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4 May 1962

# CURRENT INTELLIGENCE WEEKLY SUMMARY



CENTRAL INTELLIGENCE AGENCY

OFFICE OF CURRENT INTELLIGENCE

DIA review(s)  
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State Dept. review  
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**CURRENT INTELLIGENCE WEEKLY SUMMARY**

4 May 1962

**T H E     W E E K     I N     B R I E F**  
(Information as of 1200 EDT 3 May)

**SOVIET FOREIGN POLICY DEVELOPMENTS . . . . . Page 1**

The USSR's relatively moderate reaction to US atmospheric nuclear testing reflects both Moscow's desire to maintain a favorable atmosphere for the US-Soviet negotiations on Berlin and its apparent intention to launch its own new series of tests. This restraint was also prompted by the unwillingness of the eight neutral delegations at Geneva to withdraw from the disarmament conference or to support Soviet maneuvers to call a special session of the UN General Assembly to deal with US testing. Soviet spokesmen continue to present an optimistic outlook for a Berlin agreement.

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**SOVIET PARTY LEADERSHIP CHANGES . . . . . Page 3**

Last week's central committee meeting reversed action taken at the 22nd party congress last fall by returning Andrey Kirilenko to the party presidium and dropping from the party secretariat Ivan Spiridonov, long considered a protégé of party secretary Frol Kozlov. This development, which appears to reflect maneuvering among Khrushchev's lieutenants, raises the question as to the degree of Khrushchev's support for Kozlov. There have been no other signs, however, of a threat to Kozlov's position as front-runner to succeed Khrushchev.

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**THE SUPREME SOVIET SESSION . . . . . Page 5**

The first public disclosure of a special high-level government agency which has been handling foreign economic problems and the initiation of formal moves to draft a new constitution for the USSR marked the session of the USSR's Supreme Soviet (parliament) which met 23-25 April.

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**ALGERIA . . . . . Page 6**

Economic distress among Moslems in Algerian cities and the threat of epidemics in overcrowded Moslem quarters are dangerously increasing Moslem exasperation over French failure to halt terrorism by the Secret Army Organization. The provisional Algerian government has again publicly charged Paris with responsibility for Moslem deaths resulting from the terrorism, while the uncertainty surrounding the fate of French soldiers presumed to have been prisoners of the Algerian National Army has aroused the press and public in France.

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**THE FRENCH POLITICAL SITUATION . . . . . Page 8**

Premier Pompidou received less support than anticipated for the program he presented to the National Assembly on 27 April. Trouble for the government is foreshadowed particularly by the overwhelming sentiment evidenced by the deputies for closer European political integration than De Gaulle favors; even some elements in the cabinet criticize

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De Gaulle on this point. Nevertheless, the deputies will probably not try to bring down the government as long as the Algerian situation remains France's chief preoccupation. [redacted] 25X1

LAOS . . . . . Page 9

Phoumi now says he is prepared to negotiate "seriously" with Souvanna Phouma on the question of relinquishing the key defense and interior posts to Souvanna's neutralist group. He indicates he will not go forward, at least during May, with his scheme for putting King Savang at the head of a coalition government. Phoumi's apparently more conciliatory attitude probably is inspired largely by Thai advice to accommodate to US policy. On the military side, there have been widespread skirmishes, and larger scale fighting could break out with little warning. [redacted] 25X1

SOUTH VIETNAM . . . . . Page 10

Communist military activity continues at a high rate, and there has been some increase in sabotage, terrorism, and propaganda. South Vietnam's relations with Cambodia have again been severely strained as a result of a recent raid on a South Vietnamese border town allegedly carried out from Cambodia. Saigon and Seoul have agreed on plans for a mission of South Korean military experts to go to South Vietnam in mid-May. [redacted] 25X1

WEST NEW GUINEA . . . . . Page 11

Resumption of the Dutch-Indonesian talks appears increasingly remote. Sukarno says that he will not negotiate as long as the Dutch continue to send reinforcements to West New Guinea, while the Dutch insist they will stop reinforcing only if Indonesia will join in an agreement to stabilize the military situation. Sukarno has sent a high-level delegation to Moscow, apparently to buy more arms [redacted] 25X1

[redacted] He probably is also seeking to impress the Dutch and the US with the seriousness of Indonesia's intent. [redacted] 25X1

CONGO . . . . . Page 12

Adoula and Tshombé now are scheduled to resume talks next week. Adoula re-enters the negotiations with his political position undermined by parliamentary and army discontent over the lack of progress so far. UN officials, although desirous of bolstering Adoula, stress the importance of a negotiated settlement and of avoiding any action which would provoke a "third round" of fighting in Katanga, for which they are unprepared. [redacted] 25X1

ARGENTINA . . . . . Page 13

By concentrating troops at strategic points, the Argentine Government prevented the May Day violence threatened by the Peronistas, but it still has not resolved the constitutional dilemma regarding Congress. President Guido's

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decree canceling the March election of federal deputies has provoked considerable controversy among both military and civilian elements. His new cabinet--announced on 30 April--appears designed to appeal to diverse political and economic groups. [redacted]

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**GUATEMALA . . . . . Page 14**

President Ydigoras on 26 April appointed a military cabinet replacing all but three of his ministers and leaving only one civilian in the cabinet. Although a stopgap measure, the appointments may have helped impress on the opposition that the President, after seven weeks of political crisis, still has the support of the military. The government also promised changes in those aspects of the administration's performance which have been most strongly criticized. Communists continue their efforts to win an influential role in the opposition campaign. [redacted]

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**BRAZILIAN - SOVIET BLOC RELATIONS . . . . . Page 14**

Brazil's continuing efforts to enhance its international status and relieve its economic difficulties have in recent months led to an expansion of diplomatic and trade ties with a number of Eastern European countries, but its expectations of large-scale Soviet credits remain unfulfilled. The Soviet foreign trade minister has come to Rio de Janeiro to open the large Soviet industrial exhibition on 3 May, and talks are in progress for the conclusion of a new trade agreement. [redacted]

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**STRAINS IN THE LATIN AMERICAN BLOC IN THE UNITED NATIONS . Page 16**

The 20-nation Latin American bloc at the UN is divided over the issue of excluding Cuba from its caucuses. The group usually meets twice a month but has not held a caucus for the last seven weeks because the delegates of Boliva, Mexico, and Brazil say they will not attend if Cuba is excluded. Moreover, the departure of pro-Western experienced representatives from several delegations will leave the Latin American bloc open to the influence of representatives receptive to the views of Yugoslavia and other non-aligned countries. As a result the Latin American bloc may cease to be a positive force in support of US interests at the UN. [redacted]

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**BRITISH GUIANA . . . . . Page 17**

Dissatisfaction with Premier Jagan shows some increase. Anti-Communist Home Affairs Minister Rai is considering quitting the People's Progressive party (PPP) following his defeat in rigged elections for the party's Executive Council. Jagan's varied opponents continue to discuss bringing down his government by inducing the defection of PPP legislators--three defections would be required--but they still appear too divided to offer an alternative government. [redacted]

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NORTH VIETNAM AND THE SINO-SOVIET DISPUTE . . . . . Page 18

Heavily dependent on both the USSR and Communist China for diplomatic support and economic aid, North Vietnam has carefully avoided taking sides in the Sino-Soviet dispute. Its silence contrasts with the outspokenness of the other Asian Communist satellites--Mongolia, which is Moscow's advocate, and North Korea, which is becoming increasingly assertive in expressing agreement with Peiping's foreign policy positions.

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DJILAS' NEW BOOK, CONVERSATIONS WITH STALIN . . . . . Page 19

The reimprisonment on 7 April of Milovan Djilas, one-time Yugoslav party leader and heretical author of The New Class, is probably a direct result of the release to an American publisher of his new book, Conversations With Stalin. The book is strongly anti-Communist; this, together with Djilas' accounts of certain events during and after World War II, is likely to cause Yugoslavia some embarrassment in international affairs. Djilas probably realized his actions would be considered a violation of his 15-month-old parole, under which he agreed to refrain from political activity.

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SOVIET SCIENTISTS' CRITICISM OF HIGHER EDUCATION IN THE USSR . . . . . Page 20

Several prominent Soviet scientists have recently expressed dissatisfaction with higher education in the USSR as it affects the recruitment and training of future scientists. They have **complained** of admission standards for higher educational institutions which emphasize the ability to memorize facts rather than to think creatively, of the 18-19 years of schooling required for even the brightest students to earn their first academic degree, and of political rather than intellectual criteria used in judging the research work of graduate students. The prestige of these critics as well as of science in general in Soviet eyes may result in some modification of the current education reorganization.

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EXPANSION OF SOVIET CIVIL AIR ROUTES IN AFRICA . . . . . Page 22

The USSR in the past few months has stepped up its drive to extend its international air routes--now servicing European, Middle Eastern, and Asian countries--to countries in Africa and Central and South America. Moscow has recently concluded civil air agreements with Morocco, Mali, Guinea, and Ghana, and negotiations with the Sudan are in progress. Czechoslovakia, which in the past two years had been the most active bloc country in the civil aviation field, is already flying to several West African countries.

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NORWAY AND PRIME MINISTER GERHARDSSEN . . . . . Page 23

Prime Minister Einar Gerhardsen, who arrives in the United States on 9 May for a five-day official visit, in many ways typifies his country and the Labor party that

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has ruled it since World War II. He has kept Norway firmly tied to NATO, but has held down defense expenditures to prevent interference with intensive social welfare and capital investment programs. He favors close cooperation among the northern countries but is seeking full Norwegian membership in the European Common Market.

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**SOUTH KOREAN - JAPANESE CLAIMS ISSUE . . . . . Page 25**

The Japanese are showing increasing reluctance to pay any appreciable price to settle the problems that have blocked normal relations with South Korea for over ten years. The Japanese foreign minister has emphasized that, in his country's view, any debt Japan might owe was largely wiped out after World War II when the United States gave all public and private Japanese property in Korea to Koreans. The South Korean foreign minister has warned that if prospects for a settlement do not improve, Seoul will break off negotiations and "take other action"--probably large-scale seizures of Japanese fishing boats.

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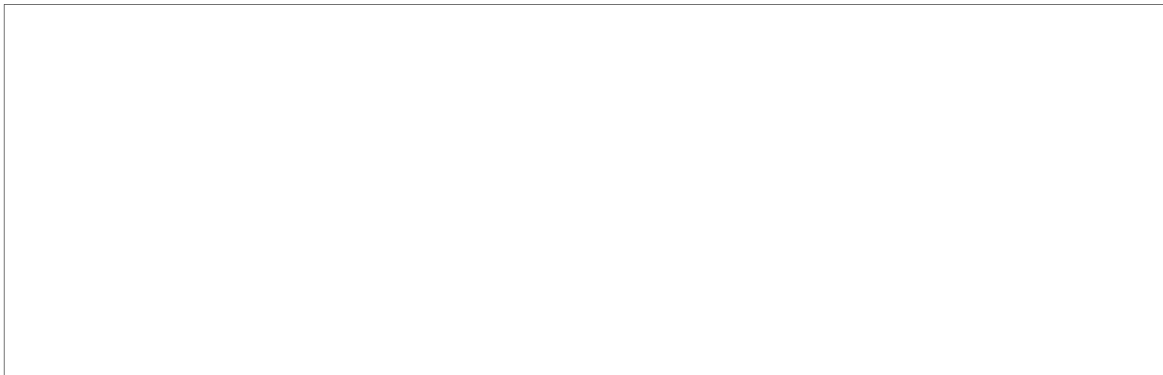
**INDIAN COMMUNIST PARTY LEADERSHIP . . . . . Page 25**

The Indian Communist party's choice of E. M. S. Namboodiripad and S. A. Dange as general secretary and chairman, respectively, indicates continued control of the party by the large centrist faction amenable to Soviet influence and is a setback to the party's pro-Chinese wing. The failure of extremists on either right or left to bolt the party on the much-argued leadership question suggests that most of India's Communist leaders continue to value "unity" more than the achievement of factional objectives.

