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CURRENT INTELLIGENCE WEEKLY SUMMARY

21 September 1962

THE WEEK IN BRIEF  
(Information as of 1200 EDT 20 Sept)

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SOVIET FOREIGN POLICY DEVELOPMENTS . . . . . Page 1 25X1  
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Although the USSR has declared a "pause" in Berlin talks, the Soviet leaders took steps last week to make it clear they have not retreated from their commitment to a unilateral settlement if negotiations later this year fail to produce results. Despite hints that contacts with US leaders during the next two months will be the final opportunity to negotiate a Berlin settlement, Khrushchev has kept open a number of alternative courses and thus does not yet appear firmly committed to a separate treaty in the period immediately following the US congressional elections in November.

The Soviet delegation probably will renew efforts to reorganize UN bodies on the "troika" principle. The Soviets apparently plan to use Iran's declaration banning foreign missile bases on its territory to support their charges of US "provocations" staged from overseas military bases.

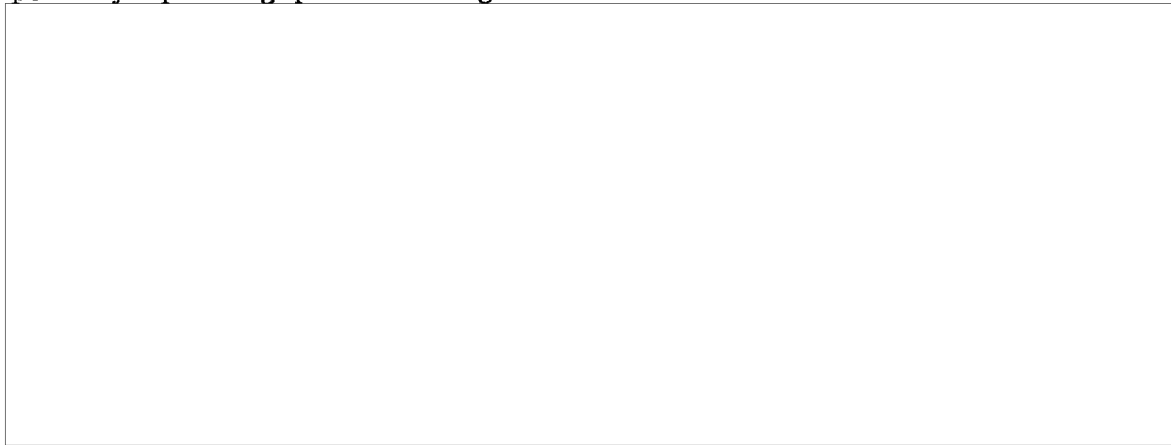
Although propaganda on Cuba continues to charge the US with aggressive plans, Moscow welcomed President Kennedy's "realistic" statements in his 13 September press conference.

SOVIET INTERPLANETARY PROBE FAILURES . . . . . Page 4 25X1  
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The USSR has apparently failed in three attempts in less than three weeks to send an interplanetary probe toward Venus. In the most recent launching, on 12 September, the space vehicle was put into orbit, but the payload failed to eject from the vehicle. Of seven Soviet attempts at interplanetary probes since 1960, six are considered failures and one only a partial success.

CHINESE COMMUNISTS INTENSIFY U-2 PROPAGANDA . . . . . Page 5 25X1

After a slow start Peiping has stepped up its exploitation of the 9 September U-2 incident and is weaving charges of US responsibility for the overflight into a general attack on US "war preparations." In their treatment of the incident the Chinese Communists are also implying that the Soviet Union has "unrealistic illusions about US imperialism." Domestically, the regime is attempting to rally popular support by spurring public indignation over the incident.



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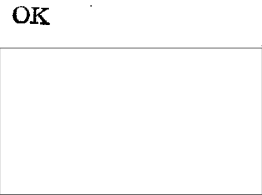
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SYRIA . . . . . Page 10 25X1

A new cabinet has been formed under Khalid al-Azm, an astute politician and forceful executive. Its 21 members are so different in political orientation, however, that their ability to work together is questionable. Army leaders, who have long distrusted Azm, probably retain a veto over cabinet decisions; the army commander in chief is still in the cabinet as minister of defense. The government has promised to hold new elections within a year. The regime meanwhile will rule by decree.



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ALGERIA . . . . . Page 11

Ben Bella's political bureau commands a substantial majority in the Algerian assembly elected on 20 September. Regional interests are likely to gain strength in the assembly, however, after the first flush of enthusiasm for Ben Bella wears off. The National Liberation Front, the erstwhile rebel organization, is to be reorganized as a political party. The military forces of the six wilayas are to be amalgamated with the former Army of National Liberation to form a smaller regular army.

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CONGO . . . . . Page 12

Preliminary steps to implement the UN plan for Katanga's reintegration with the Congo are under way despite continuing evidence that Adoula's and Tshombé's mutual suspicions may thwart the plan and bring serious armed clashes. Adoula has voiced fear that the Congolese parliament may be "out to get him" and that it will not ratify the UN-drafted constitution he wants completed by the end of September. Minor clashes have recently occurred in North Katanga. Leopoldville has apparently dropped for the moment an effort to invade South Kasai to prevent Kalonji, the escaped Kasai secessionist, from joining forces with Tshombé.

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AFRO-MALAGASY UNION . . . . . Page 14

The Afro-Malagasy Union--the organization of twelve African states which retain some political and strong economic and cultural ties with France--is becoming more active in inter-African and international affairs. Despite the group's relatively conservative outlook, a recent conference of the heads of its member states endorsed a program of support for militant African nationalists, including rebels against Portuguese and Spanish colonial authorities. Other African states showed considerable interest in this meeting, and Congo (Leopoldville), Rwanda, and Burundi may join the union during the next year.

