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CURRENT INTELLIGENCE WEEKLY S'MMARY

30 November 1962

THE WEEK IN BRIEF (Information as of 1200 EST 29 Nov)

Soviet IL-28 bomber aircraft are being disassembled and removed from Cuban airfields. The Castro regime's military forces have returned to an almost completely normal defensive posture, and regime leaders are beginning to exhort the people to concentrate once again on increasing economic production. Cuba's 25 November official communiqué on the Caribbean crisis rejected any international verification of weapons removal unless the UN inspected US territory.

The Soviet leaders apparently intend to pursue a temporizing and cautious course in the immediate post-Cuban crisis period while they concentrate on rebuilding the USSR's prestige and position. They are stressing their desire to liquidate the Cuban problem as quickly as possible and to move on to the settlement of other issues, although they are playing down the urgency of the Berlin question.

Mikoyan has tried to put the best possible face on his difficult and, at times, acrimonious negotiations with the Cuban leaders. The usual joint communique was not forthcoming, and Mikoyan did not even hint at new economic or military assistance agreements. Moscow continued to stress that a "final solution" of the Cuban problem depends on a formal US noninvasion commitment.

While the USSR contends that the relaxation of tensions in Cuba has created a favorable atmosphere for the resumed Geneva disarmament talks, there have been no indications that there will be any early major changes in the Soviet position.

Intensive political jockeying has accompanied the eight days of quiet on the military fronts since Peiping's self-imposed cease-fire went into effect on 22 November. Indian tactics have been to play for time, to observe the cease-fire, to regroup forces, and to await signs of Peiping's scheduled withdrawal on 1 December. The Chinese, seeking to exploit neutralist desires for a peaceful settlement, are making a major effort to influence the planned meeting of six nonaligned powers in Colombo early in December. Peiping hopes neutralist leaders will prod India to the conference table on Chinese terms.

SOVIET PARTY AND GOVERNMENT REORGANIZATION Page 9

The Soviet party central committee last week approved a series of high-level organizational changes and personnel appointments as the first steps in implementing Khrushchev's recent plans for strengthening centralized party control of

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day-to-day administration of the economy. To staff the new party administrative bureaus and government posts, several newcomers have been brought into the top leadership, particularly into the enlarged central party secretariat, and some of Khrushchev's younger lieutenants have made substantial gains in their power positions. Full implementation of the scheme to organize industrial and agricultural branches at all echelons of the party, however, will probably not be completed before mid-January at the earliest.

KADAR'S "NEW TREND" REAFFIRMED AT HUNGARIAN CONGRESS . . . Page 11

The Hungarian party congress last week reaffirmed First Secretary Kadar's moderate domestic policies and his regime's support for Khrushchev's foreign policies and leadership of the bloc. While there were no major personnel changes--in contrast to the recent Bulgarian congress--Kadar warned the hard-line element that the future of all functionaries depends on their ability and on their support for his policies. The Hungarian congress provided the second occasion in less than a month for a confrontation between the Soviet and Chinese parties, and a heightening of the temper of their mutual recriminations resulted.

AIRCRAFT RE-EQUIPMENT PROGRAM IN EASTERN EUROPE

Bloc air capabilities in Eastern Europe have steadily improved with the acquisition of 500 or more new-generation aircraft, mostly fighters, in the past two years. Although the number of high-speed (Mach 2) fighters in the forward area may have doubled since early 1962, they still comprise only about 11 percent of the total fighter strength. Soviet air forces in the satellites have a higher ratio of new-generation fighters than do any of the four satellite national forces which have such aircraft.

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YUGOSLAV RELATIONS WITH THE SOVIET BLOC Page 15

President Tito apparently intends to go ahead next week with his long-awaited "private" visit to the USSR. Neither country is apparently willing to let their recent low-key ideological exchanges interfere with the pace of their reconciliation. Fruitful results from the trip are likely in the area of state political and economic relations. The Yugoslavs will push their bid for some form of observer status in CEMA and will probably discuss utilization in 1963 of the credit granted by Moscow last July.

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The Adoula government survived a motion of censure on 28 November, but less than half of the deputies voted for Adoula. In his weakened position, Adoula now is likely to be even less flexible with Tshombé, more demanding on

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the West and the UN for immediate strong measures against the Katanga leader, and more willing to compromise with proponents of closer cooperation with radical African states and the Soviet bloc. 25X1 THE SITUATION IN LAOS Page 18 Following leftist Prince Souphannouvong's return to Vientiane on 20 November, the three Laotian factions have agreed to form an integrated army and police force. Premier Souvanna, while welcoming this development, remains suspicious of Pathet Lao goodwill. The downing on 27 November of a <u>US-chartered</u> plane attests to his lack of control over leftist elements. DEVELOPMENTS IN SOUTH VIETNAM Page 19 Two major Viet Cong attacks in the period 25-27 November suggest that the Communistsare increasingly willing to mount operations involving larger units. The prevailing Viet Cong pattern continues to be guerrilla activity and harassment of the strategic hamlet program. SOUTH KOREAN SECURITY CHIEF PREPARING FOR POLITICAL POST . Page 20 Security chief Colonel Kim Chong-pil is evidently moving into a more openly political role. He probably will head the government-supported political party in next year's elections inaugurating a new, ostensibly civilian regime. As part of his campaign, Kim is attempting to exploit his recent Washington visit by claiming that he obtained full US support for the ruling military junta. In view of his unsavory reputation, however, his new role is more likely to crystallize the opposition than to broaden the junta's public support. 25X1 LAND REFORM ACCELERATES IN IRAN Page 21 The Iranian Government is stepping up the distribution of land to peasant proprietors. Taking advantage of the public indignation over the murder of a land reform official, the government has declared martial law in one province in order to push the land reform program and intimidate the landlords who have formed the core of opposition. The armed forces appear capable of dealing with any opposition which might result from the increased pace of the program. FRENCH NATIONAL ASSEMBLY ELECTIONS Page 22 The National Assembly elections have refurbished De Gaulle's image as the unchallenged spokesman for France and will enable him to pursue vigorous domestic and foreign policies. The non-Communist left and center parties will be under pressure SECRET iii

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to surmount traditional differences and form a democratic alternative to the Gaullist majority. The Socialist Party, however, may be embarrassed by its heavy debt to the Communist Party (PCF) for election support. The PCF quadrupled its assembly representation, but in terms of both popular vote and number of deputies it is still far below its pre-De Gaulle strength.

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BRITAIN, EURATOM, AND THE COAL-STEEL COMMUNITY Page 26 Although overshadowed by Britain's negotiations with the Common Market, issues of considerable importance are involved in London's bid for membership in the other two European communities -- EURATOM and the Coal-Steel Community (CSC). Among these issues are Britain's contribution to EURATOM's research program, Britain's nonmilitary nuclear agreements with the US, and the further delineation of EURATOM's jurisdiction with respect to the nuclear weapons programs in both the UK and France. The CSC-UK talks now are concerned primarily with the compatibility of Britain's national coal and steel boards with the CSC treaty, but the more important CSC problem may ultimately be the control of cartel arrangements between the coal and steel industries in Britain and on the continent. GUATEMALA'S AIR FORCE REVOLT Page 28

Dissatisfaction with President Ydigoras and plotting against him will probably continue, although his success in suppressing the recent air force revolt and the army's support for him will discourage his opposition. Indiscriminate arrests of air force personnel as well as civilians have caused widespread resentment. Thus far, there is no confirmation of Ydigoras' charges of Castro-Communist backing of the attempt.

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The incumbent Nationalist (Blanco) Party has narrowly won the 25 November national elections, according to official preliminary returns. The major opposition faction refuses to concede, however, and the final results may not be known until early next year.

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SPECIAL ARTICLES

SINO-SOVIET BLOC AGRICULTURAL SITUATION Page 1

Food supplies will remain tight throughout most of the Sino-Soviet bloc during the winter of 1962 and spring of 1963. In the USSR, agricultural output in 1962 made almost no gain for the fourth straight year, and grain output is no larger than the mediocre 1961 crop; food shortages will probably develop in some parts of the country. Grain production in Communist China will be only slightly better than the poor 1961 harvest, and the Chinese consumer is in for another hard winter. The grain harvest in the European satellites is the smallest in four years, and food supplies this winter are expected to be below the level of last year. North Vietnam continues to complain of agricultural problems and consequent food shortages; North Korea, on the other hand, appears to be maintaining relatively good levels of agricultural output.

