in the two Germanys. This approach would also support Moscow's objectives of promoting the stabilization of the East European satellites and the de facto recognition of the partition of Germany. Soviet leaders probably believe they

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

can gain neutralist support for their partial disarmament proposals, which would allegedly strengthen confidence between states and promote agreement on total disarmament but which would weaken the West more than the bloc.

The US-Soviet agreement last September on the principle of general and complete disarmament will reduce the effectiveness of this slogan for Moscow and may increase the USSR's incentive to press for partial measures designed to advance its policy aims in Central Europe. It submitted several such measures to the UN shortly after the US-Soviet agreement on principles was reached; and the Soviet party congress in October devoted comparatively little attention to the subject of general and complete disarmament.

Moscow will probably try to exploit the widespread sentiment against the extension of nuclear weapons in order to block the creation of a NATO-controlled nuclear force and, in particular, to prevent West Germany's acquisition of any form of nuclear capability. To this end the USSR might propose a ban on the transfer of nuclear weapons to other countries or a nonaggression treaty between NATO and Warsaw Pact members and a nuclear-free zone in Central Europe. In his talks with Secretary Rusk last fall, Gromyko gave considerable attention to these issues. The Soviets will also probably see political advantages in pressing such standard proposals as a ceiling on military budgets, prohibition on the use of nuclear weapons, a ban on war propaganda,

a system for preventing surprise attack, reduction of forces in Germany, and the withdrawal of all foreign troops from the territories of other countries.

In November, the USSR managed to secure some measure of UN endorsement for several of its standing positions on partial disarmament. On 24 November, the 16th General Assembly approved two resolutions: one calling upon UN members to consider Africa a denuclearized zone, and a second requesting the secretary general to consult member governments concerning a possible conference to negotiate a convention banning the use of nuclear weapons. On 4 December, the assembly approved two more resolutions: one, introduced by Ireland, calling for conclusion of an agreement barring the transfer of nuclear weapons, and one by Sweden proposing a "non-nuclear" club. Soviet officials and commentators indicated that these resolutions would serve as points of departure for future Soviet attacks on NATO sharing and US deployment arrangements; they may even be incorporated in formal Soviet proposals.

Controls

There has been no change in Moscow's public position on the issue of disarmament controls since Khrushchev proposed general and complete disarmament during his US visit in 1959. The line has been that the USSR would accept the American control proposals if the US would accept Soviet disarmament proposals.

In private conversations with Western officials, Soviet spokesmen have indicated that

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

the USSR would accept certain controls over initial stages of disarmament. While they have expressed willingness to have checks on those armaments already destroyed, they have generally maintained, as Zorin did last September, that verification of armaments retained would have to await implementation of a final disarmament treaty. In early December, however, a Soviet UN delegate told a Western delegate that he thought it would be possible to work out some compromise position. Later in the month, at a luncheon with members of the American UN delegation, Soviet delegates "admitted" that the US has the "propaganda advantage" in the matter of control. They claimed that the Soviets do not believe the United States' public stand is its actual position, because they are convinced that neither the US nor the USSR could accept very extensive controls in the early stages unless "substantial disarmament measures" were being implemented.

There have been a few hints that the USSR may see the concept of random sampling in selected inspection zones as a possible way out of the present impasse on control and inspection procedures. Under the random sampling technique, which was presented by US scientists last September at the conference at Stowe, Vermont, on science and world affairs, a high degree of confidence could be established, even if only a fraction of the total area were searched thoroughly. Soviet scientists expressed guarded interest in the plan. Pravda on 24 February published a special article by John Bernal, president of the Communist-controlled World Peace Council, in which he suggested that the disarmament conference should seek

a mutually acceptable method to secure effective control at every stage of disarmament without "espionage." He cited the proposal of US scientists at Stowe as a possible solution.

Outlook

Since the bloc broke off the 10-nation disarmament talks in June 1960, the Soviets have given no evidence of significant moves toward the Western position. The main stumbling blocks are still inspection and control. The economic burden of an intensified arms race is still a potentially decisive factor over the long run, but it is not yet strong enough to force acceptance of the Western position.