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**SPECIAL ARTICLES**



**CHINESE COMMUNIST BOUNDARY DISPUTES . . . . . Page 4**

Communist China's territorial claims are a continuing source of friction with its neighbors. China has modified these claims to achieve settlements with Burma and Nepal, where there was political capital to be made and strategic interests were not endangered. Differences with India have proved more difficult to resolve, and charges of border intrusions continue to embitter relations. Friction over the

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Sino-Soviet frontier may intensify if political differences continue to deepen; there have already been several incidents in the area, and both sides have strengthened border security. [redacted]

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HOUPHOUET-BOIGNY AND THE IVORY COAST . . . . . Page 9

President Felix Houphouet-Boigny exercises virtually unchallenged control of the Ivory Coast and considerable influence beyond its borders. He is aggressively anti-Communist and opposed to the "positive neutrality" and radical pan-Africanism of the Casablanca powers. He has kept his country closely aligned with France and given it political stability and a favorable climate for private investment. The 55-year-old chief of state, who is also premier and foreign minister, will begin a state visit to the US on 22 May. [redacted]

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

WEEKLY REVIEW

## SOVIET FOREIGN POLICY DEVELOPMENTS

The USSR's relatively moderate and unprovocative reaction to US atmospheric nuclear testing reflects both Moscow's desire to maintain a favorable atmosphere for the US-Soviet negotiations on Berlin and its apparent intention to launch its own new series of tests. This restraint was also prompted by the unwillingness of the eight neutral delegations at Geneva to withdraw from the disarmament conference or to support Soviet maneuvers to call a special session of the UN General Assembly to deal with US testing. Soviet spokesmen continue to present an optimistic outlook for a Berlin agreement.

US Test Resumption

Following the first US atmospheric test on 25 April, Moscow launched a propaganda campaign aimed at discrediting the US for the action and justifying a future resumption of Soviet testing. Numerous articles and dispatches in the press and extensive radio commentary have stressed that by beginning atmospheric tests in the face of worldwide protests the US has suffered a serious moral and political defeat.

Moscow has been careful, however, to keep the campaign well within bounds. No government statement on the US resumption was issued, and there was no high-level press comment until a Pravda editorial on 30 April denounced the US action as "perfidious" and stressed that the US would be responsible for the resumption of Soviet testing.

The Soviet press has printed protest statements by several Soviet public organizations such as the Committee for the Defense of Peace, the Soviet women's and youth committees, and the Soviet Moslem organization. All of the statements, however, are mild. Furthermore, there are no reports of demonstrations or factory protest meetings within the USSR. The US Embassy in Moscow commented on 30 April that it had received only one telegram from a Soviet citizen, and that this in effect merely begged the US to stop testing.

After having earlier hinted that the USSR might walk out of the disarmament conference and the subcommittee on a nuclear test ban, Zorin and the other bloc delegations at Geneva responded mildly to the US resumption and indicated that the Soviets would continue to

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participate. The eight non-aligned powers have indicated that they want the disarmament conference to continue. At the 26 April session, most of them expressed regret over the US resumption but were careful to recall the Soviet resumption last fall and stressed the need for the conference to continue in any event.

Berlin and Germany

In the most optimistic Soviet assessment to date of the US-Soviet negotiations on Berlin, a public lecturer in Moscow stated on 30 April that agreement could come as early as May or June and almost certainly could be achieved this year. He termed the proposals Secretary Rusk presented to Gromyko at Geneva reasonable and said they contained significant changes in the US position. The lecturer expressed the view that while the French could veto an agreement on liquidating the occupation regime in West Berlin, this could be negotiated. He claimed that even Chancellor Adenauer and Foreign Minister Schroeder are displaying a more flexible attitude.

Moscow's desire to maintain conciliatory relations with the US was also evident

in the presence of a group of high-ranking Soviet military officers, headed by Marshal Konev, at the observance in Moscow on 25 April of the anniversary of the meeting of US and Soviet troops at the Elbe River at the end of World War II. The Soviet speeches were mild, stressing the need to revive Soviet-American friendship typified by the Elbe meeting, and Konev took pains to be friendly with US military officers attending the function. Marshal Malinovsky's moderate May Day speech alluded only briefly to US nuclear testing and did not repeat the usual line that the USSR will be obliged to follow suit.

The Soviet press had made routine attacks on the NATO ministers' council meeting in Athens. A Pravda article on 29 April denounced alleged US plans to transfer nuclear weapons to West Germany under a NATO cover and warned that the USSR would have to take similar measures to safeguard its security and that of its Warsaw treaty allies.

Berlin remained relatively quiet during the past week, and no untoward incidents occurred either within the city or along the access routes.

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY****SOVIET PARTY LEADERSHIP CHANGES**

The changes in the top Soviet leadership made at the plenum of the central committee held during the 23-25 April Supreme Soviet session appear to be moves in a political struggle among Khrushchev's lieutenants, possibly directed at undermining the power of party secretary Frol Kozlov. The election of Andrey Kirilenko as a full member of the party presidium and the dropping of Ivan Spiridonov from the secretariat constitute a reversal of action taken at the 22nd party congress last October. At that time Kirilenko, a product of the Ukrainian party organization who had been a candidate member of the presidium since the downfall of Molotov, Malenkov, and others in 1957, was dropped, and Spiridonov, Leningrad party boss long considered a Kozlov protegé, was added to the powerful secretariat.

A comeback such as Kirilenko's is rare in Soviet political life. The only others to be renamed to the presidium after once being dropped were all members of the 1952 body who were removed at the time of Stalin's death but returned in the wake of Khrushchev's rise in power.

The reasons behind the demotion of Kirilenko last fall are still obscure. He had been one of Khrushchev's strong supporters, his regime as Sverdlovsk party boss was singularly free of adverse criticism, he was re-elected a member of the Russian Republic (RSFSR) party bureau at

the congress, and he retained his Sverdlovsk post until last week, when he gave it up to become one of Khrushchev's first deputies--presumably for industrial matters--on the RSFSR bureau. The other first deputy on the bureau is fellow presidium member Gennady Voronov, who is responsible for the agricultural sector.

Spiridonov's election on 23 April as chairman of one of the houses of the bicameral Supreme Soviet was given as the official reason for his release from the secretariat. That Supreme Soviet post has never been politically important, however, and in the past, incumbents have not been released from their other jobs in party or government. The journal Party Life recently charged the Leningrad party organization with deficiencies in the industrial sphere; this may have figured in Spiridonov's downgrading, but the charges do not appear strong enough to constitute the basic reason. The full extent of Spiridonov's demotion is not yet clear; he has not been relieved as Leningrad party boss, although such a move appears likely.

The loss of Spiridonov from the secretariat is the first setback for Kozlov since he was singled out three years ago as the front-runner eventually to succeed Khrushchev. The development will probably raise the question among second-echelon party officials as to the degree of Khrushchev's support for Kozlov. There have been no other signs, however, that Kozlov's position was in any way im- 25X1  
paired.

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**INTERLOCKING DIRECTORATE - USSR PARTY AND GOVERNMENT**

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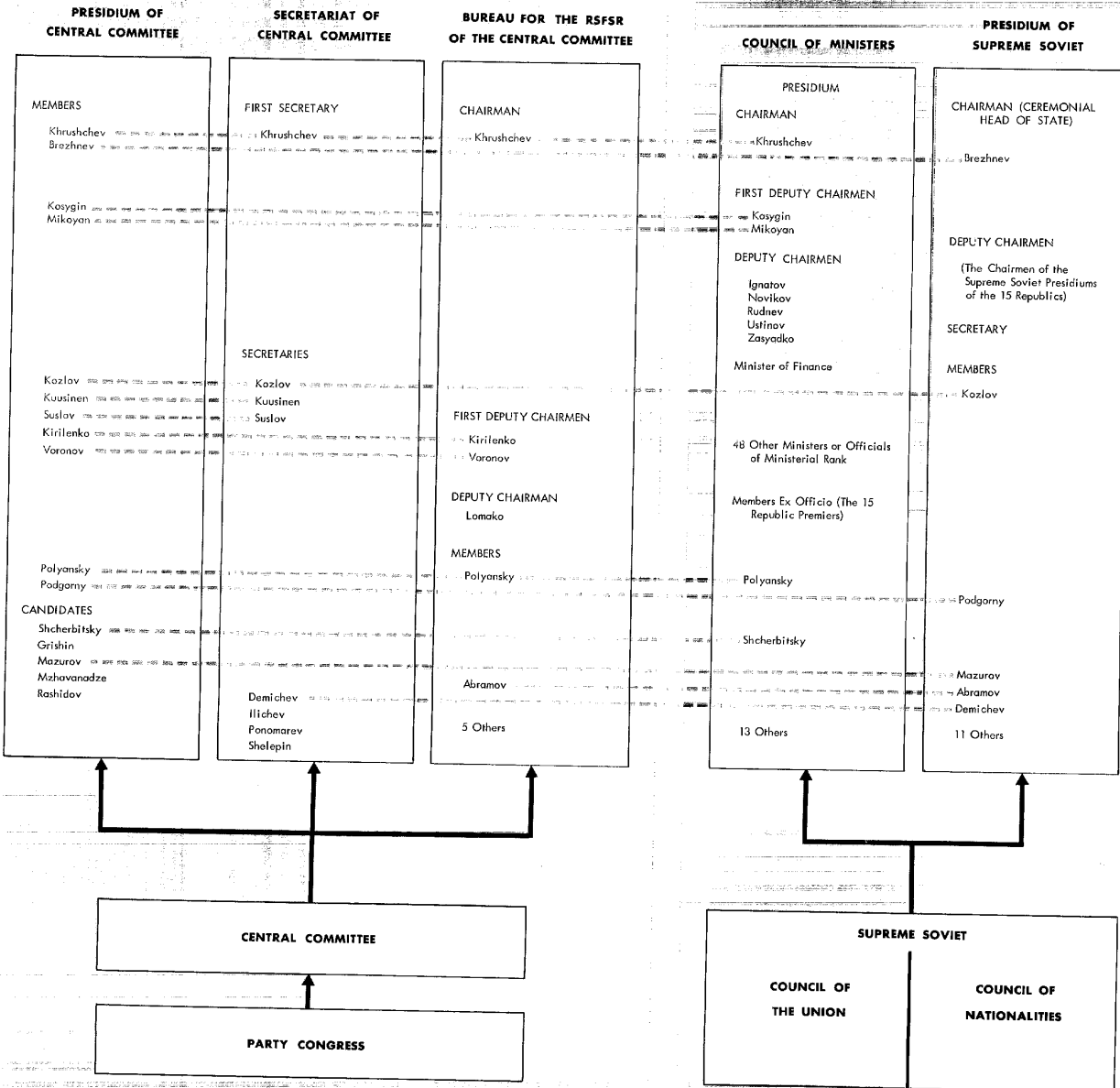
Full Member, Presidium, Soviet Communist Party

Candidate Members, Presidium, Soviet Communist Party

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**PARTY**

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**THE SUPREME SOVIET SESSION**

The first public disclosure of a special high-level government agency which has been handling foreign economic problems and the initiation of formal moves to draft a new constitution for the USSR marked the session of the USSR Supreme Soviet (parliament) which met on 23-24 April. This session, the first for the new Soviet elected on 18 March, routinely elected its presidium (the collective presidency of the Soviet Union), approved the new Council of Ministers (cabinet), elected the Supreme Court, and heard a foreign policy report by Andrey Gromyko.