PRESIDENT ALESSANDRI OF CHILE Page 5 Since his election in 1958, President Jorge Alessandri has had to cope with a succession of economic crises which have fostered growing Communist political strength. During the remaining two years of his term, his object will be to drive through more of the measures called for under Chile's ten-year plan for economic development, including land reform. In pursuit of the outside assistance needed to achieve his economic goals, Alessandri will arrive in the US on 10

December for a four-day visit.

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CUBA

The dismantling of Soviet IL-28 (Beagle) jet light bombers in Cuba is proceeding. Aerial photography revealed that only four of the seven to eleven bombers once completely assembled at San Julian airfield remained intact, and that all nine of the unopened IL-28 fuselage crates at Holguin airfield had been removed. Seven of the 20 unopened fuselage crates at San Julian have also been removed.

Withdrawal of all IL-28 aircraft from Cuba--42 of which had been identified from photography--would reduce Cuba's inventory of bomber aircraft to 17 B-26s remaining from the Batista period. At least six of the B-26s are considered derelicts.

Other Soviet weapons systems and military installations in Cuba remain operational. Photography ______ showed little change in two of the four identified Soviet armored group encampments on the island. Construction of permanent building facilities appears to be progressing at the encampments near Remedios in northern Las Villas Province.

There is some evidence that Cuban ground forces may have been guarding a Soviet camp in the Mayari Arriba area in the mountainous interior of Oriente Province, some 40 miles northwest of the Gutantanamo naval base. Photographic reconnaissance revealed a concentration of trucks and con- 25X1 struction equipment in the Mayari Arriba area. Approximately 45 large shipping crates similar in appearance to others observed at the Banes coastal defense cruise-missile site were also observed in the area.

Final identification of the function of the Mayari Arriba installation cannot be made on the basis of the evidence now available, but it may be a storage or supply point. Its interior location argues against its identification as another cruise-missile site.

The Castro regime's military forces have returned to an almost completely normal defensive posture.

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civil air

traffic has returned to normal. No incident involving Cubans or Soviets firing on foreign objects has been reported despite Castro's continued threats that such action would be taken.

Regime propaganda media are giving increasing emphasis to winning "the battle of production." Despite Cuban claims to the contrary.

the month-long disruption in the economy caused by military mobilization efforts has further weakened Cuba's economic position. 25X1

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Indications are that the coming sugar crop--still the mainstay of the economy--will be no better than last year's poor one and possibly even poorer. The harvest is scheduled to begin in mid-December.

The death of Cuban National Bank President Raul Cepero Bonilla in the Brazilian airliner crash on 27 November may also have unfavorable domestic economic repercussions. Cepero was one of the few remaining members of the Castro cabinet appointed in January 1959 and was one of the regime's best trained economists.

Also killed in the crash were Juan Vezquez Noyala, a leftist Mexican economist on Cuba's Central Planning Board (JUCEPLAN), and Armando Valdes Quesada, a high Cuban Foreign Ministry official. Cuba's official "answer" on 25 November to President Kennedy's 20 November statements regarding Cuba sought once again to place all blame on the US for the "so-called Caribbean crisis." Issued immediately following Mikoyan's televised farewell speech to the Cuban people, the statement attacked in the customary hostile terms what Cuba alleges are US "aggressive designs" regarding Cuba.

The statement said that Cuba reserves the right "to acquire arms of any kind for its defense." The assertion was made that Cuba would accept international inspection only if the UN were to inspect the territory of the US, Puerto Rico, and "other aggressive sites." The communiqué also described Castro's five points as "indispensable for the real solution of the crisis."

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SOVIET FOREIGN POLICY DEVELOPMENTS

The Soviet leaders apparently intend to pursue a temporizing and cautious course in the immediate post-Cuban crisis period while they concentrate on rebuilding the USSR's prestige and position. They are stressing their desire to liquidate the Cuban problem as quickly as possible and to move on to the settlement of other international issues.

Soviet propaganda has claimed that the world is near an important turning point. For the first time since the period between Khrushchev's visit to the US in the fall of 1959 and the abortive summit meeting in May 1960, Moscow has emphasized the theme of mutual concessions to achieve compromise agreements.

An <u>Izvestia</u> article on 24 November by the authoritative commentator Polyanov asserted that the example of "reasonable compromise" on Cuba must play a decisive role in the settlement of other disputes of a "chronic" but not "critical" nature. Polyanov listed a nuclear test ban, general disarmament, a NATO - Warsaw Pact nonaggression treaty, and nuclear-free zones in Europe, Africa, and Latin America, but omitted Berlin and Germany

This treatment is consistent with the general post-Cuba Soviet line of playing down Berlin and a German peace treaty, although these issues continue to be mentioned in other organs of the Soviet press such as Literary Gazette. The East German party program published on 23 November, which will be adopted at the party congress in January, contained only a perfunctory restatement of bloc demands for a peace treaty and a free city.

Cuba

Mikoyan's statements at the end of his mission to Cuba and the demonstrative farewell accorded him by Cuban leaders were clearly intended to put the best possilbe face on difficult and, at times, acrimonious negotiations. The usual joint communiqué marking the conclusion of such talks was not forthcoming. In his farewell speech, the best that Mikoyan could claim for his mission was that Castro had expressed satisfaction with "our exchange of impressions" and that both he and Khrushchev shared this "opinion." Although Mikoyan referred to unspecified Soviet "guarantees to Cuba" and reaffirmed the USSR's intention to continue to help Cuba, he did not even hint at new economic or military assistance agreements.

Mikoyan, however, tried to strengthen the impression of successful talks and close relations in a message to the Cuban leaders from his plane while en route to New York. He referred to the talks as having taken place in an atmosphere of "sincerity, trust, and inviolability of the bonds of friendship between our parties, governments, and peoples."

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Moscow continues to give routine attention to the US-Soviet negotiations, stressing that a "final solution" of the Cuban problem now depends on the implementation of President Kennedy's offer of assurances against a US invasion. Mikoyan, backed by the Soviet press, reaffirmed pro forma support for Castro's "five demands" and for Cuba's insistence on reciprocal UN inspection in both the US and Cuba.

Soviet presidium member Kuusinen's speech at the Hungarian party congress on 21 November continued the process of developing Moscow's justification for its backdown in Cuba. He claimed that "rapid and effective measures to save the situation" were essential because a US attack on Cuba "was an hourly possibility." He contended that the danger of a new world war had never been greater in the period since World War II. He credited Khrushchev with achieving a "reasonable compromise" which committed the US to "respect the independence of revolutionary Cuba."

Kuusinen introduced a new theme by charging that the USSR's restraint had undercut efforts by "reckless supporters of a military adventure" in the US to provoke the Soviet Union to "act rashly" in order to gain a pretext for "unleashing a nuclear war."

Kuusinen's speech also reflected Soviet sensitivity to attacks by bloc critics on Khrushchev's behavior. He denounced "certain figures far removed from Cuba" who are raising a "hue and cry that one should have acted quite differerntly." Although he mentioned only the Albanian leaders specifically, the real target was Peiping. He deplored "irresponsible accusations of capitulation" and said "these ultra-left-wing fault-finders" were incapable of giving Cuba "the slightest degree of practical support."

Disarmament and Nuclear Test Ban Talks

Moscow is emphasizing that the successes to date in relaxing tensions over Cuba have created a favorable atmosphere for the resumed negotiations at Geneva. The Soviet delegation tried to sound a positive note and contended that the "concessions" on a general disarmament program announced by Gromyko at the UN General Assembly last September marked an important step forward.

At the opening session, however, Soviet delegate Tsarapkin recited the familiar charges that the West is blocking agreement with its control proposals aimed at "legalizing" espionage. The first weeks of the new round of talks will probably be confined to probing the Western position in the aftermath of the Cuban crisis. A Czech delegate told a US official that "nothing much could be done" until after the first of the year.

The Soviet delegate to the Geneva nuclear test-ban subcommittee and Soviet propagandists have continued to express opposition to any compulsory on-site inspections on Soviet territory. In his 26 November speech at Geneva, Tsarapkin did not mention "black boxes" or a moratorium.

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He stated that the USSR still regards the proposals on a test ban made last April by the eight nonaligned states as a basis for successful discussion--without indicating any change in the Soviet position that these proposals provide for voluntary rather than obligatory on-site inspections. He reaffirmed that the USSR "insists" on an end to all tests without any exception, in all environments--including underground --and for all time.

Over the longer term, however, Moscow may put forward a "compromise" plan for a test ban. Bloc spokesmen have recently professed to find the positions of the US, Britain, and the USSR "much closer" togethand have stated that only \mathbf{er} a small impetus is needed to remove the last obstacles to an agreement.