Khrushchev's acceptance of the Western proposal for a foreign ministers' meeting provides evidence that the USSR's approach to the conference is closely related to its broader political objectives in Europe, particularly the German question. The Soviet leaders probably view the disarmament talks as an opportunity to test Western policy on those areas of disarmament which would affect the questions of Germany and Central Europe. With a summit conference still a possibility and with the Berlin question stalemated, Khrushchev might view some agreement on partial disarmament steps in Europe as a means for compensating for his lack of progress on Berlin, while at the same time achieving some gain toward de facto recognition of the division of Germany.

25X1

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****POTENTIAL OF FRENCH SECRET ARMY ORGANIZATION**

There is increasing evidence of a capability on the part of the French extremist Secret Army Organization (OAS) to disrupt a settlement in Algeria, and this has been an important factor in the reluctance of the rebels' provisional Algerian government (PAG) to come to terms quickly with Paris. While the French Government is still confident it can overcome the OAS, French officials admit the likelihood of extensive bloodshed in Algeria before the organization is crushed. It now has enough die-hard personnel, arms, money, and food to maintain resistance for some weeks or months--possibly long enough to upset arrangements for the transitional period before Algerian independence and thereby to impose increased political strains on both the PAG and the De Gaulle regime.

Whatever the form of OAS reaction, implementation of a French-Algerian agreement will require the complete cooperation of the French armed forces, which is not necessarily assured. The OAS has the immediate capability to launch a desperate military assault on major government installations in Algeria such as the administrative headquarters of Rocher Noir--admittedly not very defensible--and to seize all of Oran, at least parts of Algiers, and perhaps other cities.

OAS Objectives

There is evidence that ex-General Salan and possibly some of the other key OAS leaders realize that a coup in Algeria will fail without assurance of outside support, particularly from the French military in Europe. Their objective thus appears to be to create a situ-

RESOURCES OF THE SECRET ARMY ORGANIZATION

Personnel -- At least 3,500 hard-core personnel, augmented by military deserters, especially Moslem auxiliaries and Foreign Legionnaires. Stock of at least 5,000 military uniforms can be increased by further seizures from laundries, military warehouses, and used-clothing dealers.

Weapons -- At least 20,000 of all types, including many semi-automatic; some machine guns and bazookas; augmented by frequent raids on army and police stocks and sporting-goods stores.

Ammunition and Explosives -- Large but unspecified quantities of grenades and apparently ample ammunition for weapons; augmented by frequent raids on army and police stocks. Plastic for bombs seems to be unlimited.

Transportation -- Probably not extensive, but accounts of the recent theft of 20 jeeps and of exploits involving private as well as army command vehicles suggest a growing capability to move military units.

Food -- In addition to claiming stocks of its own, the OAS ordered Europeans to stock food for it in January and February; response reportedly was high.

Money -- From almost daily holdups since 1 January, the OAS has probably amassed close to half a million dollars. Europeans also responded to its "order" to stock up on gold coins. The organization reportedly now issues its own "money" in some areas.

25X1

ation in Algeria which would lead to De Gaulle's downfall.

In addition to provoking European-Moslem clashes in hopes of winning over army support, the OAS also apparently calculates that it can mount a guerilla effort which would produce an early political upheaval in France. In any event it seems confident it can establish a "free territory" to which European settlers, army elements, and pro-French Moslems could rally. The OAS leadership apparently calculates that in the long run such an enclave could not be disowned by metropolitan France, and might even receive some support from such Western nations as Spain, Portugal, and the Republic of South Africa.

The possibility cannot be ruled out, however, that regardless of the risk of almost certain failure, a hard-core OAS

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

element may decide on a last-ditch coup attempt in Algeria without reference to army sentiment or to any decline in settler support. The outcome in any of these eventualities will depend partly on the attitude of the armed forces.