Governmental Changes

Khrushchev made very few changes in the Council of Ministers. As expected, Mikhail Olshansky was replaced as minister of agriculture; he had been named to head the Lenin Agricultural Academy on 5 April. Yury Zhukov was returned to journalistic work after several years of directing the State Committee for Cultural Relations with Foreign Countries. In addition, five planning officials were dropped, one added, and the hitherto secret "Commission of the Presidium of the Council of Ministers for Foreign Economic Problems" was listed as a formal part of the council.

The presidium of the Council of Ministers is an "inner cabinet" consisting of the premier, deputy premiers, probably the minister of finance, and possibly one or two other important ministers. It is known to have more or less permanent commissions to carry out certain phases of its work.

Lesechko was named by Khrushchev at the Supreme Soviet session to continue as commission chairman. The commission handles foreign economic questions that involve more than one ministry, and this presumably includes the full range of export, import, and foreign aid activities. Its precise relationship with the Ministry of Foreign Trade and the State Committee for Foreign Economic Relations is not known.

Khrushchev's retention of Nikolay Ignatov on the Council of Ministers as a deputy premier indicated that Ignatov, currently the only deputy premier with agricultural experience, had been picked to head the newly created national Committee on Agriculture. The composition of this committee was announced in a joint party and government decree a few days after the Supreme Soviet session. The fact that a party presidium member was not chosen to head the committee reinforces earlier indications that the republic agricultural committees are to be the real focus of authority in the new farm management structure.

The New Constitution

On 25 April, Khrushchev told the legislature that the "socialist" constitution adopted in 1936 is considerably out of date and called for a new

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instrument reflecting such changes as the emergence of the "socialist commonwealth of nations" and the Soviet Union's entry into the "all-out building of a Communist society." He also stated that the principles of Soviet relations with other countries should be set forth and clearly hinted that his own policy of "peaceful coexistence" ought to be included. Although he spoke of more "solid guarantees of democratic rights for the people," he made no specific proposals, and it is unlikely that any procedural safeguards over individual liberties will be included in the new law. When stripped of their doctrinal window dressing, Khrushchev's remarks foreshadow few if any basic legal changes; at root, the constitution apparently will continue to be a description of the state apparatus and a record of the achievements of Soviet power.

The formal draft of the new constitution will be prepared by a 97-member commission headed by Khrushchev and made

up, for the most part, of members of the party central committee. However, the Institute of Law of the Soviet Academy of Sciences has been working on the basic provisions of the new law for almost two years, and with this head start, the commission will probably be able to present a draft to the Supreme Soviet some time later this year.

Judging from Khrushchev's recommendations, the new constitution will, for the first time, explicitly commit the USSR to continue on its Communist course, and it will probably contain considerably increased mention of the party's leading role in Soviet life. It will ensure that the achievements of Khrushchev's administration are embodied in the highest law of the land, thereby providing all the more opportunity for linking his name with the "building of communism."

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## ALGERIA

Economic distress among Moslems in Algerian cities and the threat of epidemics in overcrowded Moslem quarters are dangerously increasing Moslem exasperation over French failure to halt terrorism by the Secret Army Organization (OAS). The provisional Algerian government (PAG) has again charged Paris with responsibility for Moslem deaths resulting from the

terrorism, while the uncertainty surrounding the fate of French soldiers presumed to have been prisoners of the Algerian National Army (ALN) has aroused the press and public in France.

French officials believe that the OAS may still make a major effort to hold one of the principal Algerian cities, probably Oran, in order to

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prevent the holding of a referendum. For this reason, according to Minister of Algerian Affairs Joxe's cabinet chief, the French have set 15 May as a deadline for liquidating OAS strongholds in Oran. Although additional troops were reportedly en route to the city on 2 May and the government security operations there this week have shown increased determination, a greater effort may be required to meet this deadline.

Joxe told Ambassador Gavin last week, giving the impression that his remarks were based on the interrogation of Salan, that the OAS intends to continue indiscriminate killings and destruction of property in an effort to bring about a complete economic collapse. Reports from Algiers indicate that the OAS is following these tactics with considerable success. Consul General Porter reports that Algiers appears to be a dying city, with commerce at a virtual standstill and normal government activity sharply reduced. Other reports state that in the Moslem quarters of Oran, Moslem wounded are uncared for, food is scarce, and the people are living in filth.

There are increasing indications that the Moslem-controlled Provisional Executive at Rocher Noir is unable as yet to operate effectively.

Meanwhile, there are indications that discord between the PAG and the ALN may be

approaching a showdown. The PAG, angered by the 27 April communiqué of the ALN, which addressed itself directly to the French Government over the heads of the PAG

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ALN headquarters has announced that henceforth its own agents, rather than the PAG-controlled Algerian Press Service, would release items relating to ALN activity.

The ALN's failure to release significant numbers of French prisoners is probably an effort to show its independence of the Evian accords and to embarrass the PAG.

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told a US Embassy officer in Tunis on 30 April that most of the 500 French prisoners reportedly taken by the ALN were killed shortly after capture. This source claimed that the PAG was aware of this fact, but refused to inform the French at Evian for fear of upsetting the negotiations.

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Pompidou was queried about the prisoners in the National Assembly last week. French press criticism of the 1 May ALN statement that it had already released virtually all its French prisoners --five, released last week--has been violent. Even the usually restrained Le Figaro said that unless the PAG gives assurances, it will carry out the Evian accords. France may be obliged to reconsider partition as the solution for Algeria. OAS sympathizers will be quick to pick up Le Figaro's suggestion that the Evian solution can still be brought into ques-

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

## THE FRENCH POLITICAL SITUATION

French Premier Pompidou's lack of parliamentary experience and his failure to be more specific on De Gaulle's post-Algeria program were primarily responsible for the weak support he received in the National Assembly on 27 April. Nevertheless, the deputies will probably not try to bring down the government as long as the Algerian situation remains France's chief preoccupation.

Pompidou's ineptness in his response to questions was an unexpected factor in giving him the positive support of less than half the deputies. The assembly had long chafed under the De Gaulle regime's attitude toward parliament. Pompidou seems personally more acceptable to the assembly than was Debré, but the US Embassy in Paris has commented that, as primarily an executive agent for De Gaulle, Pompidou can expect to receive "the same hard time as Debré."

The major threat to Pompidou's parliamentary position may develop from his European integration policies, particularly if confirmed anti-Gaullists back the pro-integration forces out of animosity to the regime. Both Popular Republican (MRP) Secretary

General Maurice Simonnet and ex-Premier Pierre Pflimlin have made clear that continued MRP support is contingent on government acquiescence in eventual supranational political integration for Europe.

The remainder of Pompidou's program as outlined to the assembly follows De Gaulle's previously established approaches to foreign policy with respect to a greater role for France in NATO and close ties with former French possessions in Africa. On domestic policy, however, he promised to "translate principles into action"--particularly agricultural reforms, greater benefits for labor, and regional development--by pushing economic and social programs originally proposed by the Debré government, but deferred pending financial redressment and the Algerian solution.

The inflationary threat implicit in this program may serve to rally support for opponents of De Gaulle's nationalistic military plans--particularly among the "Europeans," who may fear the effects of inflation on the integration of the French economy with the other Common Market countries.

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## LAOS

Phoumi has told Ambassador Brown that the Vientiane government is anxious to work out "mis-understandings" with Souvanna Phouma--as well as with the US-- and that it stands ready to negotiate on formation of a coalition government whenever Souvanna returns from France. Phoumi says he is prepared to consider relinquishing the defense and interior posts to Souvanna's group under conditions designed to restrict Pathet Lao influence over these key ministries. This new stand of the Vientiane regime is being conveyed to Souvanna in Paris. Souvanna, having been tricked by Vientiane in the past, probably will be somewhat chary of this latest overture.

Sisouk, the acting foreign minister in Vientiane, emphasizes that it will take some time for the Boun Oum government to revise its public stand in the direction of an accommodation with Souvanna. While "face" is doubtlessly involved, this aspect could be used as a pretext by Vientiane to procrastinate--with hopes, meanwhile, that further US sanctions might be forestalled.

Phoumi told Ambassador Brown that Vientiane continues to respect the King's mandate to Souvanna to form a coalition government. Phoumi indicated he was dropping his plan to call a National Congress to confer full powers on King Savang to head a "royal government," and categorically stated that he would not pursue this matter, at least during May. Phoumi's decision reflects the strong opposition to his scheme on the part of the West, Souvanna and Souphannouvong, and the King himself.

Phoumi's switch to a more conciliatory attitude can be attributed to his talks with Premier Sarit during the 25-29 April visit to Bangkok of the Laotian goodwill mission.

[redacted] Phoumi probably has been influenced by the deterioration of the Laotian economy since suspension in February of US financial support, amounting to \$3,000,000 monthly. There is little prospect that Phoumi will get significant aid from his current visit to Seoul or from other goodwill missions scheduled to Saigon, Kuala Lumpur, Taipei, and Manila.

On the military side, there has been widespread skirmishing, with occasional artillery duels and limited probing on the Nam Tha front. Phoumi has reinforced Nam Tha by airdropping another parachute battalion--raising the garrison there to three parachute and five ground battalions, plus artillery. This could precipitate a retaliatory attack by the equivalent of an estimated seven battalions of Pathet Lao, North Vietnamese, and pro-Souvanna troops in that area. These forces to date have limited their activity to countering the efforts of Phoumi's garrison to expand its perimeter.

The heavy concentration of the government's troops at Nam Tha endangers the government's defense elsewhere. To Phoumi, however, Nam Tha is a symbol of resistance to the Communists.

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY****SOUTH VIETNAM**

Viet Cong military action in South Vietnam continues at a high level. A total of 127 Viet Cong attacks occurred during the week ending 23 April, and an increase in acts of sabotage, terrorism, and propaganda was recorded. Viet Cong regular units reportedly have moved into positions close to one of the strategic hamlets being built north of Saigon, possibly in preparation for an attack. The relocation program begun in this area has so far progressed without serious disruption.

der incident on 20 April in which 52 Vietnamese villagers were killed by attackers allegedly coming from Cambodia. The raiders have not been identified, but Khmer Krom bandits--Cambodians resident in South Vietnam--were probably involved; no regular Cambodian forces appear to have participated. Prince Sihanouk has officially disclaimed responsibility and has failed to meet Saigon's demands for apology and reparations. Saigon officials have thus far acted with restraint, but have implied to US officials that economic sanctions may be imposed. The National Assembly has passed a resolution calling on the Diem government to "reconsider" its relations with Cambodia.

South Vietnam and South Korea have agreed on plans for a 17-man mission of South Korean military specialists to go to South Vietnam in mid-May. Diem, who is attempting to broaden regional support for his fight with the Viet Cong, requested South Korean experts last fall; the matter was further discussed during the visit to Saigon of South Korea's security chief early this year. The mission, which will include specialists in such categories as guerrilla warfare, communications, field engineering, anti-aircraft, and underwater operations, will be in civilian clothes, at Diem's request.

Recent government operations have included some successful helicopter airlifts which, together with airstrikes and some local actions, account for the bulk of Viet Cong casualties. Government "sweep" operations continue, achieving few important contacts with Communist forces but some harassment of their installations.