Prior to the resumption of the Geneva talks, Soviet UN delegates hinted that Moscow might make a moratorium proposal. Izvestia commentator Matveyev suggested in a 20 November article that the new moratorium proposal might be for a fixed period of limited duration while negotiations continue on a treaty banning underground tests. He specified a five-year period.

Polish UN delegate Lachs told a British delegate on 20 November that he "surmised" the Soviets might present a proposal combining the "black boxes" scheme--suggested in early November by Soviet First Deputy Foreign Minister Kuznetsov to Ambassador Dean--with acceptance of a relatively small number of on-site inspections Lachs implied that the proposal might modify the Soviet position that the eight-nation memorandum provided for voluntary rather than obligatory on-site inspections.

In a meeting with Ambassador Dean on 25 November, Tsarapkin agreed that it was desirable to keep the discussion of the question of nontransfer of nuclear weapons a matter for private bilateral talks. In view of this, he suggested that another Soviet item--such as a NATO - Warsaw Treaty nonaggression pact or nuclear free zones --be discussed in the committee of the whole to give balance.

On the question of a recess, Tsarapkin agreed that 21 December would be an appropriate date to adjourn. When the US delegate suggested that 8 January might be a suitable reconvening date, he said it seemed satisfactory but that he would have to refer the question to Moscow.

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SING-INDIAN BORDER

Intensive political jockeying has accompanied the eight days of quiet on the military fronts since Peiping's selfimposed cease-fire took effect on 22 November.

India has played for time in hopes that the badly needed cease-fire would not be broken before Peiping began its scheduled withdrawal on 1 December. Indian spokesmen have sought to make clear the unacceptability of China's basic thesis that negotiations would be facilitated by the establishment of a 25mile-wide no-man's-land along the whole of the border as the Chinese say it existed on 7 November 1959.

New Delhi, however, has stopped short of formal rejection of the Chinese plan. It is using the time available to present its case to the world and to undertake regroupment of its battered forces.

Communist China continues to stress the importance of moving the Sino-Indian dispute to the conference table. Foreign Minister Chen Yi has urged Asian and African leaders to use their influence to prod New Delhi into negotiations.

The Chinese have welcomed Ceylon's proposal for a sixnation gathering in Colombo early in December to formulate a joint mediation in the Sino-Indian dispute. Ne Win of Burma, Sukarno of Indonesia, Sihanouk of Cambodia, Nkrumah of Ghana, and Nasir of the UAR have been invited. Ne Win and Sihanouk have accepted and will attend in person; the UAR, Ghana, and Indonesia will probably send foreign ministers.

India is cool to Ceylon's proposal. Concerned over the imminent prospect of what it considers to be uninformed thirdparty meddling, New Delhi has sent high-level diplomatic teams to most of the capitals involved to ensure that the participants understand fully India's version of the whole boundary dispute.

The Chinese in turn have dispatched Vice Foreign Minister Huang Chen to Southeast Asia to present Peiping's case. The Chinese probably hope that India can be detached from the nonaligned bloc. They are assiduously publicizing India's dependence on the West for military assistance and suggesting that New Delhi's equivocation on the 21 November cease-fire statement is due to US influence. At an Albanian Embassy banquet on 28 November Chen Yi castigated the US for attempting to tie India "to its war chariot" and warned that it would be "most dangerous" for the Indian Government to continue "to act in accordance with US desires."

Chen Yi emphasized once again that Chinese forces would "start to withdraw" on 1 December as scheduled. Neither his nor other Chinese statements, however, commit Peiping on the date when its withdrawal will be completed.

The Chinese are attaching considerable importance to the idea of a demilitarized zone: Peiping's People's Daily, for

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example, indicated on 22 November that a stable settlement was not possible if the Indians reoccupied Towang in the North East Frontier Agency. Indian moves to regain territory close to the McMahon Line or Indian refusal to pull back 20 kilometers in the middle and western sectors of the frontier might cause the Chinese to protract the promised withdrawal of their forces.

Moscow continues to maintain its neutrality on the border issue and to withhold comment on the Chinese proposals. Obviously concerned over the implications of Indian acceptance of Western arms aid, Moscow is persisting in its efforts to preserve its position in India--without, however, seriously jeopardizing its relations with China.

The Pakistani Government, after earlier tacitly encouraging the popular outcry against Western arms aid to India and demands for a foreign policy realignment by Pakistan, has begun to warn that foreign policy shifts could hurt the country's long-term interests. The warnings followed an embarrassingly enthusiastic response from opposition members of the National Assembly. The opposition demanded that Mohammad Ali resign as 25X1 foreign minister and that Pakistan withdraw from CENTO and SEATO.

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SOVIET PARTY AND GOVERNMENT REORGANIZATION

At the final meeting of its week-long plenum, the Soviet party central committee on 23 November approved a series of high-level organizational changes and personnel appointments as the first steps in implementing Khrushchev's recent plans for strengthening centralized party control of day-to-day administration of the economy. In staffing the new party administrative bureaus and government posts, several newcomers have been brought up to work directly under Khrushchev, and some of the younger leaders have made substantial gains in their power positions.

The chairmen of the party bureaus organized thus far will also serve as members of the powerful central committee secretariat, which has been expanded from eight to twelve members. A similar expansion has been effected in the council of ministers, where the number of deputy premiers has been increased from six to nine.

The specific job assignments under the new system indicate that Khrushchev, Brezhnev, Kozlov, Mikoyan, Kosygin, and probably Suslov will continue to function as a kind of inner presidium or executive committee. Nevertheless, by parceling out specified areas of responsibility to younger men, Khrushchev may have cut into the strength of some of the senior leaders without formally altering their status.

Of the younger leaders, former secret police chief Aleksandr Shelepin seems to have profited most from the changes. He remains on the secretariat--to which he was promoted last year--and has been named a deputy premier. He will in addition head the new Committee of Party and State Control, the joint partygovernment enforcement arm which will apparently function as an economic police force. He will probably continue to have some supervisory responsibilities over the Committee for State Security (KGB) as well.

Leonid Ilichev, also brought into the secretariat last year, will head the newly formed central committee Commission for Ideological Affairs. This appointment could infringe on the responsibilities of Suslov, who has long been a principal spokesman on ideology. Party secretary Petr Demichev has been named chairman of the new bureau for chemical and light industries.

The four newly elected party secretaries are men of lesser stature; until now, all had been chiefs of staff departments in the party's central apparatus. Three of them--Aleksandr Rudakov, Vasily Polyakov, and Vitaly Titov-were chosen to head new bureaus in the key areas of industry, agriculture, and personnel re-spectively. Yuri Andropov, who has been head of the department for liaison with bloc Communist parties, was made a secretary apparently without receiving a bureau assignement. It is likely that these newcomers will act essentially as deputies to some of the senior leaders.

Only one change was made in the composition of the party presidium. Leonid Yefremov, party boss in the Gorky heavy industrial complex, was promoted to candidate membership.

On the government side, Dmitri Polyansky has been moved

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THE TOP SOVIET HIERARCHY - NOVEMBER 1962

DEMICHEV - Chairman, Central Committee Bureau for Light and Chemicai industries ILICHEV - Chairman, Commission on Ideology, Central Committee RUDARCV - Chairman, Central Committee Bureau for Austry and Construction POLYAKOV - Chairman, Central Committee Bureau for Agriculture ITIOV - Chairman, Commission on Organizational - Party Questions, Central Committee

NEWLY FORMED POSTS

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up to become another deputy premier--apparently without portfolio--and replaced as governmental chief in the Russian Republic (RSFSR) by Gennady Voronov, one of Khrushchev's chief agricultural aides There were several other shifts, the most important being the appointment of former planning chief Venyamin Dymshits to head the new National Economic Council--the group responsible for management of the economy.

Other top-level personnel appointments will probably be made in the near future. The bureaus for agriculture and industry in the RSFSR and the Central Asian Bureau--called for by Khrushchev in his 19 November speech to the plenum-- evidently have not yet been staffed. At the secondary echelons, changes are likely to be made slowly.

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The proposed amalgamation of the existing 100 regional economic councils (sovnarkhozes) into 40 larger units will probably be formalized at the Supreme Soviet session scheduled to open on 10 December. During the next several weeks, regional and local party conferences throughout the country will be held to establish party industrial and agricultural branches. As a result, Khrushchev's reorganizational plans are unlikely to be fully realized before mid-January at the earliest.

