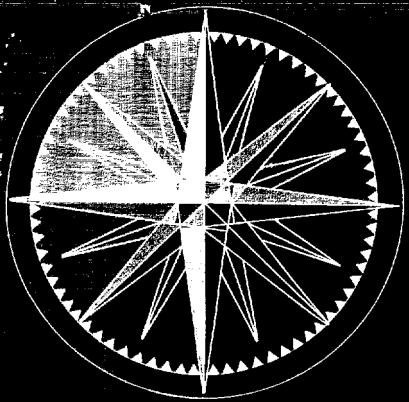


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10 July 1964

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WEEKLY SUMMARY

CENTRAL INTELLIGENCE AGENCY OFFICE OF CURRENT INTELLIGENCE

State Dept. review
completed

Navy review
completed.

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GROUP 1 Excluded from automatic
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(Information as of 1200 EDT, 9 July 1964)

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The Communist World

SOVIET NAVAL OPERATIONS IN MEDITERRANEAN

Unusual operations in the Mediterranean by naval units from the Soviet Black Sea, Baltic, and Northern Fleets are probably intended to show the Soviet flag, in addition to providing at-sea training, in this region.

One detachment, the Sverdlov-class cruiser Mikhail Kutuzov and two large missile-equipped Kashin-class destroyers, left the Black Sea on 15 June to pay the navy's first formal visit to Yugoslavia since 1957. Subsequently the detachment rendezvoused off the Tunisian coast with a Black Sea Fleet tanker and three Baltic Fleet units--the large Don-class submarine tender Kotelnikov and two W-class submarines. No obvious exercise activity was noted during the rendezvous. The detachment returned to the Black Sea on 6 July en route to Rumania for another port call.

The Baltic detachment, which entered the Mediterranean on 22 June, has since been joined by two other

Black Sea Fleet ships. On 6 July a fleet minesweeper of the T-43 class was sighted near one of the W-class submarines, and an ocean rescue tug was reported to be accompanying the Kotelnikov. The auxiliaries may have been sent to assist the submarines, which appear to be having trouble with their propulsion systems.

A Northern Fleet Z-class submarine has also been sighted not far from the Baltic ships and may be operating with them.

This is the largest concentration of Soviet warships in the Mediterranean since 1960 when a cruiser, two destroyers, and two submarines from the Black Sea carried out an exercise with 7 of the 12 W-class submarines then based in Albania.

There is no evidence that these operations are related to the Cyprus situation nor is there yet any indication whether the Baltic Fleet detachment will return to the Baltic or be transferred elsewhere.

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The Communist World

MIKOYAN'S VISIT TO INDONESIA

During his 22 June - 2 July visit to Indonesia, Soviet First Deputy Premier Mikoyan scored some modest gains in reasserting Soviet interest and influence in the Afro-Asian world. His recent visits to Japan, India, Burma, and Afghanistan all appeared to have had a similar purpose.

Despite Indonesian claims, Mikoyan apparently promised no substantial increase in military assistance.

Indonesian Foreign Minister Subandrio and Army Chief Yani now have left for Moscow to formalize the verbal understandings reached during the visit.

In economic talks, Mikoyan apparently urged the Indonesians to rationalize their economy and try to solve some of their economic problems. Subandrio told US Ambassador Jones that Mikoyan had promised new commodity assistance and "substantial" economic project aid. It appears, however, that the "new" project aid will be applied to Soviet-supported projects which the Indonesians had previously suspended.

Mikoyan gave strong verbal support for Sukarno's con-

frontation with "neocolonialist" Malaysia but warned repeatedly that the imperialists are no "paper tigers."

In discussions with the UK ambassador in Moscow, Soviet Deputy Foreign Minister Kuznetsov played down Mikoyan's visit and agreed that the dispute between Indonesia and Malaysia should not be allowed to affect Soviet-UK relations.

Mikoyan stressed the value to Indonesia of Soviet assistance, but made it clear that Moscow expected a "friendlier" Indonesian attitude on the USSR's role in Afro-Asian affairs. In recent months, Soviet spokesmen have expressed displeasure over Indonesia's failure to back the USSR's attendance at the Afro-Asian "summit" conference scheduled for March 1965. Subandrio now claims that Indonesia will support Soviet claims to be an "Asian country"--but says the USSR will "probably not" be represented at the conference.