South Vietnam's relations with Cambodia are again severely strained as a result of a bor-

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

DIA

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## WEST NEW GUINEA

Resumption of negotiations between Indonesia and the Netherlands over West New Guinea appears increasingly remote. President Sukarno has announced that he will not negotiate as long as the Dutch continue to send reinforcements; he has reiterated that when and if talks are resumed, they must be based on the "principle" of the Bunker proposals--i.e., that administration of West New Guinea will be transferred to Indonesia. Sukarno continues to insist that this change must be made in 1962, and that he will resort to force if necessary.

In a move apparently calculated to impress the Dutch and the United States with Indonesia's seriousness on West New Guinea, Sukarno has sent another high-level delegation to Moscow. The mission, led by Foreign Minister Subandrio and including representatives of the three armed services, reportedly will also go to Peiping.

Before departing for Moscow on 2 May, Subandrio told the US ambassador that the purpose of his trip was to correct an imbalance of military power which he claimed now favors the Netherlands. Although his remarks carried the suggestion of intention to purchase new arms, Subandrio noted that Indonesia must be careful about assuming new obligations in view of the nation's financial difficulties. The trip seems likely to serve the two lines of strategy which Sukarno has consistently pursued on the New Guinea issue: to prepare for an ultimate resort to force, but at the same time to nudge the Dutch and the West toward a peaceful settlement on Indonesian terms.

The Dutch are proceeding with plans to dispatch additional troops and naval ships to West New Guinea.

[redacted] two NATO-committed infantry battalions and two Territorial Command antiaircraft artillery battalions will be sent. On 19 April an infantry battalion of some 840 men left the Netherlands, and a contingent of similar size is scheduled to leave on 4 May. No date appears to have been set for sending the other two battalions. In addition to the two destroyers and two submarines ordered to West New Guinea in March, Dutch naval strength will be increased during the next two months by a submarine, a supply ship, and a destroyer. Replying to Sukarno's statement on Dutch reinforcements, The Hague on 27 April declared that it will stop augmenting its forces as soon as Indonesia joins the Dutch in an agreement to stabilize the military situation in the New Guinea area.

Minor elements of Prime Minister De Quay's Catholic People's party are criticizing the government's West New Guinea policy--particularly the excessive secrecy which has surrounded the talks with Indonesia. However, Foreign Minister Luns, against whom much of the criticism is directed, continues in firm control. He reasserted the government's position in the parliamentary debate on 25-26 April by declaring that The Hague had no objection to discussing the "possibility" of the transfer of administration to Indonesia in the talks, but that it would not commit itself beforehand on this matter. The US Embassy in The Hague foresees no difficulty for the government in maintaining a parliamentary majority on this issue as long as Dutch public opinion remains convinced that Indonesia is not prepared to accept a negotiated settlement.

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

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## CONGO

Tshombé originally scheduled for 3 May his return to Leopoldville to resume talks with Adoula. Reportedly because of further discussions with UN chief Gardiner in Elisabethville, Tshombé will not arrive until 5 or 6 May. Gardiner, who has been in Elisabethville since 30 April, reports that his preliminary talks with Tshombé have been cordial, and that Tshombé has been reasonable. Gardiner is fairly optimistic that progress can be made in renewed talks with Adoula in Leopoldville.

The premier, however, will re-enter the negotiations in a weaker political position than at the end of the last round. His ability to coerce Tshombé to agree to Katanga's reintegration was limited at that time by his inability to back his demands by effective force. Adoula now is faced with the prospect of a disintegration of his parliamentary support and with growing discontent and threats of a coup from the Congolese Army.

Adoula told a US official last week that he is "not such a fool" as to appeal to the Soviet bloc for assistance, but that he may be powerless to prevent "disaster" if efforts to reintegrate Katanga fail. Although not very hopeful, the premier indicated a willingness to bargain. He said he had sent to Tshombé a copy of a document which represented an extensive modification of the Loi Fondamentale, the draft constitution under which the Congo operates, and that Tshombé should make counterproposals.

UN officials have reportedly presented a plan of action to Adoula aimed at strengthening his position and at undercutting his threats to ask the UN to withdraw and his efforts to get assistance outside the UN framework. The reported plan, implementation of which apparently depends on Tshombé's attitude at the resumed talks, includes the acquisition of new equipment for the Congolese Army, reconsideration of the UN's previous refusal to permit a Congolese Army contingent to operate with UN forces in Katanga, and adoption of a tougher UN military stance against Katanga's gendarmerie and mercenaries. Top UN officials in New York have emphasized, however, that the main effort should be toward a negotiated settlement. They fear that strong UN military moves in Katanga would result in a "third round" of fighting, for which they are unprepared.

In Brussels, Foreign Minister Spaak, who previously opposed outside interference, now feels that the "Bantu palaver" has gone on long enough, and that if economic and political disintegration is to be avoided, greater pressure must be exerted on the two leaders. Spaak believes the initiative must, however, be left to the UN, and that the proposal suggested by some UN officials of a coordinated program of economic assistance under UN auspices might be used to induce agreement. Spaak says he is willing to consider threatening to withdraw Belgian technicians from Katanga if Tshombé rejects a reasonable settlement.

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

## ARGENTINA

By concentrating troops at strategic points, the Argentine Government prevented the May Day violence threatened by the Peronistas, but it still has not resolved the problems arising from President Guido's decree canceling the March election of federal deputies. This decree, issued on 25 April, continues to provoke considerable controversy among both military and civilian elements.

Questions have been raised as to the decree's constitutionality and also as to whether the Chamber of Deputies will be left with the necessary majority to permit congress to function. The Peronistas have appealed to the federal courts to set aside this decree and an earlier decree canceling the results of all provincial and municipal elections held between 17 December and 18 March.

In a press conference on 1 May, new Interior Minister Walter Perkins sharply condemned as "illusory legality" laws which permit such steps as the cancellation of elections, and he implied that revision of such laws was part of the government's political plans. He added that 84 persons placed under preventive arrest just prior to 1 May had been released. Perkins' liberal views seem likely to conflict with those of the "hard-line" military group which is determined to ban the Peronistas from office until the electoral laws are revised.

Guido's new cabinet, announced on 30 April, seems designed to appeal to diverse political and economic groups. Perkins, who is also acting defense minister, was until recently a leader of the major opposition People's Radical Civic Union (UCRP). He has long favored a reunification of the UCRP with ex-President Frondizi's Intransigent Radical Civic Union and was censured by his party for reasserting this view in early March.

The return of Alvaro Alsogaray to the post of economy minister, which he held from June 1959 to April 1961, has been widely interpreted as favorable to private enterprise and the negotiation of foreign loans. Peronista and other labor groups, however, objected, recalling the 25-percent drop in real wages during the first two years of the US-backed stabilization program initiated in January 1959.

The appointment of Labor Minister Galileo Puente, a former Peronista who served as under secretary of labor for Frondizi, may be intended to offset Peronista complaints over Alsogaray and to facilitate negotiations with the Peronistas. Foreign Minister Bonifacio del Carril is a lawyer and professor and has not been prominent in politics.

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

## GUATEMALA

With the Guatemalan political crisis in its eighth week, President Ydigoras on 26 April took two important steps. His appointment of a military cabinet, replacing all but three of the old ministers and leaving only one civilian in the cabinet, was basically a stopgap measure until he can secure the cooperation of suitable civilians. Nevertheless, it created an impression of change and may have helped impress on the opposition that the President still has the support of the military.

On the day of the cabinet change, the government issued an outline of its program for the remainder of Ydigoras' term. Its promises of honesty and efficiency in government and of movement toward socio-economic reform would, if carried out, go far to change the aspects of Ydigoras' administration for which he has been most criticized.

The government announcement also suggested that the administration would consider changing the constitution to reduce the presidential term from six to five years, thus bringing Ydigoras' term to an end next March and requiring presidential elections in late 1962 or early 1963.

Communists and Communist-influenced groups are still making efforts to win an influential role in the anti-Ydigoras campaign, and the intransigence of the three-party opposition alliance in refusing all of Ydigoras' conciliatory offers has, in effect, aligned these non-Communist groups with the Communist position. Street disturbances continue almost daily in the capital, and acts of sabotage occur regularly in many parts of the country. On 2 May, fuel storage tanks in the outskirts of the capital exploded, apparently as a result of sabotage.  25X1

## BRAZILIAN - SOVIET BLOC RELATIONS

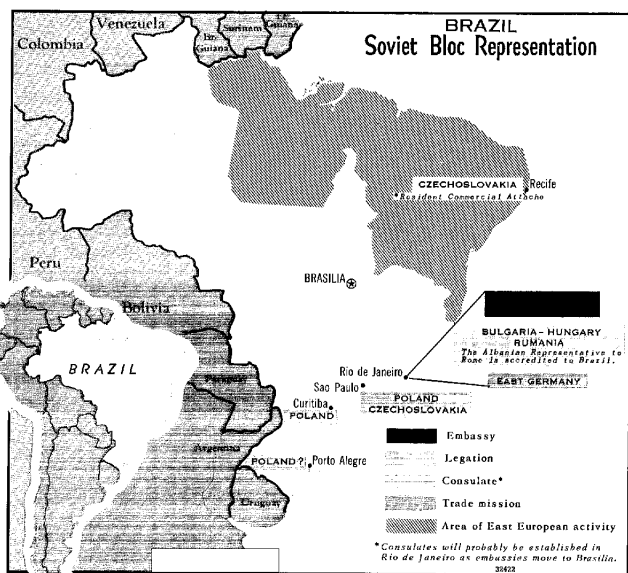
Brazil's continuing efforts to enhance its international status and to relieve economic difficulties have in recent months led to an expansion of diplomatic and trade ties with a number of Eastern European countries, but its expectations

of large-scale Soviet credits remain unfulfilled. The Soviet foreign trade minister has come to Rio de Janeiro to open a large Soviet industrial exhibition on 3 May, and talks are in progress for the conclusion of a new trade agreement.

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## CURRENT INTELLIGENCE WEEKLY SUMMARY



their activities. The Czech minister of culture and education, visiting the country last month, concluded an agreement to exchange teachers, writers, and artists. Czech technicians are active in the impoverished northeast, and a Czech commercial attaché has been assigned to Recife--possibly as a step toward establishing a consulate there. Poland may be planning to set up a consulate in the southern city of Porto Alegre. The Hungarians are cooperating in a water supply project in the northeast.

President Goulart agreed last month to visit Czechoslovakia but without setting a date; last fall he similarly accepted a Polish invitation. Foreign Minister Dantas plans an official visit to Poland this month.

Ambassador Leitao da Cunha, arriving in Moscow on 24 April in implementation of the re-established Brazilian-Soviet diplomatic relations announced last November, was welcomed with the announcement that "our two countries hold similar views on many international issues"--a statement which, in a sense, was subsequently exemplified by Brazil's being one of the few non-Communist countries to make a formal protest regarding the US resumption of nuclear testing. Brazilian ministers arriving on similar missions in Budapest and Bucharest have been greeted with statements emphasizing future economic ties.

Czechoslovakia and Poland, which have long had diplomatic and consular relations with Brazil, have recently stepped up

The Brazilian-Soviet trade talks are proceeding slowly, and the leader of the Soviet permanent trade delegation in Rio recently intimated that unless Brazil buys more Soviet products, the USSR will reduce purchases--which amounted to less than \$20,000,000 in 1961. He declared, however, that the USSR is prepared to aid Brazil's development without the "burden of an outflow of profits." The Brazilian foreign minister will recommend changes in laws regulating trade and propose the signing of a trade and payments agreements on a governmental level with the USSR "so that trade may reach a reasonable level."

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY****STRAINS IN THE LATIN AMERICAN BLOC IN THE UNITED NATIONS**

Recent dissension within the 20-nation Latin American bloc at the United Nations raises the possibility that it may cease to be a positive force in support of US interests there. The group is divided over the issue of excluding Cuba from the Latin American caucuses.