None of the original team of OAS leaders in Algeria--including Salan, ex-General Jouhaud, and a handful of colonels--has been captured since they went underground after the military mutiny failed last April. Colonel Argoud--one of the leaders interned in Spain--escaped recently and presumably now is in or heading for Algeria. These leaders are desperate men under sentence of death, and most are experts in waging as well as combating guerrilla warfare.

Settler Support

The government hopes that the terms of settlement will convince most of the settlers that their interests are adequately guaranteed, and that mass settler support of the OAS will dwindle. As yet, however, there is no sign of a decline of the settlers' backing for the OAS despite French efforts to convince them that their interests will be protected. French officials have alleged that the countryside in Algeria is quiet, and only a few large cities have been disorderly. There are reports this week, however, indicating the spread of violence to other areas such as outlying towns around Oran and, on 6 March, to Constantine, where Europeans demonstrated even though they were supposedly afraid to do so because of the overwhelmingly Moslem population.

Recent OAS tactical successes have contributed to

maintaining European support. These include provocation of Moslem mobs last week in Algiers and Oran, which resulted in the use of army rather than police forces against the Moslems and in effect began a process of "conditioning" the army to take sides rather than restore order impartially when, as the OAS hopes, major settler and Moslem clashes can be precipitated. Among other recent and spectacular acts have been three bazooka attacks against special anti-OAS police barracks in Algiers; the detonation of a record level of 132 plastic bombs in Algiers on the night of 5-6 March; the forced publication of an "OAS edition" of the leading Oran newspaper; and continuing pirate radio and television broadcasts despite strenuous government efforts to seize or jam the illegal transmitters.

25X1

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

25X1

De Gaulle's persistence in withdrawing personnel equivalent to two divisions, in addition to the two divisions he withdrew last year, has reportedly led to considerable military protest. At most, only about 2,000 of the proposed total of 20,000 seem to have been withdrawn to date, but further withdrawals in the face of major European-Moslem clashes could lead to a serious high-level military effort to challenge De Gaulle's policies. General Ailleret, commander in chief in Algeria, has submitted his resignation on the ground that he cannot be responsible for the results if troops continue to be withdrawn. Reports that Ailleret may soon be replaced by air force General Martin, whom some consider a "Gaullist opportunist," will not enhance the government's control.

The bombing raid on Moroccan territory by two air force reserve planes last month suggests at least some official complicity in that quarter. There is also a recent indication that some elements in the navy, which the government expects to use in a show of force off major ports in event of a crisis, will not obey orders to fire on these cities.

Military Attitudes - Europe

25X1

Nor is the situation among the military in France itself reassuring. Among eight officers on active duty arrested recently on charges of heading a regional OAS network, four were on the staff at St. Cyr. On 3 March the government suspended pre-military training for a month on the grounds of OAS infiltration of this training. Premier Debré reportedly received a very cool reception when he made a pep talk at the air force academy last month. De Gaulle's unprecedented conferences two weeks ago with army and air force regional commanders and key navy officers indicate some doubts as to their attitudes. Statements such as that made by Armed Forces Minister Messmer on 15 February to the National Assembly Defense Committee to the effect that Communist party influence has increased markedly in the army in recent months will increase doubts among the military as to the wisdom of De Gaulle's policies.

The major factor deterring any substantial portion of the armed forces from siding with the OAS is the mass public support for De Gaulle's Algerian policy in metropolitan France, and the reflection of such support among conscripts. However, a European-Moslem bloodbath in Algeria which led the military to take sides against the Moslems might make it impossible for De Gaulle to retain the cooperation of the military in France in carrying out his Algerian policy. De Gaulle might even lose his present popular support in France if the Communist party moves to exploit the situation by mass demonstrations and the creation of a "popular front" atmosphere which would alarm moderates and make feasible a rightist-military move to "save" the republic by removing De Gaulle.