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KADAR'S "NEW TREND" REAFFIRMED AT HUNGARIAN CONGRESS

The eighth Hungarian party congress last week was the forum for the reaffirmation of the relatively moderate domestic policies which have character ized First Secretary Janos Kadar's attempt to build a viable Hungarian brand of Communism. Emphasizing a pragmatic rather than doctrinaire approach to solving Hungary's particular problems, the Kadar line, sometimes termed the "New Trend," basically is aimed at enlisting popular support for regime programs.

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Typical of Kadar policies which were endorsed at the congress are the general use of incentives to encourage higher industrial and agricultural production, the opening of all but party jobs to qualified nonparty people, and the elimination of class background requirements for entrance to higher educational institutions. While these programs have led, and will continue to lead, to a better life for many Hungarians, particularly those living in urban areas, they do not promise any real progress toward political freedom.

The reaffirmation of the "New Trend" and the enactment of a new, more liberal party statute reflect the continuing process of de-Stalinization in the Hungarian party. The congress did not, however, undertake new purges of high party functionaries. This aspect of the party's reorientation began last fall and concluded this August with disciplinary actions against 26 party members--including politburo member Kiss and former party bosses Rakosi and Gero--for their roles in Stalinist purge trials.

While there were some changes in jobs and responsibilities, none of the politburo or secretariat members were disgraced at the eighth congress. All ten full members of the politburo were re-elected, and three strong Kadar supporters were elevated from alternate to full membership. Two former party secretaries were dropped, but were appointed at the same time to important posts, one as an alternate politburo member and the other as a deputy premier. In addition, seven central committee experts were named to the party secretariat or to the politburo.

The central committee, whose new membership has yet to be announced, was expanded from 70 to 81 full members and from 22 to 39 candidates. Only six former members were dropped; they were described by a Western press informant as "well-known functionaries who had long opposed Kadar."

Kadar evidently has eschewed using the congress to purge opponents to his policies in favor of trying to pursuade them to work for him. He has stressed that the individual's present attitude, rather than his past attitudes, is the criterion for continued acceptance. Karoly Kiss, for example, whom one US Legation informant claims is "reconciled" to Kadar's policies, apparently was re-elected to the central committee.

At the same time, the regime has clearly warned against future opposition to the "New Trend." Politburo member Gaspar told the congress that "from now on, members can expect prompt and severe retaliatory measures for any deviations."

The congress established two new committees--a State Finance Committee and an Agitation-Propaganda Committee. While their functions and subordination have not been spelled out, they will presumably be under both the

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party central committee and the government. Their members are all high-level party figures who are experts in various areas of administration and economy. While not like the bodies established under the recent Soviet reorganization, the new committees probably have the same aim--to improve party control over the state administration and the economy.

The Hungarian congress . provided the second occasion in less than a month for a confrontation between the Soviet and Chinese parties, and a heightening of the temper of their mutual recriminations resulted. The Soviet delegation and its supporters continued the stance which they adopted at the Bulgarian congress two weeks earlier- an adamant defense of Khrushchev's whole range of international policies, including a specific glorification of his handling of Cuba, and insistent attacks on "Albanian" dogmatism.

The leader of the Chinese delegation, Wu Hsiu-chuan, who had represented China at the Bulgarian congress as well, maintained both his party's attack on the "revisionists" in the movement and its defense of Albania. At the Bulgarian congress the Chinese delegation sat through speech after speech b; Soviet supporters decrying the line which the Chinese leader had taken. After Wu spoke to the Hungarian congress on its second day, however, the Chinese delegation, to under-score its contempt for the proceedings and its refusal to agree to criticism of its position, boycotted the remaining sessions.

Speaking for the Soviet side, Hungarian leader Kadar, in his closing speech on 24 November, assailed the Albanians, and therefore the

LEADING HUNGARIAN PARTY ORGANS

POLITBURO MEMBERS

PRIOR TO OPENING OF NOVEMBER CONGRESS	AFTER CONGRESS
Antal APRO . Bela BISZKU . Lajos FEHER. Jeno FOCK . Janos KADAR. Gyula KALLAI . Ferenc MUNNICH . Dezso NEMES . Sandor RONAI . Miklos SOMOGYI .	BISZKU FEHER FOCK KADAR KADAR KALAI MUNNICH NEMES RONAI SOMOGYI
	* Sandor GASPAR * Zoltan KOMOCSIN * Istvan SZIRMAI

ALTERNATE POLITBURO MEMBERS

Lajos CZINEGECZINEGE Sandor GASPAR Zoltan KOMOCSIN Istvan SZIRMAJ

*Miklos AJTAI							
Janos BRUTYO							
*Lajos CSETERKI							
Pal ILKU							
Rezso NYERS							

SECRETARIAT MEMBERS

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Chinese, in terms stronger than those used heretofore in the recent exchanges. He expressly referred to the Chinese when he noted that they alone had criticized the passages in his earlier report which attacked the Albanian leadership. He stressed the point that the Chinese should take into account the attitude of the "entire" international movement in the interest of preserving Communist unity.

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The implication in Kadar's speech that the Chinese are isolating themselves from the movement and that they should cease activities which tend to split the Communist world followed the guidelines laid down in the authoritative 18 November <u>Pravda</u> article by Soviet party secretary Ponomarev.

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AIRCRAFT RE-EQUIPMENT PROGRAM IN EASTERN EUROPE

Bloc air capabilities in Eastern Europe have steadily improved with the acquisition of 500 or more new-generation aircraft, mostly fighters, in the past two years. Although the number of high-speed (Mach 2) fighters in the forward area may have doubled since early 1962, they still comprise only about 11 percent of the total fighter strength. Soviet air forces in the satellites have a higher ratio of new-generation fighters than do any of those satellite national forces which have such aircraft. These forces are East Germany, Poland, Hungary, and Czechosolovakia.

MIG-21 (Fishbed C)

The Fishbed C can be used both for ground support and air defense, but its use in the latter role is limited to periods of clear air-mass conditions since it is equipped with a nonprecision airborne radar. It carries the AA-2 infraredhoming air-to-air missile (AAM) in addition to other armament. This is the only Mach 2 fighter known to have been delivered to the satellite air forces.

Although to date only one regiment of the Polish Air Force may have received Fishbed Cs-about 12 such aircraft--a few Polish pilots' may have progressed beyond the checkout stage in their training and reached the proficiency required to employ the Fishbed C as an operational weapon.

The Czechoslovak Air Force may have as many as 20 Fishbed Cs, but their operational status is unknown.

The Hungarian Air Force, with 36 Fishbed Cs, possesses more new-generation aircraft than any other satellite. It probably also has achieved a greater combat capability with aircraft of this type since it was the first satellite force to receive them.

The East German Air Force has 28 Fishbed Cs, and its pilots probably have achieved a fair degree of operational proficiency in these aircraft.

Fishbed D

Fishbed D is an all-weather Mach 2 fighter equipped with the Spin Scan airborne intercept (AI) radar, which probably permits the use of the more advanced AA-3 semiactive radar-homing AAMs. As many as 47 of these fighters have been delivered to the Soviet 24th Tactical Air Army (TAA) in Germany since mid-1962.

Fitter

The Fitter--like the Fishbed C--is a clear air-mass fighter

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SOVIET BLOC AIRCRAFT					STRENGTH IN EASTERN EUROPE						
SELECTED MODELS	EAST GERMANY EAST SOVIET GERMAN		POLAND SOVIET POLISH		HUNGARY SOVIET HUNGARIAN		CZECHO- SLOVAKIA	RUMANIA	BULGARIA	ALBANIA	TOTAL
FIGHTERS											
FISHBED C	62	- 28	70	12	72	36	20	again a astron			300*
FISHBED D	47					a a ser and	na hayir edaha				47*
FITTER	69	diga seta	24	12.24.22.2						16 () (A	93*
FLASHLIGHT D			24	4		-					28 *
OTHERS	636	371	232	813	82	130	538	260	385	68	3515
TOTAL	814	399	350	829	154	166	558	260	385	68	3983
LIGHT BOMBERS											
FIREBAR A	29										29
BEAGLE	180	11.	12	96	64		48	15	20		446
TOTAL	209	11	12	96	64		48	15	20		475

* STRENGTH FIGURES ON NEW GENERATION FIGHTERS ARE MINIMAL AND MAY BE REVISED UPWARD IN THE LIGHT OF NEW INFORMATION 401/127 8 8

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capable of Mach 2 speed, but it has a considerably greater operational range. It probably has a primary role of ground support, although it is used for air defense also.