25X1 [redacted] an open split is developing between countries which believe that Cuba should be excluded from the caucuses and others which feel that Cuba's expulsion from the OAS during last January's Punta del Este meeting bears no relationship to its position at the UN. [redacted] the latter faction included five of the "soft six" at Punta del Este--Brazil, Mexico, Ecuador, Bolivia, and Chile. He excluded Argentina but added Uruguay.

The delegates of Brazil, Mexico, and Bolivia have stated flatly that they will refuse to participate in Latin American caucuses if Cuba is excluded. As a result the group, which normally meets at least twice a month, has not held a caucus for almost seven weeks. It is at these meetings that US representatives with the aid of friendly Latin Americans have been able to generate active support for US interests.

Three of the most influential and consistently pro-

Western Latin American delegates have left their delegations: Amadeo of Argentina, who as chairman of the main political committee of the General Assembly was extremely helpful to the US during the last session; Ortiz of Costa Rica, who as chairman of the Latin American caucus used his considerable influence to further western hemisphere solidarity; and Urquia of El Salvador, who was forceful and effective on procedural matters.

The loss of these three leaders leaves the Latin American bloc open to the influence of [redacted]

[redacted] Padilla Nervo of Mexico and Afonso Arinos de Mello Franco of Brazil. These two representatives and others have often expressed the view that the Latin Americans should adopt a UN policy more in line with that of the nonaligned countries.

As part of Yugoslavia's campaign to establish closer rapport between Latin America and the nonaligned group, Foreign Minister Popovic is scheduled to visit Brazil, Bolivia, Chile, and Mexico this month. Latin American support for the United States on such issues as disarmament, nuclear testing, and Chinese UN representation could be adversely influenced by the views of the nonaligned nations, particularly if the delegate of one of these wavering Latin American countries emerge as the dominant leader of the Latin American bloc. [redacted]

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

## BRITISH GUIANA

Premier Chaddi Jagan of British Guiana openly rigged the elections held during the 21-22 April congress of his People's Progressive party (PPP). This resulted in the ouster from the PPP Executive Council of its only anti-Communist member, Balram Singh Rai, and has somewhat shaken faith in Jagan among the East Indian peasants who form the bulk of his support.

Rai publicly criticized the PPP leadership for fraud and privately has discussed defecting to form a rival party. He has retained his post as home affairs minister--which includes control of the police--and hesitates to make an open break both because of uncertainty about the strength of his own political following and fear that the resulting confusion would lead to renewed violence.

Three other PPP legislators, including the attorney general, are said to be considering defection along with Rai--a move which would erase the PPP majority in the national assembly--but they do not seem sufficiently strong-willed to risk the repercussions of such action at this time. Jagan was outvoted 14 to 13 on the budget on 26 April, but this defeat was due only to the accidental absence of several of his strong supporters, and the British governor upheld his refusal to resign.

The opposition appears to have made no coherent plans for an alternative government, even if it manages to bring Jagan down by inducing at least three legislators to defect from the PPP. Forbes Burnham--who is leader of the main opposition party, the predominantly Negro People's National Congress (PNC), and now is visiting the US--claims that Rai and two others are prepared to defect at the proper time, but there is no substantiation of this. Burnham's party continues to suffer from dissension. At the PNC's convention late last month, two pro-US moderates failed to win election to its Executive Council. Racial tensions persisting from the February riots make any multi-racial grouping hard to achieve, whether or not London agrees to hold elections before independence. The conference to set the independence date will probably not be held before midsummer.

The Jagan government continues to strengthen ties with Cuba. Fourteen students left on 26 April for training in Cuba--and may go on to Moscow--and Havana is negotiating to purchase more of the colony's rice exports. The Jagan government has also asked the UN to provide Soviet oil technicians to resume hitherto unsuccessful efforts to find commercially exploitable petroleum.

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

## NORTH VIETNAM AND THE SINO-SOVIET DISPUTE

North Vietnam, unlike the other Asian Communist satellites, has carefully avoided involvement in the Sino-Soviet polemic. Mongolia has supported the Soviet stand on Albania to the point of openly criticizing the Chinese, and North Korea is becoming increasingly assertive in expressing agreement with Chinese Communist foreign policy positions.

In 1960, Ho Chi Minh offered to mediate Sino-Soviet differences but was rebuffed by both parties. He declared at that time that North Vietnam intended to stick to a policy of neutrality in the dispute. This decision probably stemmed in part from Ho's strong personal conviction, as an old-line Communist of the Comintern school, that the Sino-Soviet feud would confuse and weaken the Communist movement both within and outside the bloc.

Also strongly influencing Hanoi's choice for neutrality, however, is its interest in retaining the diplomatic support and massive economic aid it receives from both Moscow and Peiping. The USSR has extended \$365 million in economic assistance and Communist China \$457 million. In addition, Peiping apparently provides some financial support to Hanoi's subversive activities in South Vietnam. The Vietnamese try to appear equally grateful to both their benefactors.

North Vietnam's proximity to China and its memories of Chinese domination play a part in its desire to stay on good terms with but not be subservient to Peiping. On the other hand, Hanoi looks to the USSR, as co-chairman of the 1954 Geneva accords, for diplomatic pressure against US military activities in South Vietnam and Laos. Hanoi

also values the Soviet airlift to Souvanna Phouma and the Pathet Lao--an operation which supports Communist objectives in Laos and helps keep open a route to South Vietnam through rebel Laotian territory bypassing the demilitarized zone.

The North Vietnamese have refused to castigate Albania and appear to side with the Chinese at least to this extent. While not going so far as to criticize the Soviet attitude, Hanoi has made a point of emphasizing its good relations with Albania, and expressions of friendship for the "brotherly" Albanian people are frequent.

Because it shares Peiping's feeling of being frustrated by the US in attempts to achieve reunification, Hanoi has also shown some sympathy for Chinese hard-line opposition to the US, attacking US activities in South Vietnam in tones as harsh as those of Peiping's anti-US invective. Balancing this, however, the North Vietnamese have praised Soviet disarmament proposals--in terms similar to those used by the USSR--as "meeting the urgent desire of the national liberation movement," a formula far short of Peiping's advocacy of more militant support for liberation struggles.

The USSR probably hopes to head off any exclusive relationship between Hanoi and Peiping based on their common primary goal of national reunification. A visit to Hanoi by Soviet party secretary Ponomarev two months ago may have been intended to win the North Vietnamese to advocacy of the Soviet stand in the Sino-Soviet dispute, or, at the least, to encourage them to remain neutral. 25X1

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

DJILAS' NEW BOOK, CONVERSATIONS WITH STALIN

The reimprisonment on 7 April of Milovan Djilas, one-time Yugoslav leader and heretical author of The New Class, is probably a direct result of the release to an American publisher of his new book, Conversations With Stalin. Belgrade undoubtedly regards this action as a violation of Djilas' 15-month-old parole, under which he agreed to refrain from political activity. In addition, he has been uncooperative and defiant in his private dealings with the regime and openly critical of it in his talks with foreign newsmen.

Djilas' strongly anti-Communist book is likely to cause some embarrassment for the Yugoslav leaders. Describing at great length the degeneracy and criminality of the Soviet party and state under Stalin, Djilas contends that "the very originality and essence of Stalin and Stalinism" live on in the USSR and, by implication, in Yugoslavia as well.

Moreover, Djilas' revelations of events which occurred when he was still a high regime official could cause Belgrade difficulty in its foreign relations. At a time when Yugoslav-Greek relations have deteriorated over the Macedonian question--i.e., over Greek fears of Yugoslav territorial ambitions--he implies that Belgrade masterminded the Greek civil war of the late 1940s and reveals that the present Yugoslav ambassador to Athens was at one time "assigned to direct the guerrilla action in Northern Greece."

Albania will find in the book historical grounds for its current charges of Yugoslav-Soviet plotting against Tirana's independence. Djilas discloses that Moscow and Belgrade collaborated in a plan for Yugoslavia's absorption of Albania after World War II--a plan Djilas compares to the USSR's annexation of the Baltic states. Sofia will appreciate Djilas' conten-

*From Djilas' Conversations With Stalin*

## ON SOVIET COMMUNISM

"As long as the (Soviet) party fails to break...with the ideological unitarianism and so-called monolithic structure of the party, it will be a bad but reliable sign that it has not emerged from under Stalin's shadow.

"Despite the curses against his name, Stalin lives on in the social and spiritual foundations of Soviet society.

"It is much easier to expose this or that crime of Stalin's than to conceal the fact that it was this man who 'built socialism'."

## ON KHRUSHCHEV

"Whenever there was talk of Stalin, he (Khrushchev) spoke of him with respect and stressed their closeness.

"...It is known how one rose in Stalin's Russia: certainly by dint of determination and dexterity during the bloody 'antikulak' and 'antiparty' campaigns."

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tion--contrary to Belgrade's view--that Dimitrov, the Bulgarian party's Lenin, believed Macedonians to be Bulgarians and not a separate nationality.

Tito will find embarrassing the seven-page account of Djilas' two-day meeting with Khrushchev near the end of World War II. Although Djilas' portrayal of the Soviet leader is in some respects flattering, he links Khrushchev with Stalin in the Soviet purges of the 1930s, contrasting with Belgrade's official line that Khrushchev is the best possible Soviet leader.

The book contains numerous gibes at the pettiness of the Yugoslav party. Djilas states, for example, that a pistol given him by Soviet Marshal Konev was confiscated by the Yugoslav secret police in 1956. He also claims that the party shunned him when Stalin chose to hold Djilas personally responsible for Yugoslav complaints over the conduct of the Red Army in Yugoslavia.

Tito and his immediate circle undoubtedly consider

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

Djilas' activities, and particularly his latest book, a betrayal of the trust placed in him when he was conditionally released on parole in January 1961. The circumstances suggest, moreover, that Djilas consciously precipitated his return to prison. He was contemplating such a course as early as last June, in the belief that he is a greater threat to the regime inside jail than out. Djilas fully expects some day to re-enter Yugoslav politics; his book is, perhaps purposely, a testament to his personal qualifications for leadership.

The Yugoslav regime may have known about Djilas' new book for some months. It amended the criminal code on 14 March to make revelation of information acquired while in an official capacity grounds for im-

prisonment--a precise indictment of the book. In any event, Djilas' publisher talked about the book to Yugoslav officials in New York in late March. On 2 April, five days before Djilas' arrest, the Yugoslav secret police summoned him and warned him that he would be tried unless he prevented publication of the book.

The regime has yet to acknowledge to its own people that Djilas has been reincarcerated, suggesting that it has not yet decided whether to jail him for parole violation or try him for a new offense. On the day of his arrest, a regime spokesman told foreign newsmen only that Djilas had been arrested pending an investigation. On 11 April, it announced he had violated parole. 25X1

**SOVIET SCIENTISTS' CRITICISM OF HIGHER EDUCATION IN THE USSR**

Several prominent Soviet scientists have recently expressed dissatisfaction with higher education in the USSR. Their concern for the recruitment and training of future scientists has been evidenced in a series of articles and speeches which have received wide publicity in the Soviet press because of the prestige of their authors. They have complained of admission standards for higher educational institutions which emphasize the ability to memorize facts rather than the ability to think creatively, of the 18-19 years of schooling required for even the brightest students to earn their first academic degree, and of political rather than intellectual criteria used in judging the research work of graduate students.