25X1

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****FEDERAL REPUBLIC OF CAMEROON**

Cameroon's President Ahidjo, who will visit the United States from 13 to 17 March, has aligned his country with the moderate African states and has given a chilly reception to Soviet overtures. He wants to continue close ties with France but at the same time broaden his Western support. He sees his visit to the US as an opportunity to obtain more aid and to enhance his stature as an African leader. He has demonstrated a high degree of political skill, but he is beset with the problems of suppressing a long-standing Communist-supported terrorist campaign against him and of making economic gains in the face of large outlays for security.

The Cameroon Federation

Ahmadou Ahidjo is the first president of the Federal Republic of Cameroon and undisputed leader of East Cameroon, which was formerly the French trust territory of Cameroun and now is the larger of the federation's two components. The other, West Cameroon, was a British-administered trust territory. The federation, formed in October 1961, brings back together most of the old German colony of Kamerun, which was split by the British and French following World War I. The major missing piece is the northern portion of the former British Cameroons; this area chose to join Nigeria in a UN-supervised plebiscite last year.

Cameroon thus is a country with two different administrative traditions, with the

concomitant difficulties of reconciling languages, legal systems, educational standards, and other differences. Even more fundamental, however, is an ethnic division, with splits the country between a predominantly Moslem north and a Christian and pagan south. The pro-Nigeria vote of the northern part of the former British area resulted from the belief of the Moslems there that their chances were better with their fellow Moslems of northern Nigeria than with the Cameroonians. Ahidjo, himself a Moslem, continues to protest the loss of this area.

With regard to West Cameroon, however, he appears through skillful negotiations to have allayed the fears of its prime minister, John Ngu Foncha, that the state would be swallowed up completely by the larger East Cameroon. A provisional cabinet and assembly have been established at the federal level to govern until elections in 1964. Foncha has been brought in as a federal vice president, and one minister and two deputy ministers from West Cameroon have been named to the federal cabinet. The Federal Assembly is to be comprised of 10 West Cameroonians and 40 East Cameroonians.

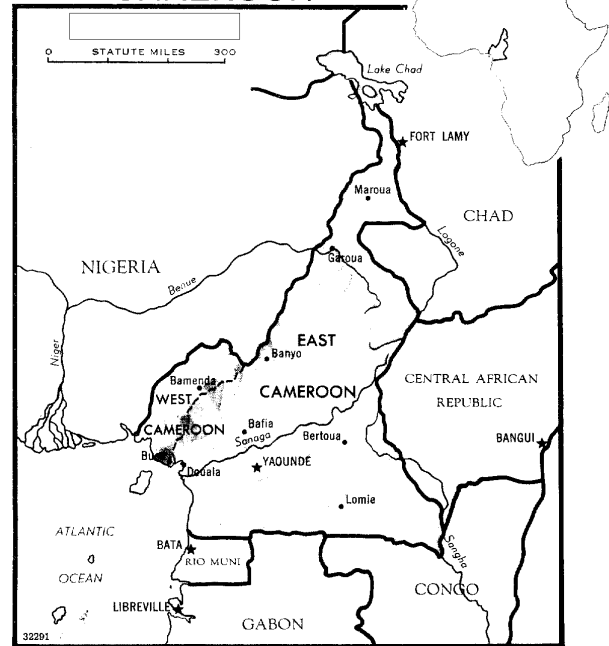
Domestic Politics

Ahidjo, now 38, was raised in modest circumstances. He graduated from secondary school in Yaoundé and then became chief radio operator in a northern Cameroun city for the Department of Posts and Telecommunications. He entered politics in

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

25X1

FEDERAL REPUBLIC OF CAMEROON

party, the Union Camerounaise (UC), controls more than three fourths of the 100-seat East Cameroon assembly. Foncha, through his Kamerun National Democratic party (KNDP), holds at least 25 of the 37 seats in the assembly of West Cameroon. The inclusion of 800,000 West Cameroonians in the Cameroon federation is a potential threat to Ahidjo's regime, as his political strength is based almost wholly on Moslem support in the north. The federal constitution was designed to inhibit the formation of a broad southern opposition, however, and Ahidjo has until 1964 to thwart any moves in this direction. Foncha presently appears content with his own position and that of his state.