Fitter is the only operational fighter considered to be designed for carrying comparatively large weapons. Thus it may have a better capability for tactical nuclear bombing than other fighters. On 21 August, a Fitter of the 24th TAA was observed practicing a form of low altitude or toss bombing similar to that used by US fighter aircraft in the delivery of nuclear weapons.

Firebar A

The Firebar A is a new supersonic jet tactical strike reconnaissance aircraft currently in service in the 24th TAA which may be intended to replace at least some of the obsolescent IL-28s (Beagles). It has a combat radius of about 460 nautical miles with external fuel tanks and an estimated top speed of Mach 1.52 when not equipped with the external tanks. Without these tanks, however, the combat radius is severely limited.

The aircraft can carry a 6,600pound bomb load, but a payload of this size would severely impair its performance. The normal payload is expected to be somewhat less. The Firebar A can carry out bombing missions under all weather conditions.

Flashlight D

The Flashlight D is a jet aircraft whose primary role possibly is reconnaissance. It is currently estimated to have a maximum theoretical speed of Mach 1.05 at about 36,000 feet. Flashlight Ds are as25X1 signed to the Soviet 37th TAA in Poland and the Polish Naval Air Force.

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YUGOSLAV RELATIONS WITH THE SOVIET BLOC

Yugoslav President Tito reportedly will arrive in Moscow on 4 December for his first visit to the USSR since 1956. Although the visit is still being billed as a "private vacation," both countries clearly recognize the major symbolic importance this visit will carry in advancing their quickening political rapprochement.

Neither the USSR nor Yugoslavia is willing, at this moment, to allow their recent lowkey ideological exchanges to deter the forward movement of their reconciliation. Moscow, to protect its claims to ideological purity as part of a continuing polemic with the left wing of the Communist movement, has found it necessary to again condemn Yugoslav party policy as "revisionist." Its attacks on Yugoslavia, however, were both brief and subsidiary to its major criticism of the opposite tendency, the "dogmatism" of Albania and China.

The Soviet position was stated in a recently published history of the Soviet party and in an 18 November article by Soviet party ideologist Ponomarev on the anniversary of the 1957 declaration of Communist parties (see inset). The Bulgarian party on 14 November likewise condemned Yugoslav ideology in the final resolution of its recent congress, as did party First Secretary Kadar in his opening speech to the Hungarian party's congress on 20 November.

Belgrade has publicly replied to the anti-Yugoslav passages in the Soviet party history, in the Bulgarian congress' resolution, and in Kadar's speech but has not responded to the Ponomarev article. The Yugoslavs claim in their rebuttals to be primarily concerned over the possibility that these bloc statements were made as concessions to hard-line parties in the international movement and may encourage a reversal of recent liberal trends.

Tito probably also hopes to obtain assurances from Khrushchev that these denunciations

IMPORTANT DATES IN YUGOSLAV-BLOC RELATIONS

June 1948 - Yugoslavia expelled from the Cominform.

May-June 1955 – Khrushchev visits Tito, apologizes for past Soviet treatment, and sanctions Yugoslavia's "separate road to socialism."

June 1956 – Tito makes triumphal tour of the USSR.

- September-October 1956 Tito and Khrushchev hold talks, first in Yugoslavia and then in the USSR, to ease problems which arose when Belgrade began advocating its system for the satellites.
- August 1957 Tito and Khrushchev meet in Rumania to attempt to save their rapprochement after the Hungarian revolution .
- November 1957 Tito boycotts bloc meeting in Moscow. Yugoslav representatives refuse to sign declaration and to accept degree of bloc discipline.
- April 1958 Yugoslav party holds congress. Bloc delegates walk out. Party relations broken and economic discrimination shortly follows.

September 1960 - Tito and Khrushchev meet and talk at the UN in New York.

July 1961 - Yugoslav Foreign Minister Popovic visits the USSR.

April 1962 – Soviet Foreign Minister Gromyko visits Yugoslavia.

May 1962 – Soviet military equipment displayed in Yugoslav May Day parade.

- June-July 1962 High-level Yugoslav parliamentary delegation visits the USSR.
- July 1962 High-level Yugoslav economic delegation visits to the USSR. Limited Yugoslav participation in bloc's Council for Mutual Economic Assistance and renewed credits agreed upon in principle.
- September 1962 Soviet president Brezhnev visits Yugoslavia; expanded trade agreement signed; 1955 declaration reaffirmed.

November 1962 - Polish Foreign Minister Rapacki visits Belgrade.

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of Yugoslav ideology do not constitute a retreat from the communiqué Tito signed with Soviet president Brezhnev in September. The communiqué resurrected the 1955 Tito-Khrushchev declaration, in which the thesis of separate roads to socialism was approved as the basis for future relations.

On the other hand, the Yugoslavs are probably pleased by such bloc trends as pushing ahead with de-Stalinization, demonstrated at the Bulgarian and Hungarian party congresses. The Hungarians and Bulgarians have also called for improved state relations with Belgrade, even though rejecting Yugoslav ideology. In a message of greetings to Tito on Yugoslavia's 28 November National Day, Khrushchev expressed hopes for a further strengthening and expansion of relations.

Yugoslavia's political intercourse with the bloc is also increasing. Even Rumania, traditionally the slowest to bring its policies into line with those of the USSR, sent a parliamentary delegation to Yugoslavia from 12 to 22 November. Polish Foreign Minister Rapacki visited Yugoslavia from 19 to 24 November, the first satellite official to pay such a visit since Yugoslavia's last period of cooperation with the bloc ended in 1958.

The Poles and Yugoslavs had some difficulty drafting a final communiqué because of certain differences of view on bloc foreign policy. The document nevertheless lauded Polish-Yugoslav cooperation in the "economic, cultural, and scientific fields," pledged "further all-round development of relations," and announced that Yugoslav Foreign Minister Popovic will visit Warsaw at an unspecified time.

In the economic sphere, the Yugoslavs are currently negotiating trade protocols with the bloc for 1963. Those with Poland, the USSR, Bulgaria, and East Germany have already been signed and call for substantial increases in the total volume of goods exchanged. Yugoslavia and the bloc are not natural trading partners because essentially they have similar import requirements. The fact that high targets have been agreed upon for next year suggests that some mutual concessions are being made.

Soviet officials, in their discussions with Tito next week, will probably make clear that current liberal trends within the bloc will not be allowed to proceed to a point where the Yugoslavs can speak in bloc councils without accepting a degree of bloc discipline.

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PROSPECTS FOR MORE RADICAL ORIENTATION OF CONGO GOVERNMENT

Congolese Premier Adoula survived a motion of censure on 28 November. The opposition was able to muster 50 votes-over half of the 99 chamber members present but 16 short of the two-thirds required to oust the government.

Adoula had acceded to the chamber's demands--voted by acclamation on 23 November-by releasing certain political prisoners recently arrested by the government and lifting the state of quasi-martial law in Leopoldville Province. This probably helped cut the opposition's strength temporarily.

Although the vote in the chamber suggests that Adoula's opponents are not at the moment able to muster the votes needed for the alternative method of unseating him--a simple majority of the listed members of both houses--it seems almost certain that they will try again soon.

The opposition is an unviable alliance of Gizengist and Lumumbist radicals, former cabinet ministers, and other dissidents of widely varying political views. It is almost certainly receiving financial assistance from radical African and Soviet bloc embassies and from Tshombé.

The opposition now will probably demand that Adoula reshuffle his cabinet. Under present laws, Adoula must obtain a two-thirds vote for approval of the UN-drafted constitution, as well as for other legislative matters. This will enable his opponents to weaken him further and to bargain with him over new demands. A more radical orientation of the government seems inevitable, either through the admission of new elements into the cabinet, or as a result of still more intense political pressures to achieve a rapid solution of the Katanga problem.

Adoula's precarious position is basically due to his failure to find that solution since taking office in August 1961--either through his own efforts or through his association with the West and the UN. To save himself, he is almost certain to argue again for immediate tough economic and possibly military pressures on Tshombé. He will probably press the US hard again for military equipment, particularly aircraft. He will be even less flexible with Tshombé and with the UN.

If this effort fails, Adoula may either resign or give in to those Congolese who argue that the West and the UN cannot solve the Katanga problem for him, and that the only solution is through closer cooperation with the radical African states and the Soviet bloc.

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THE SITUATION IN LAOS

Following leftist Prince Souphannouvong's return to Vientiane on 20 November, the three Laotian factions have agreed to form unified military and police forces. The agreement, signed on 27 Novem-ber, calls for an army of 30,000 men drawn equally from the rival military forces. The projected 6,000-man unified police force also is to be staffed equally from among the three factions.