Nobel Prize winner N. N. Semenov opened the attack in December when he urged that more responsibility be placed on youth, noting that a scientist's most productive years are between 30 and 45. Under the terms of the 1958 reorganization of education,

the brightest students are 26-27 when they receive their first degree. Many of those who receive their higher education through part-time or correspondence schools will be in their 30s or older before they finally take the first steps in their chosen careers.

Igor Tamm, also a Nobel Prize winner, the following month noted that Einstein was 26 when he formulated the theory of relativity, and that French mathematician Gallois had created the basis for the theory of groups before he was 21. Tamm urged that all future physicists, chemists, and mathematicians be relieved of the obligation to work in production before entering a higher educational institution--the top 20 percent of science students are currently exempted from this requirement. Moreover, he criticized interference by "petty politicians" who have complained that graduate students are not active enough in party and state activities. Tamm argued that working on

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important research did not constitute lack of political consciousness.

Nuclear physicist and Lenin prize winner Lev Artsimovich also complained in the same month in *Izvestia* of the advanced age of responsible scientists.

Konstantin Skryabin, Lenin Prize winner and member of the USSR Academy of Sciences, the Academy of Medical Sciences, and the Academy of Agricultural Sciences, in a speech at the party central committee plenum in early March, described the problem of training young scientists as "acute." "Science must be rejuvenated, because the average age of Soviet scholars has reached a rather critical figure." Echoing Tamm's resistance to political criteria, he urged: "Young people must be picked with special care and scrupulousness.... From my point of view, a scientist should be evaluated not by his identity papers but by his head, from the point of view of ability and social usefulness."

M. A. Lavrentyev, head of the Siberian department of the Academy of Sciences and a Stalin Prize winner, followed this with a complaint in *Pravda* that "many people had sneaked into Soviet science" who lacked the proper qualifications. "The growth of the new scientific personnel, both as to quality and as to quantity, does not satisfy us today. Even the most preliminary assessment of the needs for the decade 1970-80 points to the necessity for new drastic measures with regard to the training of scientists in general, and of those of the highest level in particular."

Lavrentyev repeated a proposal which had been made several times earlier, most recently in the *Herald of the USSR Academy of Sciences* last December. "First it is necessary to divide

training in school, beginning with the 9th grade, into physical-mathematical, chemical-biological, and humanitarian." A few schools with differentiated curricula are actually in existence in the USSR on an experimental basis.

Lavrentyev's second proposal was "to improve the selection of students entering VUZes (higher educational institutions) and not to be lenient in assessing the value of those who entered VUZes 'by mistake'.... We are very worried by the problem of recruiting and training scientific cadres...." Previous criticism in the Soviet press of such leniency has been directed specifically at examiners who make allowances for the student's lost years "in production" and accept applicants who are not academically prepared to do VUZ work. Preference for students who had performed such "practical work in the economy" was an explicit feature of the 1958 educational reorganization.

In a joint article in *Izvestia* in late March, chemist V. A. Kargin, winner of three Stalin prizes, and B. Kozlov, "professor," urged that secondary schools take the lead in identifying talent, but direct their chief criticism toward the present system of admission to VUZes as putting too high a premium on the ability to memorize and too little on imaginative and creative thinking.

Soviet education in engineering and technical fields was similarly criticized last summer in a series of tart letters to the editor. The prestige of these current critics as well as of "science" in general in Soviet eyes may result in some modification of the current educational re-  
organization.

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**CURRENT INTELLIGENCE WEEKLY SUMMARY**

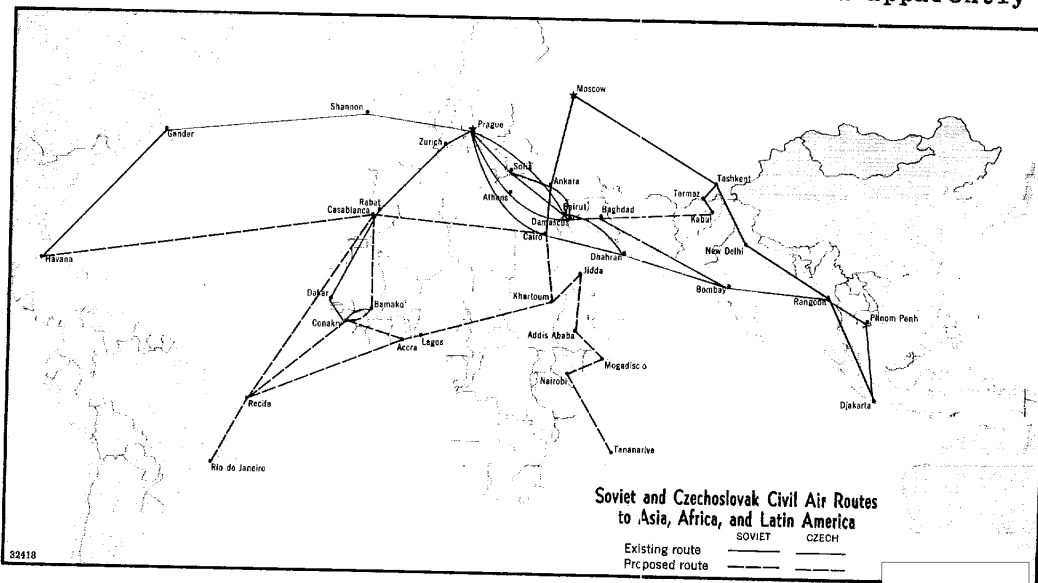
**EXPANSION OF SOVIET CIVIL AIR ROUTES IN AFRICA**

The USSR in the past few months has stepped up its drive to extend its international air routes--presently servicing only European, Middle Eastern, and Asian countries--to countries in Africa and Central and South America. Moscow has recently concluded civil air agreements with Morocco, Mali, Guinea, and Ghana, and negotiations with the Sudan are in progress. Czechoslovakia, which in the past two years had been the most active bloc country in the civil aviation field, is already flying to several West African countries.

According to the draft Soviet-Sudanese air agreement, Aeroflot proposes to fly one route from Khartoum to West African countries and another to East Africa. There also are indications that the agreement includes additional "beyond rights"

for a route to Brazil. Moscow may be planning to fly to Recife and Rio de Janeiro from one of the intermediate points on its West African route, probably either Accra or Conakry.

The Soviets probably intend to begin regular service on the West African route in the near future, linking service to Khartoum with Lagos, Accra, Conakry, Bamako, and Rabat, presumably with technical landing rights at Dakar. Since air agreements are in effect with Ghana, Guinea, Mali, and Morocco, the USSR needs to obtain overflight and landing rights from only Nigeria and Chad in order to initiate flights on this route. There is no indication that Moscow has requested such rights from Nigeria to date, but Soviet interest in obtaining overflight rights from Chad apparently has



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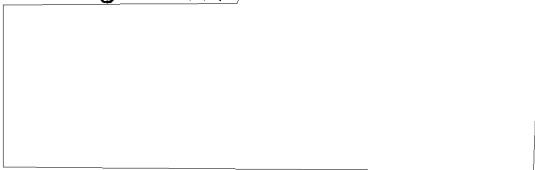
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## CURRENT INTELLIGENCE WEEKLY SUMMARY

been conveyed to Foreign Ministry officials.

The other route proposed by Aeroflot under the Sudanese agreement would link Khartoum with points in Saudi Arabia, Ethiopia, the Somali Republic, Kenya, Tanganyika, and the Malagasy Republic. Aeroflot may encounter difficulties in establishing this route, since air agreements have not been signed with any of these countries and some may be reluctant to negotiate.



The draft Soviet-Sudanese civil air agreement contains most of the provisions standard in Aeroflot's agreements with other nonbloc countries. It provides for the usual safeguards against the carrying of photographic equipment and munitions, and the passengers, crew, and cargo are subject to the country's laws pertaining to passports, customs, currency,

and quarantine. The agreement also has provisos which protect the routes serviced by Sudan Airways. Fees and charges of Soviet aircraft will be in accordance with Sudanese rates and tariffs, thus minimizing possible disregard for International Air Transport Association rates. The agreement also contains the normal provisions on flight safety which, although written without reference to the International Civil Aviation Organization, are based on its standards.

The recently concluded Soviet-Moroccan air agreement permitting Aeroflot to extend its existing Cairo route to Casablanca and from there to Central and South America paves the way for the inauguration of Soviet flights to Cuba, a route long desired by the USSR. Operation of the route, however, will require the negotiation of technical landing rights at intermediate points. At present, Czechoslovakia has the only bloc air line flying to the western hemisphere.

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## NORWAY AND PRIME MINISTER GERHARDSEN

Norwegian Prime Minister Einar Gerhardsen, who arrives in the United States on 9 May for a five-day official visit, in many ways typifies his coun-

try and the Labor party that has ruled it since World War II. Throughout this period, Gerhardsen has been the dominant figure in the party and has been

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prime minister except for the period from 1951 to 1955. Labor lost its absolute majority in the parliamentary election last September; it now has only 74 of the 150 seats. Two seats are held by the Titoist, neutralist-minded Socialist People's party, which eliminated the Communists in this election. The other four parties are generally pro-Western and accept much of Labor's domestic program.

Gerhardsen, sensitive to public opinion, has consistently shown himself conscious both of his country's basic need for strong Western ties and of its continuing nostalgia for neutrality. Along with Foreign Minister Lange, whose lead he accepts in international affairs, he helped guide Norway into NATO and has maintained close relations with the US and Britain. He has been extremely cautious, however, about taking positions Moscow might regard as provocative; Norway does not permit foreign troops or nuclear weapons to be stationed on its soil in peacetime.

Within the rank and file of the Labor party there remains a residue of Socialist distrust of both capitalist and communist countries, and the party is reluctant to divert funds from capital expansion and social welfare to defense. Since 1949 Norway has devoted about 3.5 percent of its gross national product to defense--in contrast to 8 percent by Britain and 5 percent by the Netherlands

**GERHARDSSEN**

--and about 30 percent to investment. Foreign assistance, chiefly American, accounted for over 40 percent of Norway's defense outlays from 1951 to 1961. Labor's reverses in the September election make it reluctant to favor more than nominal increases in defense spending, although 1962 expenditures will be slightly higher than in 1960 and 1961.

Despite the long-standing Norwegian interest in close ties among the Nordic countries--two of which are professed neutrals--Oslo is moving cautiously toward joining the European Common Market. Late last month Parliament voted 113 to 37 to authorize the government to negotiate for full membership.

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY****SOUTH KOREAN - JAPANESE CLAIMS ISSUE**

Normal relations between South Korea and Japan have been blocked for over ten years by problems stemming from World War II and Korea's prior status as a colony of Japan

The Japanese have indicated willingness to pay \$70 million for claims and possibly to make grants of up to \$30 million, plus substantial long-term loans.

It may be late autumn before Tokyo is willing to go ahead with serious negotiations.

UNCO

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Prime Minister Ikeda recently announced that no substantial advance in negotiations was possible until Seoul reduced its demands.

On 17 April Foreign Minister Kosaka emphasized to the US ambassador that in Japanese eyes any debt Japan might owe was largely wiped out by the US transfer of Japanese private and public property in Korea to Koreans after World War II. He said that Korean persistence in "unreasonable" claims might create anti-American sentiment in Japan because of the US role in the "confiscation" of private property.

The South Koreans are seeking between \$400,000,000 and \$700,000,000 in claims and grants to help finance their five-year economic development program.

South Korean strategy appears to be to offer the Japanese concessions on minor issues in the hope of eventually getting a large claims settlement. Foreign Ministry officials have indicated that they appreciate Ikeda's problems, but the foreign minister has warned that, if the prospects for a settlement do not improve, Seoul will break off negotiations and "take other action." This probably means large-scale seizures of Japanese fishing boats.