Internal Problems

1947, rising to a vice-premier-ship in 1957 and to premier in February 1958. Much of the original opposition to him was undercut by his success in obtaining independence for the former French Cameroun in January 1960. He was elected president of the Cameroun Republic by an overwhelming majority of its assembly. He has been described as a "politicians' politician," with exceptional skill at compromise and at balancing off conflicting forces. He represents the more democratic and progressive elements in the north, but has been able to hold the support of the conservative northern tribal chiefs as well.

Both Ahidjo and Foncha are in firm political control in their respective states. Ahidjo's

In addition to his lack of mass political support in the south, Ahidjo has two more immediate problems: (1) a sporadic terrorist campaign against him, and (2) a low level of economic activity. The two are related, but the potentially more serious is the terrorism waged since 1954 by the Communist-oriented and -supported extremist wing of the Union of Cameroon Peoples (UPC).

Through a combination of tough security measures and amnesties, Ahidjo has dealt hard blows at the UPC. With French support he has so far been able to do somewhat more than hold his own. However, UPC terrorists, estimated to number from 1,000 to 3,000, are concentrated along the mountainous border between East and West Cameroon. UPC

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

leaders in exile are located in Accra, Conakry, and Cairo and have visited Moscow and Peiping. The Chinese Communists have been the most active of the bloc states in support of the UPC, and numerous Cameroonians have been trained in guerrilla fighting and sabotage by Peiping. UPC terrorists have some Czech arms, probably obtained from Ghana or Guinea.

The bloc has not yet made a serious effort to supply the UPC on a large scale, but even without this, the terrorists have compelled the government to divert scarce resources to its armed forces and thereby have impeded political, social, and economic development. Should they mount a concerted campaign, Ahidjo might be forced--however reluctantly--to call on the French for open military intervention. In 1960, he appealed to the US for military equipment for his "active war against the Communists," and he may press again.

Ahidjo's economic problems are particularly acute in transportation and communications. French aid is substantial (\$40-50 million annually) but with so much spent on security and on ordinary operating budgetary expenses, economic development has proceeded at a snail's pace. World markets, moreover, have not been favorable to Cameroon's two main export products, cocoa and coffee, and competition from other African producers has been stiff. The lack of economic development has left unemployment high and provoked considerable grumbling and discontent among younger Cameroonians. The expenses of the new federal structure will produce even larger budget deficits.

Foreign Relations

Officials who will accompany Ahidjo during his visit have indicated that they would

like to discuss a commercial agreement with the US, American private investment in the country, and the status of the American aid program. Ahidjo would like to broaden Western support in order to reduce his heavy dependence on the French. In addition to direct financial subsidies, France contributes personnel, pays the salaries of some 2,000 civil servants in Cameroon, and maintains three French Army battalions there. East Cameroonian trade is overwhelmingly with the franc zone.

Ahidjo, although pro-French and determined to maintain close ties with Paris, is nevertheless sensitive to charges of his opposition and from radical African states that he is a puppet of France. He is anxious to demonstrate his "independence," and he hopes his visit to the US will enhance his standing as an African leader. He has associated Cameroon with the moderate Brazzaville states and Monrovia powers.

Cameroon has no economic and technical assistance agreements with any of the Communist states, and its trade with them is less than one percent of its total trade. Ahidjo remains strongly opposed to seating Communist China in the UN and has recognized the Chinese Nationalists. Soviet overtures for diplomatic and trade relations have to date been coolly received, and no member of the government or high civil servant has espoused the idea of closer ties with the bloc.

The bloc's support for the UPC terrorists makes any other position almost unthinkable, but there are some indications that the USSR, at least, may shift the tactics to more subtle penetration efforts. If such a shift occurred and if he were hard pressed for help, Ahidjo would almost certainly moderate his antibloc line and take aid wherever possible.

25X1

SECRET

25X1

Page Denied

SECRET

SECRET

25X1

Page Denied

Next 4 Page(s) In Document Denied

25X1

25X1

25X1

25X1