Premier Souvanna, while describing the agreement as a "big step forward," remains suspicious of Pathet Lao in-tentions. He indicated that the real test would come in the next three or four weeks, when Pathet Lao leader Souphannouvong's performance on specific issues becomes clear

The downing of a US-chartered plane over the Plaine des Jarres on 27 November attests to the Souvanna government's lack of effective control over left-wing elements.

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Souvanna has blamed the incident on the Pathet Lao, who have repeatedly protested these resupply flights, terming them "unauthorized." On several 25X1 occasions Pathet Lao spokesmen had threatened that the planes would be fired on.

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DEVELOPMENTS IN SOUTH VIETNAM

Two major attacks by the Viet Cong during the period 25-27 November suggest that the Communists are increasingly willing to intersperse operations involving larger units among the general run of small-scale guerrilla actions.

The first attack, mounted by two battalions against a South Vietnamese army outpost in the northern part of the country, was repulsed by government artillery. The Communists suffered heavy casualties and lost many weapons. The second attack, about 40 miles north of Saigon, was carried out by a force estimated at one battalion. This force simultaneously struck an army post and two hamlets of the government resettlement project, "Operation Sunrise," inflicting a number of casualties on defending troops.

The attack on "Operation Sunrise"--recently reorganized to expand the perimeter of new strategic hamlets in a Communist stronghold area--is the most dramatic action so far in the Viet Cong's gradually growing campaign of harassment and terrorism against the strategic hamlet program.

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SOUTH KOREAN SECURITY CHIEF PREPARING FOR POLITICAL POST

Colonel Kim Chong-pil, South Korea's controversial security chief, is using his recent visit to Washington to move into a more openly political role.

Since his return in mid-November, the government-controlled press has portrayed Kim as the chief strategist of the revolution and copartner of General Pak Chong-hui, leader of the ruling military junta. Wide publicity has been given Kim's assertions that he obtained full American support for the regime. Implying that top US officials endorsed the junta's intention to control the ostensibly civilian government promised for next year, Kim has sought to use the claimed assurances to dispel doubts over the acceptability to the United States of the regime and himself.

Kim is probably seeking to enhance his public image in preparation for overt political activity. In the national elections next year he reportedly will head the government party, one of three that will be allowed to participate. Such a role would make him eligible to become a senior member of the new government--possibly as prime minister--and permit him to continue to direct the regime's program. General Pak will become president and nominally remain above partisan politics.

Despite the regime's propaganda, Kim's new political role is more likely to crystallize the opposition than to broaden the regime's public support. He is widely hated and feared. As security chief he has made many enemies both inside and outside the junta His key part in last summer's multimillion-dollar stock market swindle and other similar affairs is public knowl-edge. Kim's evident place in the government's new plans is likely to confirm the widespread belief that free political processes will not be restored.

Incidental to his political activities, Kim may soon resign as director of South Korea's Central Intelligence Agency

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LAND REFORM ACCELERATES IN IRAN

The Iranian Government is stepping up the distribution of land to peasant proprietors. Taking advantage of the public indignation over the murder of a land reform official, the government has declared martial law in one province in order to push the land reform program and intimidate the landlords who have formed the core of opposition.

So far, acreage has been distributed primarily in northwest, northeast, and south central sections of Iran. The program is scheduled to be virtually finished by June, when Prime Minister Alam hopes to hold parliamentary elections.

Alam says that he will see to it that the new peasant landholders are represented in parliament. The Shah apparently hopes to develop this element into a popular political force supporting the monarchy. Heretofore national politics have been largely dominated by the large landlords and their allies in other sectors of society.

The landlords, meanwhile, are trying to use conservative religious sentiment--which has been offended by a recent cabinet decision to allow women to vote in municipal elections--to launch a campaign which will strike at land reforms as well. Landlords are providing funds to the mullahs--Moslem religious leaders--to oppose both women's suffrage and land reform. The mullahs are receptive to such inducements not only on religious grounds but because they depend on the rich landlords for their regular funds as well.

Some of Iran's once-powerful nomadic tribes--notably the Qashqai--also fear the land reform program on the ground that the government may allot their grazing lands to village peasants. The tribes are probably not capable, however, of effective resistance.

The increasing pace with which the government is pursuing the land program makes incidents of local violence more likely. However, the army, together with other security forces, appears to be backing the reform 25X1 and to be able to deal with any violent opposition to it.

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FRENCH NATIONAL ASSEMBLY ELECTIONS

The National Assembly elections have refurbished De Gaulle's image as the unchallenged spokesman for France and will enable him to pursue vigorous foreign and domestic policies. The non-Communist left and center parties will be under pressure to surmount traditional differences and form a democratic alternative to the Gaullist majority. The Socialist Party, however, may be embarrassed by its heavy debt to the Communist Party (PCF) for election support. The PCF quadrupled its assembly representation, but in terms of both popular vote and number of deputies it it still far below its pre - De Gaulle strength.

Without the encumbrance of an assembly which had increasingly opposed major aspects of his policy, De Gaulle will probably push more rapidly for implementation of his program. His 1963 budget, which appeared headed for rough sledding in the former assembly primarily because of its heavy spending on a nuclear striking force, will probably pass easily as one of the first items of business when the new assembly meets on 6 December. Georges Pompidou has been retained as premier.

The Gaullist party (UNR/ UDT) came out of the elections with the largest representation in the assembly of any party in French history. As long as De Gaulle is in office, the UNR/UDT will give him a working majority. It has not yet built an effective local party organization, however, and this would weaken its chances of survival if De Gaulle were to depart from the scene in the near future.

The heaviest losers, in addition to the extreme rightists, were the Independent Party and the Popular Republican Movement. The Independents not only lost more than half their assembly seats, but also split into two factions. In terms of Assembly representation, the larger of these is pro-Gaullist and is grouped around Finance Minister Valery Giscard d'Estaing. The losses by the extreme right emphasize public rejection of the Secret Army Organization (OAS),

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Party Strengths In

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Although the parties of the non-Communist left--Radical Socialists, Socialists, and Unified Socialist Party--all gained seats in the new assembly, the net gain was due in each case to PCF withdrawals in the second round of balloting. PCF withdrawals in favor of the Socialist candidate--in many cases even though the PCF candidate had led the Socialist on the first ballot--were responsible for 39 of the 67 Socialist victories. Communists showed remarkable discipline in delivering second-ballot votes for other candidates.

The PCF won more than the 30 seats required for recognition as a separate political group in the assembly, but its total popular vote on the first ballot was more than a million below its 1956 figure. The strategy of the PCF in the second ballot was to give up the possibility of winning a few additional seats in return for an opportunity to break from political isolation through electoral arrangements with other leftist parties.

PCF leaders are already asking that such arrangements be extended to a broad spectrum of joint action. Although the top leadership of the center parties remains unquestionably anti-Communist, the local levels of the non-Communist parties and free trade unions may find it increasingly difficult to resist such urging in the face of PCF support at the polls.



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BRITAIN, EURATOM, AND THE COAL-STEEL COMMUNITY

Although still overshadowed by the UK-EEC accession talks, Britain's negotiations with EURATOM and the Coal-Steel Community have taken on increased importance in recent weeks. Difficult problems have already arisen, particularly in the EURATOM talks, and there is growing realization that British membership will materially alter the course of the two communities and US relations with them.

Recent discussions of Britain's role in EURATOM's research program typify the important issues involved. EURATOM is about to enter its second five-year research program, which calls for the expenditure of some \$425 million and is closely connected with the US-EURATOM cooperation agreement to promote the uses of nuclear energy for power development. Coordination of national research efforts is also part of the EURATOM program, along with the concentration of certain research activities in centers taken over for use by the European community as a whole--such as the one at Ispra in northern Italy.

Fitting the UK into these activities would in any case be difficult, but EURATOM has added to the difficulty by attempting to extract a fat entrance fee from Britain. London is evidently willing to match French and German contributions to the 1962-1967 program, conditional on its appropriation being spent in Britain, but EURATOM is likely to boggle at such earmarking out of fear of setting a precedent. Moreover, EURATOM has made it clear that it wants compensation from Britain for the advances EURATOM has made during its first five-year program--if not money, then at least the designation of a British research facility for EURATOM's use.

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Britain's nuclear weapons program has also revived a longstanding dispute among the present members over EURATOM's jurisdictional limits. EURATOM is concerned only with the peaceful uses of nuclear energy. France, however, has long and successfully resisted full application of EURATOM's security and inspection procedures to dual-purpose installations, such as those at Marcoule, which produce nuclear materials with both military and peaceful uses.