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**INDIAN COMMUNIST PARTY LEADERSHIP**

In resolving the leadership problem which has handicapped party operations since the death of General Secretary Ajoy Ghosh in January, the Indian Communist party's national

council last week chose a form of "diarchy" in which the generally moderate E. M. S. Namboodiripad will succeed Ghosh and the party's veteran labor leader, S. A. Dange, will fill the newly

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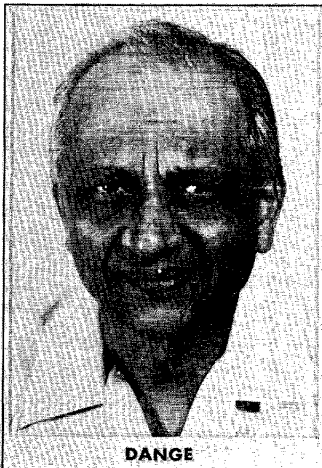
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## CURRENT INTELLIGENCE WEEKLY SUMMARY

created post of party chairman. While this solution is a compromise between the party's warring right and left wings, the net effect is a setback for the radical, pro-Chinese wing and a continuation in control of the larger, Soviet-influenced moderate faction.

Namboodiripad, 53-year-old secretary of the party's branch in Kerala, was chief minister of that state from 1957 to 1959, when the Communist government was toppled--under pressure from New Delhi. An expert on land reform, he has tended to follow a middle course in party affairs. Since the failure of the Kerala experiment, however, he has sought to balance his association with the party's moderate, parliamentary approach by making occasional accommodating gestures toward the leaders of the party's radical left wing.

By mid-March, Namboodiripad was clearly the front-runner in the race to succeed Ghosh,



DANGE



NAMBOODIRIPAD

having become the candidate least offensive to the extremists on the left, consolidated his support among the centrists, and obtained some support on the right. He apparently clinched the job and the "nationalist" right wing's support by agreeing to the creation of the ill-defined position of party chairman for Dange (now age 62), the right wing's leading spokesman and bitter foe of the pro-Chinese left wing.

Working out the form and the functions of the chairman's job will again bring into play the party's endemic personal rivalries and ideological factionalism, and may serve to deepen factional divisions. However, the unwillingness of either wing to bolt the party on the leadership question and the further postponement until fall of discussions of party programs and basic organizational matters suggest that the party factions have not yet reached the point where they want to press their views so hard as to disrupt outward party "unity."

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

## CHINESE COMMUNIST BOUNDARY DISPUTES

Some of Peiping's most vexing foreign policy problems stem from boundary disputes along its 15,000-mile perimeter. The Chinese Communists have recently made boundary settlements with Burma and Nepal, but their dispute with India remains deadlocked. Friction could also develop over the borders with Pakistan, Mongolia, North Korea, and the USSR.

The Chinese Communists consider their boundary problems a heritage in large part of the "unequal treaties" forced on 19th century China by outside powers, including Russia. Peiping, however, is attempting to perpetuate some of the historical high-water marks of Chinese imperial influence with maps which claim sizable areas now under the control of neighbors.

The most flagrant instances of Chinese cartographic aggression occurred prior to 1953--a period when the new regime clamored openly for revolution in the non-Communist lands around it, and may even have envisioned a rapid expansion of its authority into these areas. A passage from Mao Tse-tung's works written in 1939 is suggestive of the aspirations which the Chinese Communists held in common with earlier regimes. Mao noted that the "imperialist powers had taken many of China's dependent states and a part of its territories," citing Taiwan, the Ryukyu Islands, Port Arthur, Burma, Bhutan, Nepal, Hong Kong, Macao, and Annam as cases in point.

By 1953 Peiping's foreign policy line was shifting to allow for greater flexibility in cultivating neighboring governments, and Chinese maps dropped many of the more extreme territorial claims. This was reflected in a 1953 edition of the same 1939 Mao work; in 1953

this list of lost territories was reduced to Taiwan, Hong Kong, Port Arthur, and Kwangchowan (Fort Bayard).

The Himalayan Frontier

Peiping has shown a willingness to abandon territorial claims in cases where overriding political consideration dictated such a course and strategic interests were not endangered. Early Chinese Communist maps had, for example, laid claim to much of the northern half of Burma, and for several years Peiping side-stepped Rangoon's requests for a border treaty. Asian revulsion over Chinese aggression against Tibet and over the border clashes with India in 1958 and 1959 so severely damaged Chinese prestige, however, that Peiping agreed to a settlement with Burma recognizing most of that country's claims. Peiping heralded the agreement as an example of its "peaceful and reasonable" policy in Asia, suggesting that New Delhi was intransigent in resisting fair-minded Chinese attempts to compromise the Sino-Indian border dispute.

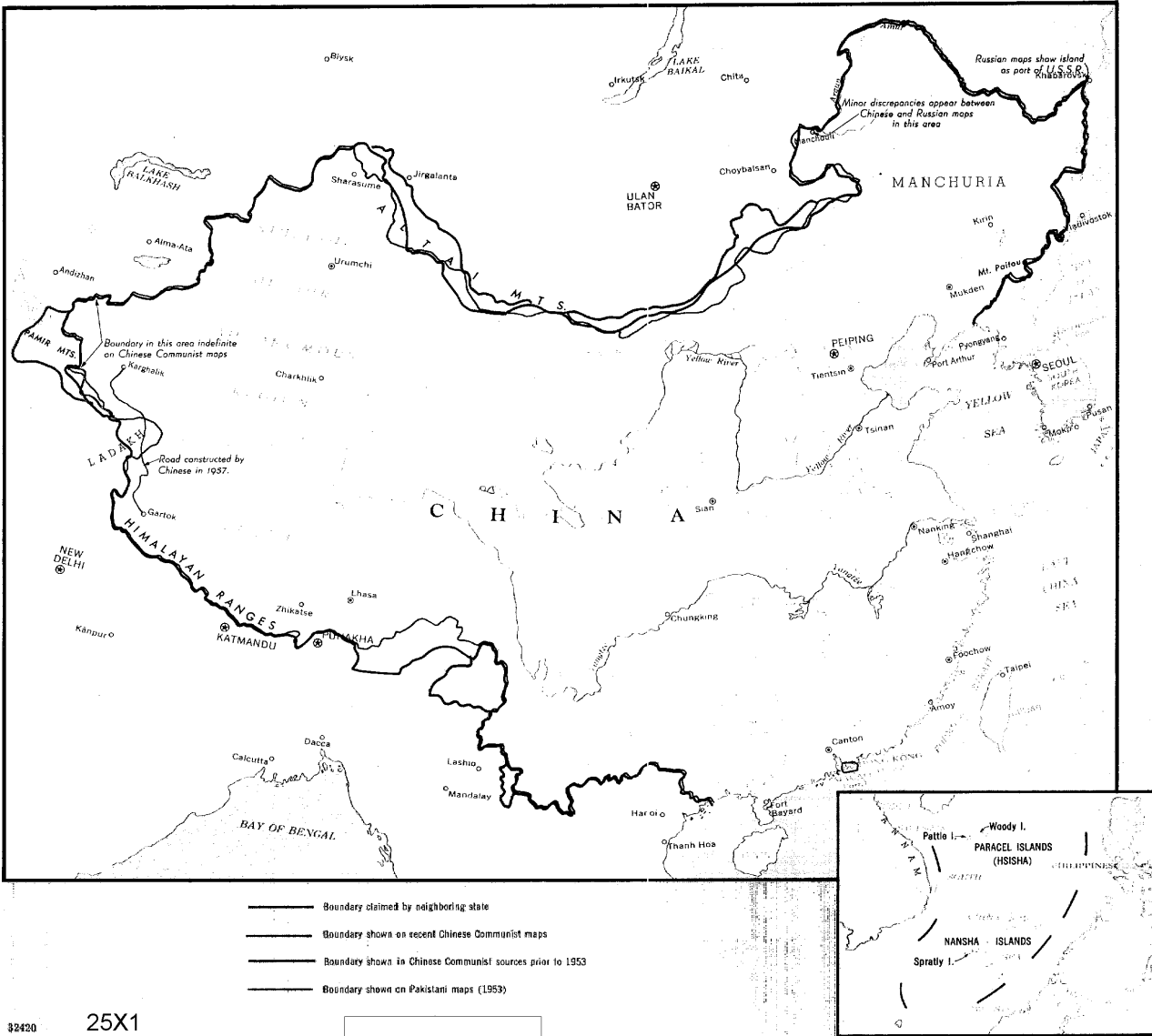
The display of Chinese flexibility in the agreement with Burma was repeated in the 1961 settlement with Nepal. The amount of territory in dispute was small, and Peiping saw an opportunity for political gains at little cost. The Chinese parried Nepali requests for border negotiations until Katmandu agreed to the establishment of a Chinese Embassy.

Peiping has apparently considered the possibility of a similar success with Pakistan, holding out the bait of boundary negotiations to weaken Karachi's present pro-Western foreign policy. Boundary deliberations with Pakistan would also be intended by Peiping--and Rawalpindi--to discomfit India, since New Delhi claims the Pakistan-held

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area of Kashmir which would probably be included in the discussions. Early Chinese Communist maps claimed considerable Pakistani territory, but informal discussions between the two governments indicate that any future negotiations will probably center on ownership of several strategic mountain passes.

Chinese efforts to move India from its firm stand by

signing or threatening to sign border agreements with neighboring countries have so far been unsuccessful. Ever since the border became a heated issue in 1959, New Delhi has rejected all of Peiping's offers. These have involved the abandonment by Peiping of extensive, and vague, claims to territory in India's North-East Frontier Agency in return for Indian acquiescence to Peiping's dominion over land the Chinese have

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occupied in Ladakh at the western end of the border. China has built through the latter area a strategically valuable road linking Tibet and Sinkiang which gives Chinese troops better access than the Indians.

that Peiping has not formally abandoned its claims. The Chinese position is apparently based on a series of 19th century diplomatic notes exchanged between tsarist Russia and imperial China which left the exact border in this sector undefined.

The treaty base for the whole Sinkiang frontier is highly complex, with Peiping probably including agreements made with tsarist Russia on this border among the "unequal treaties" extracted from China.

Soviet Border

The focus of Communist China's boundary difficulties could shift from the Himalayan frontier to the Sino-Soviet border, should political differences between Peiping and Moscow continue to deepen. Diverging Chinese and Soviet cartographic treatment of the boundary have long been apparent, and at least one serious border incident has already taken place.

A likely region for a future flare-up is probably the western end of the Sino-Soviet frontier, where early Chinese Communist maps laid claim to a large section of the Soviet Tadzik Republic. Possibly as a result of Soviet representations, post-1953 Chinese maps were redrawn to coincide largely with the Soviet version of the boundary. However, the Chinese still depict about 180 miles of this section of border as unsettled, a token

Peiping began for the first time

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to publicize the presence of its troops "defending the motherland" at all-weather posts high in the Pamir Mountains.

It is possible that the continued deployment of extensive Soviet ground forces near the eastern half of the Sino-Soviet border in Manchuria is aimed at least in part at keeping Chinese territorial ambitions in check in that sector. Several sources have reported that Peiping claims large areas lying north of the Amur River. These areas were recognized as Chinese in an early Sino-Russian treaty but were awarded the tsars in agreements extracted from the moribund Manchu Dynasty in the late 19th century. Maps of both countries now agree that the Amur River forms the border between Russia and China; however, this might not stop Peiping from advancing claims to areas to the north as bargaining counters in any future Sino-Soviet boundary dialogue.