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LAOS . . . . . Page 15

North Vietnamese troops apparently remain in key areas in northern and eastern Laos. South Vietnam has recalled its ambassador from Laos in protest against the establishment of relations between Laos and North Vietnam, and formal severance of relations appears imminent.

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SOUTH VIETNAM . . . . . Page 16

The vigorous military effort against the Viet Cong is contributing to a growing sense of confidence among South Vietnamese officials. Communist guerrilla activity has not slackened, however, and Saigon still faces widespread peasant resistance to its programs. Increased peasant participation in rural security measures has resulted partly from coercion. The low quality of some of the local leadership implementing the programs contributes to peasant disaffection.

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WEST NEW GUINEA . . . . . Page 17 25X1

The Indonesian Government, concerned that a separatist movement could develop in West New Guinea, is making intensive preparations to ensure its control of the area. President Sukarno has implied that he will use stern measures if propaganda and economic concessions during the next six years fail to win over the native Papuans. The Dutch-Indonesian agreement of 15 August provides for self-determination of West New Guinea before the end of 1969.

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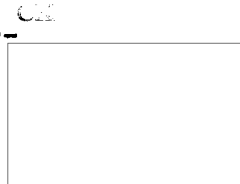
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**THE NETHERLANDS . . . . . Page 18 25X1**

Parliament's recent debate on the West New Guinea settle-  
ment featured some expressions of bitterness over the US  
role in the agreement. Approval of the settlement, however,  
has removed a potentially disruptive political issue and  
has refocused foreign policy interest on European integra-  
tion. The dominant Catholic People's Party and the op-  
position Labor Party appear to be laying the groundwork  
for resuming cabinet cooperation after the national elections  
next spring. [redacted]



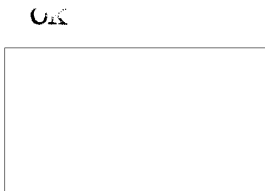
**UK-EEC NEGOTIATIONS . . . . . Page 19**

Negotiations on Britain's entry into the Common Market  
resume in Brussels on 28 September. Difficult economic and  
political issues remain to be dealt with, and the EEC is un-  
likely to make more than minor concessions to ease Prime  
Minister Macmillan's problems at home and with the Common-  
wealth. At the 10-19 September Commonwealth conference,  
Macmillan was able to avert a concerted condemnation of his  
policies, but Commonwealth dissatisfaction will feed the  
opposition in Britain to EEC accession. [redacted]

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**FRENCH MILITARY MANEUVERS . . . . . Page 20 25X1**

France will hold its largest military exercise since  
1939 during the first half of October. Some 50,000 army  
personnel, 1,100 aircraft, and at least 60 warships, will  
be involved. Designed in part to retrain returnees from  
Algeria in large-unit operations [redacted]



It may be intended  
to furnish support for his theories on the feasibility of  
national, rather than NATO, defense of France. [redacted]

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**BRAZIL . . . . . Page 21 25X1**

President Goulart and Congress have again compromised  
their differences over the locus of power, thus providing  
a breathing spell until the 6 January plebiscite on Brazil's  
constitutional system. Attention now is focused on the 7  
October elections. Gubernatorial races in three states  
provide a test for left-wing forces, particularly in Pernam-  
buco, key state of the impoverished northeast in which pro-  
Communist Miguel Arraes is a leading contender. [redacted]



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**CHILE . . . . . Page 22**

President Alessandri has apparently decided to delay  
currency devaluation until mid-October. In return the  
Radical Party, which is about to leave his coalition, may  
take an independent position rather than unite with the  
opposition. The Communist-dominated opposition continues  
to gain public support, and Chile's dispute with Bolivia  
over the Lauca River waters remains at an impasse. [redacted]

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SPECIAL ARTICLES

THE EUROPEAN COMMON MARKET'S ENERGY POLICY . . . . . Page 1

Ministerial representatives from the six European Common Market (EEC) countries will meet on 5 October to discuss a common energy policy--one of the major fields where agreement has not yet been reached on measures necessary to achieve an economic union by 1970. Agreement has hitherto been blocked by conflicting national interests--notably West Germany's coal industry, France's investments in Saharan oil development, and Italy's desire for cheap fuel. A common policy is not likely to be reached on 5 October, but some progress toward this goal has recently been evident. Present proposals envisage an energy policy less protectionist than those of most of the individual EEC countries which, if adopted, could benefit US oil and coal exporters. Britain has indicated it will participate in formulating and implementing a common energy policy if it joins the EEC.

[Redacted]

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AFRICAN STUDENTS' CONFERENCE . . . . . Page 5

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Developments at the recent meeting in Belgrade of Africans studying in Europe indicate that Moscow has indoctrinated many of Africa's potential leaders with its brand of Marxism. The meeting was organized largely by the Ghanaian-dominated Committee of African Organizations in London and may have been intended as another vehicle to promote Nkrumah's radical nationalism. However, the preponderance of delegates from Soviet bloc countries suggests a degree of Communist influence which compromised this objective.

[Redacted]

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"BANTUSTANS" IN SOUTH AFRICA . . . . . Page 9

The government of South Africa is stepping up the development of "Bantustans"--areas into which the country's Africans are supposed to be segregated and theoretically allowed to develop along their own lines. One such area has already received a measure of autonomy, and Prime Minister Verwoerd has said that all of them may someday become independent. These developments are designed mainly to impress the country's whites and to make the policy of apartheid more acceptable to its overseas critics. Verwoerd will be hard pressed to control the pressures among the Africans which the idea of "Bantustan" independence is bringing to the surface.

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