While France is apparently more than willing to have Britain adopt a similar attitude, unexpectedly strong opposition has developed among the other

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EURATOM members to a continued unilateral exclusion of certain facilities from EURATOM's controls. Bonn, in particular, has insisted that the UK-EURATOM talks should lead to a precise understanding on the application of EURATOM's control provisions in a way which does not discriminate between those members which have nuclear weapons programs and those which do not.

In the CSC-UK talks, questions of comparable importance have not yet arisen. At a meeting in Luxembourg on 19 November, Britain agreed that certain functions of its national steel and coal boards are incompatible with the CSC treaty, and joint examination of the necessary changes is under way. The continental

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coal industries have shown considerable concern over the prospective invasion of their markets by British coal, and it is possible the CSC may seek changes in the administration of Britain's nationalized industry which would be unacceptable to London.

The more important CSC problem may ultimately be the control of cartel arrangements between the coal and steel industries in Britain and on the continent. The CSC's record in promoting competition in coal is exceedingly poor, and there have been reports already of "friendly meetings" between representatives of Britain's and West Germany's steel industries.

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GUATEMALA'S AIR FORCE REVOLT

Dissatisfaction with Pres-The Guatemalan Air Force, ident Ydigoras and plotting an elite favored by Ydigoras against him will probably conand loyal to him in past uptinue in Guatemala, although his risings, had previously been considered a stabilizing insuccess in suppressing the recent air force revolt wil disfluence. The President appears courage his opposition. Indisinfuriated by the defection of criminate arrests of air force some high air force officers personnel as well as civilians and by the inability of the have caused widespread resentair force commandants--who did ment. Thus far, there is no confirmation of Ydigoras' charges not participate--to avert the revolt. He has permitted inof Castro-Communist backing of discriminate arrests and misthe attempt. treatment of air force personnel. This could breed future trouble. Arevalo's prospects for re-election as president in 1963 appear to have been enhanced recently by the strong left-wing showing in recent Guatemala City elections and by his formal acceptance on 25X1 23 November of nomination as the candidate of two leftist Guatemalan parties. Realization of Ydigoras' foreknowledge probably influenced senior army officers to stand by him. This was the key element in his victory. The US Embassy ascribes the army's refusal to join the revolt to its lack of confidence in the plotters, who had failed to maintain the security of their activities. It is also possible that the army may have obtained Ydigoras' personal assurance that he would not assist Arevalo.

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THE URUGUAYAN ELECTIONS

The incumbent Nationalist (Blanco) Party has narrowly won the 25 November national elections i. Uruguay, according to official preliminary returns. The major opposition faction, Colorado List 15, refuses to concede, however, and the final results may not be known until January or February. The new government and legislature are scheduled to take office on 1 March.

On the basis of the preliminary returns, the "Orthodox Herrerista" coalition within the Blanco Party defeated the rival "Nardone-Echegoyan Axis" and thus will occupy the six majority seats on the nine-man National Council of Government (NCG). The Colorado List 15 faction defeated its intraparty rival, List 14, and will receive two minority seats; List 14 will have the remaining one.

The preliminary figures indicate that neither party will have a parliamentary majority. In the 31-man Senate, the Blanco. will have 15 seats, and the opposition Colorados 14. The Communist-led "Leftist Liberation Front" (FIDEL) captured approximately 13,000 more votes than in 1958 and now will have one senator. The other Senate seat will go to the Christian Democratic Party. In the 99-member Chamber of Deputies, the Blancos captured 46 seats and the Colorados 45. FIDEL and the Christian Democrats will each have 3 seats and the Socialist-led Union Popular 2 seats.

The lack of a Blanco majority in the assembly will continue to make it difficult to enact legislation intended to solve the country's economic problems.

In addition, a referendum to streamline Uruguay's cumbersome plural executive form of government was defeated in the election. In the past the NCG has experienced great difficulty in reaching important decisions-as evidenced by Uruguay's tardy vote in the OAS imposing the quarantine on Cuba and by the protracted debate over severing diplomatic relations with Cuba.

Daniel Fernandez Crespo, a former member of the NCG and leader of the Union Blanca Democratica (UBD) faction within the "Orthodox Herrerista" coalition, will preside over the NCG from March 1963 to March 1964. According to the US Embassy in Montevideo, Fernandez Crespo appears to be a "tired man" no longer displaying his former ebullience. His administration as mayor of Montevideo revealed 25X1 him to be an inept executive and ineffectual political leader.

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SPECIAL ARTICLES

SINO-SOVIET BLOC AGRICULTURAL SITUATION

Food supplies will remain tight throughout most of the Sino-Soviet bloc during the winter of 1962 and spring of 1963. In the USSR, agricultural output in 1962 made almost no gain for the fourth straight year, and grain output is no larger than the mediocre 1961 crop; food shortages will probably develop in some parts of the country. Grain production in Communist China will be only slightly better than the poor 1961 harvest, and the Chinese consumer is in for another hard winter.

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The grain harvest in the European satellites is the smallest in four years, and food supplies this winter are expected to be below the level of last year. North Vietnam continues to complain of agricultural problems and consequent food shortages; North Korea, on the other hand, appears to be maintaining relatively good levels of agricultural output.

Soviet Union

In a 12 November memorandum to the party presidium, Nikita Khrushchev claimed a record grain harvest for the Soviet Union this year--147 million metric tons. Although this figure is far below the Khrushchev prediction given at the central committee plenum last March, it appears still to be a gross exaggeration. The US estimate--based on extensive data on weather, acreage, and crop characteristics--is that Soviet production this year will about equal last year's mediocre grain crop, judged to be about 115 million tons.

Since 1958 the gap between Soviet claims and US estimates has widened appreciably, perhaps because of some form of statistical manipulation or falsification by the Soviets. A directive on determining the grain harvest was issued by the Soviet Central Statistical Administration early in 1958, but its contents have never been made public.

Poor weather reduced yields in many important agricultural areas, offsetting the benefits expected from Khrushchev's campaign--launched early this year-to replace grass and fallow land with corn, sugar beets, peas, beans, and small grains. The increase in the area sown to small grains at the expense of fallow was nullified by drought in the eastern New Lands, a poor winter crop in the Ukraine, and harvesting delays in the northern areas. Abnormally cool wet weather delayed the harvest in the northern European USSR, and the crops gathered from plowed-up grassland in this area may actually have provided less livestock feed than the hay and pasture normally grown.

The potato crop--a staple in the Soviet diet and an important livestock feed--was sharply reduced by the adverse weather conditions. Potato production is reported to have been 63 million metric tons or only about three-fourths of the 86million-metric-ton average produced during the period 1957-61. Shortages of potatoes both for

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human consumption and for livestock feed can be expected during the coming winter and spring, particularly in the northern half of European USSR.

Khrushchev also claimed a 6-percent increase in meat production for 1962. While this apparently reasonable claim would represent some improvement over last year's poor record, the situation is still quite unsatisfactory. In relation to 1959, for example, the claimed 1962 increase for meat amounts to only 3 percent. A shortage of livestock feed and the higher meat procurement prices introduced last June should lead to heavier slaughtering after the beginning of the year and some increase in meat supplies--although at the expense of future development of the industry.

Even so, chances are slim for significantly improving the Soviet diet and alleviating local food shortages--particularly in northern European USSR.

Communist China

Peiping continues to withhold information on crop acreage, yields, and total output, but available evidence points to a 1962 harvest only slightly better than the poor one in 1961.

Foreign Minister Chen Yi was quoted by Japanese newsmen as saying that annual agricultural output in the years 1959-62 was below the level of 1957, when grain output had been announced as 185 million tons.

The early rice crop suffered from dryness in some areas and from flooding in others, and probably did not come up to the relatively good early crop in 1961. Although winter wheat, the other major early crop in China, had better soil moisture conditions than in the previous year, a decline in acreage and frost damage during the spring probably combined to offset the improvement in moisture conditions. Thus the winter wheat crop probably was only a little better than the unusually poor crop in 1961.

The fall harvests may be only slightly, if at all, better than in 1961. Acreage sown to grains harvested in the fall-intermediate and late rice, spring wheat, and miscellaneous grains--apparently was larger than last year, but the increase is not expected to boost total output over 1961 because lowyielding kaoliang and millet were planted in areas used in past years for higher yielding winter wheat. Growing conditions, although better in some areas than in 1961, were characterized by extremes in precipitation and on the average were below normal, with the result that overall prospects for the fall harvest are only fair.