Even today, there are several differences apparent between Chinese and Soviet maps at points along the Manchurian border; all of them are relatively minor and, as in the west, appear to be based on varying but plausible interpretations of existing border agreements. For example, above the important railway junction town of Manchouli, Chinese maps bulge northward to include some 300 square miles of Soviet-held territory. Chinese maps also follow the most northerly channel of the Argun River, which both sides agree forms the boundary along several hundred miles of the Manchurian frontier. Peiping's map makers, in contrast to the Soviet, also put an island at the confluence of the Amur and Ussuri Rivers, opposite the important Russian city of Khabarovsk, within Chinese territory by following the main channel of the Amur river. The island was occupied by Russian troops during the Sino-Japanese war, and Moscow would

not readily consent to its takeover by foreign forces.

During the past two years, considerable evidence has accumulated to indicate that the former cooperation and contact between Soviet and Chinese border units, widely advertised by both sides as evidence of "socialist unity," have broken down. Publicity on such activities now is rare,



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#### The Asian Satellites

At one time or another, Mongolia, North Korea, and North Vietnam were all part of the Chinese empire, and Peiping's attitude toward these states is an ambivalent combination of Chinese nationalism and Communist fraternalism.

Peiping's interpretation of the Mongolian border derives from a 1913 treaty with Russia which established the autonomy of Mongolia and called for a joint commission to fix the boundary. This commission was never empaneled; thus, from the Chinese point of view, the boundary is still unsettled. Early Chinese Communist maps claimed large areas of both eastern and western Mongolia, including the Altai Mountains, the location of an alleged border clash between Mongolian and Chinese Nationalist troops which got wide publicity in 1947. Post-1953 Chinese maps were changed considerably, but Peiping still claims large areas shown as Mongolian on maps drawn in Ulan Bator.

Boundary differences between China and North Korea center on the ownership of Mt. Paitou, a mountain prominent in the nationalistic folklore of both countries; the Chinese regard it as the legendary home of the Manchus, while the Koreans look upon it as the cradle of the

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Korean revolution. While there is no evidence that either considers possession of the mountain a serious issue, both have recently underscored their claims. The November 1961 issue of Peiping's China Pictorial noted that it was the highest peak in China's northeast, while the 1961 edition of a Pyongyang publication, General Facts About Korea, states that the mountain is in Korea.

Moscow has seemingly lent its support to Pyongyang over the peak--possibly as an incidental gambit in the Peiping-Moscow contest for influence in North Korea and as an earnest of its own attitude toward any future Peiping claim to Soviet territory. In 1961, Soviet Communist boss Kozlov, leading a delegation to Pyongyang, termed Soviet-Korean friendship eternal and inviolable "like the snow-white top of Mt. Paetku," the Korean name for the peak.

Marine Boundaries

As a "legal" underpinning for its charges that US military units operating off the China coast were engaged in "aggression" against China, Peiping decreed in 1958 that its sea frontier extended 12 miles beyond a line drawn arbitrarily through selected islands and promontories along its coast. The exact points of land chosen have not been publicly identified. To document its charges, Peiping began to issue its so-called "serious warnings" over US intrusions inside the line. At several junctures, the Chinese have chosen to pinpoint a small geographic area off the coast in consecutive warnings, possibly in the hope that US units would be ordered to avoid the area and that this could then be construed as tacit US recognition of Chinese Communist claims. For example, Peiping recently concentrated on the Paracel Islands in the South China Sea. Between 24 February and 11 April 1962, the Chinese issued a series of nine consecutive warnings over this area.

As heir presumptive to Chinese Nationalist territorial

claims, Peiping lays title to the Hsisha (Paracel) and the Nansha (including Spratley) islands in the South China Sea. Peiping has made no effort to establish its presence on the Nansha Islands--a bone of contention in recent years between the Chinese Nationalists and the Philippines. In the case of the Paracels, however, Chinese Communist fishermen, guano collectors, and weather observers have homesteaded several of the larger islands in the eastern half of the archipelago. South Vietnam also claims the islands and has established a presence in the western half. Chinese vessels and South Vietnamese naval patrols have clashed in the vicinity several times.

Hong Kong and Macao

The two remaining European possessions along the coast of China are very obviously areas over which Peiping has strong irredentist ambitions. The island of Hong Kong was ceded in 1842 to Great Britain "in perpetuity," and the Kowloon Peninsula, just opposite, was added a short time later. The 1898 British lease on the New Territories--by far the largest part of the Crown Colony of Hong Kong--is due to run out in 35 years. The Portuguese, who have been in Macao over 500 years, also have a 19th century treaty with Imperial China giving them rights there "in perpetuity."

Peiping has specifically denounced these imperial actions as "unequal treaties," and considers both Hong Kong and Macao part of the province of Kwangtung. Maps made in Peiping embrace both territories within Communist China's international frontier, and delegates from the two areas to the National People's Congress in Peiping attend as part of the Kwangtung provincial delegation. In practice, however, the Chinese Communists seem content, at least for the short run, to permit the territories to remain in European hands; they do have a limited usefulness as windows on the outside world, as sources of foreign exchange, and as escape hatches for unwanted elements of the population.

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY****HOUPHOUET-BOIGNY AND THE IVORY COAST**

President Felix Houphouet-Boigny of the Ivory Coast is aggressively anti-Communist and opposed to the "positive neutrality" and radical pan-Africanism of the Casablanca powers. A moderating force among African leaders, Houphouet exerts considerable influence outside his own country. He is a vigorous exponent of reconciliation with the former metropolises and, despite the political risks involved, has kept the Ivory Coast closely aligned with France. The 55-year-old chief of state, who is also premier and foreign minister, will begin a state visit to the United States on 22 May.

Houphouet is an intelligent, affable, and polished man, as well as a shrewd politician who exercises virtually unchallenged control in the Ivory Coast. Aided by a viable economy and a relatively advanced population, he has given the country political stability and a favorable climate for private investment.

**HOUPHOUET-BOIGNY**

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Domestic Situation

Houphouet has the respect of his country's people, both Africans and Europeans. He dominates the only political party, the Democratic Party of the Ivory Coast (PDCI), as well as the government apparatus. Although not as militant or doctrinaire as the government parties of Guinea or Mali, the PDCI nevertheless controls the political life of the country, largely because of Houphouet's great popularity and the party leaders' devotion to him.

The party does have a radical wing, which occasionally agitates for tighter party discipline, faster Africanization, more rapid economic development, and reduction of dependence on France. This element was particularly vocal following Houphouet's visit to Mali last fall, but it is not in a position to force a significant change

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

in Houphouet's evolutionary policies.

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A major obstacle to smooth relations with Houphouet is his almost total reliance on a French national, Minister of Finance, Economics, and Planning Raphael Saller, who has retarded the country's economic development. Saller, one of two non-Africans still holding cabinet posts in former French Africa, is arrogant, indecisive, and unwilling to delegate authority during his own long absences. Saller personifies a policy of the closest relations with France, especially French commercial interests, and recently refused to see representatives of the Agency for International Development. Saller's unpopularity nevertheless has political advantages for the President, since it serves to deflect criticism from Houphouet and his policies. Much of the largely unorganized opposition to the slow pace of Africanization, to the large degree of French influence, to the liberal economic system, and to Houphouet's pro-French foreign policy is spent in efforts to oust Saller.

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Saller's management of economic development has not taken advantage of the Ivory Coast's potential, which by African standards is considerable. The country is the world's fourth-ranking producer of coffee and cocoa, markets a large banana crop, and has much valuable timber, rich deposits of bauxite and diamonds, and a small but growing industrial complex. For 30 years it has enjoyed a favorable balance of trade. Since the opening of the port of Abidjan in 1951, the city has become one of the most important West African commercial centers. Houphouet has announced that free enterprise is the basis for economic development in the Ivory Coast, and foreign companies--mostly French--have made extensive investments. This relatively favorable outlook is clouded, however, by

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Early last fall he

embarked on a fatiguing series of political tours covering almost all 102 sub-prefectures. He renewed the enthusiasm the masses feel for him, listened to grievances and wants, and settled problems with local PDCI committees. In each village he visited, at least 50 percent of the adult population is said to have seen or heard him. This demonstration of personal prestige quickly muted criticism, and should facilitate "government by momentum" for some time to come.

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dependence on protected and artificially high-priced French markets for coffee and cocoa.

Foreign Relations

Houphouet has been avowedly anti-Communist and pro-Western. So far, he has resolutely rebuffed all Communist overtures for trade agreements or diplomatic relations. He is confident that the economic advantages of close ties with France outweigh the political disadvantages of appearing to be a tool of the former colonial power. He has made celebrated "bets" with both Nkrumah and Sekou Touré that in the coming years his own policy will prove more fruitful than the "independence" of Ghana and Guinea.

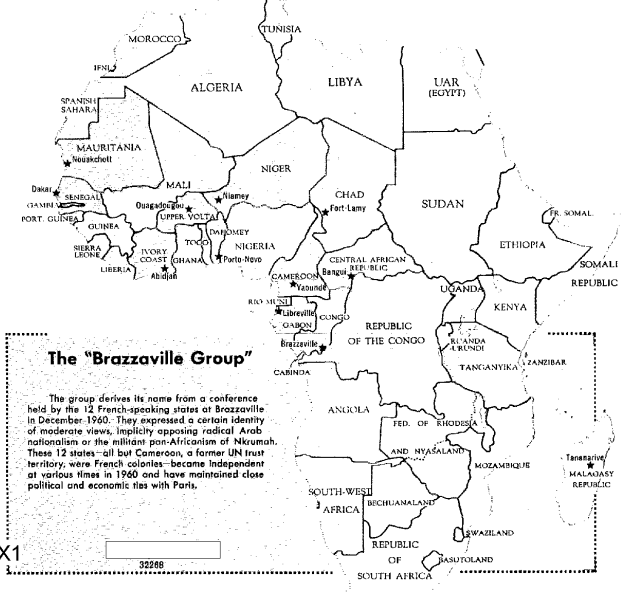
Houphouet's influence in other French African countries is extensive, and he apparently has not given up hope of ultimately regrouping them. Although the RDA ceased to function formally on the inter-territorial plane after the various French colonies achieved independence, and particularly since Guinea and Mali diverged from the others, branches of it are still the official parties in eight other African states,

and associations going back to the old days of the RDA are still strong throughout the area. These probably explain Houphouet's dominant position in the Conseil de l'Entente, a loose association of the Ivory Coast, Upper Volta, Niger, and Dahomey. Houphouet organized the Entente in 1959, largely as a counterforce to the short-lived Mali Federation of Senegal and former French Soudan, and was its first president. Recently, however, he has shown signs of losing interest partly because of quarrels with the Entente's other chiefs of state, notably President Yameogo of Upper Volta, and because of a growing conviction that other groupings will ultimately be more advantageous.

Houphouet apparently still believes that Guinea and Mali will eventually mend their ways and return to some sort of association with other French African states. Both Touré and Modibo Keita of Mali were former loyal lieutenants in Houphouet's RDA, and he is counting heavily on these personal ties. Houphouet has no such illusions with regard to Nkrumah, whom he apparently considers thoroughly under Communist influence.

Houphouet has not opposed the Union of African and Malagasy States, a loose grouping which the 12 Paris-oriented "Brazzaville States" established last fall to coordinate defense and economic policies. However, the Ivory Coast's participation has been cautious at best.

An apparently diplomatic illness prevented his attendance at conferences of these states last September in Tananarive and this March in Banqui. Houphouet agreed only at the last moment to attend the broader Lagos conference of moderate African states in January of this year. He apparently feels that the Ivory Coast, with its superior resources and position, can afford to await a more propitious moment before committing itself thoroughly to this or any other grouping.



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