Although the official grain ration remained unchanged throughout 1962, a slight improvement in the diet of the average Chinese did occur. This apparently was due to the increased availability of vegetables and other subsidiary food from private plots returned to the peasants in 1961.

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However, the increased emphasis on these plots has resulted in some neglect of the collective grain fields.

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The amount of grain procured by the state probably will be lower this year than last because of the regime's relaxation of controls over production and distribution in the rural areas. The need to meet the food requirements of the urban population therefore probably accounts for continuation of grain imports at about the level of last year.

On balance, no significant improvement in per capita food availabilities in Communist China can be expected before the first harvest in 1963. The food situation will remain critical throughout the winter of 1962-63, and some decrease in consumption is expected as supplies of vegetables decline seasonally.

European Satellites

East Germany was the only country in Eastern Europe which increased grain production over 1961, but production there was below the 1956-60 average and heavy rains reduced the quality of the crop. Although there was a record harvest last year in Poland and a fair harvest in Czechoslovakia, grain production in both countries in 1962 dropped back to the 1956-60 average. Also, the production of feed, root crops, and vegetables was lowered by adverse growing conditions. Grain production, particularly corn, declined sharply in Rumania, Hungary, and Bulgaria as a result of drought.

Reflecting the need to distribute inadequate food supplies more equitably, East Germany, Rumania, and Bulgaria early this year introduced rationing by coupon or consumer lists for certain staple food items. Bulgaria also raised retail prices of livestock products. In an effort to improve control over state procurement and distribution of agriculture products, Czechoslovakia late in October abolished private sale of agricultural products. Other satellite countries may find it necessary to introduce some form of food rationing before the next harvest.

Shortages of meat and dairy products should become more widespread by spring and increase consumer dissatisfaction throughout Eastern Europe, especially in East Germany and Czechoslovakia. Even Poland--which of all bloc countries has had the least difficulty in meeting food requirements--may suffer some shortages this winter, particularly if the past year's high level of exports for livestock products is maintained.

For the first time in several years Bulgaria and Rumania may be confronted with a shortage of bread--the main diet staple--unless substantial quantities of wheat are imported. However, all the European satellites will experience difficulty in expanding

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grain imports. The Soviet Union--the major supplier--is not expected to increase grain exports significantly in view of its own mediocre harvest. With limited holdings of foreign exchange, moreover, it will be difficult for the satellites to increase imports of grain from the West.

Asian Satellites

North Vietnam continues to complain of agricultural problems which have contributed to persistent agricultural failures since 1960. This year's early rice and vegetable crop was below last year's, and Hanoi warned that the food situation would worsen in the latter half of 1962. In view of poor food prospects, the regime is trying to improve food distribution and is encouraging city dwellers to supplement their diet by growing food on unused land.

In remarkably frank assessments of their difficulties. the North Vietnamese have put little blame on the weather and have instead cited faulty management and leadership in the agricultural cooperatives as the primary cause of agricultural failures. There is considerable evidence that the peasants have adjusted poorly to the agricultural cooperatives--now including 89 percent of the nation's peasant households--and the regime appears reluctant to push earlier plans for more advanced forms of collectivization.

The harvesting of North Vietnam's major rice crop-totaling two-thirds of the year's output--is nearing completion, but the lack of the usual press reports on progress of harvesting and the cautious statements being made by the leadership suggest that there is little expectation of a good harvest this fall; on the contrary, Hanoi's continued emphasis on food problems implies that the regime anticipates a prolongation of the persistent food shortages.

North Korea has continued in 1962 to exaggerate its claims for agricultural output, but actual performance is believed to have maintained or slightly exceeded previous levels. The official claim for grain production in 1962--five million tons--is clearly inflated and can be dismissed as a claimed fulfillment of a previously announced production goal. Actual grain output probably equaled or slightly exceeded the relatively good harvest in 1961--an estimated 3.26 million tons--which was in turn some 300,000 tons better than the probable actual output in 1960.

Although actual grain production continues to be well below claimed levels, no significant change in food availabilities is expected, since the disparity between actual and claimed performance is not significantly different from that which has prevailed for several years. Food rationing continues, but at evidently adequate levels.

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PRESIDENT ALESSANDRI OF CHILE

The Econòmic Program

primarily by grossly inequitable

distribution of income and mani-

fested in inflation, unemployment, and the flight of capital---

became Alessandri's first and

attacks the three main facets

domestic production. One of

the main features of the plan is a construction program to provide 40,000 to 50,000 low-

disarm strong leftist congressional opposition to his pol-

icies by permitting increased

political activity among Com-

particularly among labor groups.

This led to significant leftist

a result, the Conservatives and Liberals, Alessandri's main

munists and other leftists,

gains in the congressional

elections of March 1961. As

cost houses annually.

primary problem. His advisers

produced a Ten-Year Development Plan (1961-70) which directly

of instability through increased

Alessandri attempted to

economic instability--caused

Remedying Chile's chronic

Since his election in 1958, Chilean President Jorge Alessandri has had to cope with a succession of economic crises which have fostered growing Communist political strength. During the remaining two years of his term, his object will be to drive through more of the measures called for under Chile's ten-year plan for economic development, including land reform. In pursuit of the outside assistance needed to achieve his economic goals, Alessandri will arrive in the US on 10 December for a four-day visit.

Alessandri's Background

Alessandri was 62 when he took office on 3 November 1958. He had been a civil engineer and an industrialist before following his father-also a Chilean President-- into politics. His political offices included a term as a senator and an appointment as minister of finance. At the time of his election to the presidency he was considered a champion of economic liberalism and anti-Communism, and his subsequent record has justified this.



spite of his anti-Communist

campaign.



ALESSANDRI

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no longer able to muster the one-third vote needed to sustain a presidential veto.

In August 1961, after a series of leftward modifications of his economic program, Alessandri accepted the Radical Party into the governing coalition. He gave the Radicals -who represented a greater per-centage of the electorate than any other party--four capinet posts and agreed to reforms in agriculture, taxation, and education. Alessandri stoutly rejected demands for increased wages, however, and the Radicals sustained his veto.

By the end of 1961, Alessandri's modified program had bogged down. An acute foreign

exchange crisis closed the banks for a week at the end of December. The flight of capital swelled to a volume unprecedented even in Chile, and the costof-living index soared. The International Monetary Fund and a team of US economic advisers urged immediate and drastic devaluation of the currency, but Alessandri and the Radicals both refused to accept this because it would entail political risks. Congress refused Alessandri's request for special powers to speed reform programs.

Finally, however, after months of political bickering, a fairly moderate agrarian reform bill was passed and signed into law early this

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month. Other reform bills are in the legislative mill and may appear before spring. Also, after months of recriminations and delay, mostly due to Radical intransigence, the currency was devalued in mid-October to the "free rate," and measures were introduced to ease import restrictions.

Social Reform

Social reform in Chile has received fresh impetus. In September 1962, the Catholic Church published a pastoral letter criticizing the lack of reform-mindedness among wealthy industrialists and landowners and outlining a plan for reforms in agriculture, labor relations, the social structure, and consumer credit. The church also divided its own extensive landholdings among tenants working on them, and sponsored committees of responsible laymen to develop practical programs for reform in other fields.

The Political Climate

Nationwide municipal elections to be held in March 1963 will produce a fair indication of each party's relative strength. The percentage of the popular vote which each party can muster will be more significant than the offices it might win. Such percentages will probably be the major determinants of the political coalitions which will be formed for the presidential campaign of 1964.

The Communists are backing Socialist Senator Allende, and are more confident of victory than any other party. They display more unity and singlemindedness than any other party, including even the Socialists. The party is well financed, partly from abroad, has considerable strength in the labor union movement, and has elicited much support from non-Communist leftists because of its popular stand on reform issues.

A long series of international meetings of leftists and Communists in Santiago has given the Chilean Communist Party great prestige among leftist movements throughout Latin America and among some non-Communists in Chile. One upshot of the Cuban affair may be some temporary setbacks for Chilean Communists, but they have been less vociferously pro-Castro than the Socialists, who therefore have the most to lose from Castro's loss of prestige.

Alessandri's Needs

President Alessandri is acutely conscious of the weaknesses of his coalition and has a genuine fear of the Communist potential. He desires the economic and social advancement of his people, but his reform program remains handicapped because it endangers the vested interests of his major supporters in congress and elsewhere. His principal need, as he sees it, is prompt aid from the US to bolster Chile's sagging economic structure. During his forthcoming visit, his principal requests probably will be for budgetary support and for a cost fund to reimburse landholders whose lands are to be distributed among tenant farmers.

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