The Soviet delegation also held two four-hour meetings with the Indonesian Communist Party (PKI) politburo, apparently to seek better relations and to discuss the Sino-Soviet dispute.

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The Communist World

KHRUSHCHEV IN SCANDINAVIA

Soviet Premier Khrushchev, during his visit to Scandinavia from 16 June to 4 July, reasserted Moscow's position that there can be no real detente on disarmament progress unless the German question is settled. He vigorously underscored the potential dangers for US-Soviet relations unless US overflights of Cuba are terminated. He strongly indicated, however, that he would do nothing to jeopardize President Johnson's chances for re-election.

Khrushchev's approach backs up Castro's efforts to convey the impression that another US-Soviet crisis may occur if Moscow's warnings go unheeded. There is no indication, however, that Soviet leaders expect unilateral Cuban action, and Cuban officials have indicated optimism that US-Cuban relations will ease following the US elections.

According to the Swedish ambassador to the USSR, Khrushchev stressed the German question more heavily than he has ever done before in talks with the head of a foreign government. In Norway, Khrushchev spent more than half his time on the German issue. He reiterated that any reunification of Germany must be arranged by the Germans themselves, but without a plebiscite.

Since the signing of the Soviet - East German Friendship

Treaty, it has become apparent that Khrushchev wants to underscore the need for a settlement of the German question, probably in anticipation of substantive talks after the US elections.

Khrushchev reportedly made no serious attempt to influence Scandinavian foreign policy. Although he stressed the limitations on Norwegian and Danish NATO commitments, e.g., opposition in both countries to having nuclear weapons on their territory, he dismissed the subject of Norway's membership with the single quip "we do not like it, but that's it."

Both in public and private, he spent considerable time trying to allay Scandinavian suspicions and hostility toward Soviet aims and to counter Scandinavian disdain for Russia's backwardness. His efforts probably achieved some modest success in terms of promoting bilateral trade and cultural exchanges.

Most Western observers felt he was trying to leave a pacific impression of the Soviet Union as a world power and of himself as a world statesman. He was generally on his "good behavior" during the trip, and probably convinced at least some of his audience that under his leadership the USSR has "mellowed."

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AFRICAN SUMMIT MEETING

African heads of state and government will meet in Cairo from 17 to 20 July for the first time since they established the Organization of African Unity (OAU) at Addis Ababa in May 1963.

Although the OAU will be basically concerned with African problems it will also consider some touchy East-West issues. A preliminary gathering of foreign ministers to set the stage for the "summit" begins 13 July. All independent African states except South Africa--a total of 35--are expected to be represented at Cairo, although this year apparently fewer heads of state will attend.

The assembly will take up the previously hotly contested issues of locating a permanent site for the OAU secretariat as well as of selecting a permanent secretary general. OAU foreign ministers were unable to agree on these at their February meeting in Lagos. Addis Ababa, location of the provisional secretariat, probably will be selected as the permanent site. Leading candidates for secretary general include Dahomey's Emile Zinsou and Tunisia's Mongi Slim.

The agenda item "apartheid and racial discrimination" will give the radical African states an opportunity to condemn the West's economic policies toward South Africa and possibly to demand its expulsion from the UN. It now appears unlikely, however, that moderate states, such as Nigeria, will agree to

any strongly worded anti-Western positions. Considerable dissatisfaction has been expressed over the ineffectiveness of the "Committee of Nine" established last year to speed liberation of territories still under colonial rule. Some new device may be adopted to give impetus to this program.

A draft convention for the denuclearization of Africa will be considered. The more radical states, notably Ghana and Algeria, will probably push for a strong resolution possibly containing anti-Western overtones. They will probably be forced to settle for a watered-down position as a result of Egypt's presumed opposition and the moderate states' distaste for becoming involved in cold war issues.

Ghana's large delegation will again be out to realize Nkrumah's dreams of African unity under his leadership. A cool reception is expected for his formal proposal to establish a "Union Government of Africa" and for his presumed attempt to gain OAU recognition of the Ghana-supported All-African Trade Union Federation. Nkrumah may also press for a denunciation of US activities in the Leopoldville Congo.

The assembly is also scheduled to discuss the location of next year's Afro-Asian ("Bandung") conference and Algeria's offer to be host.

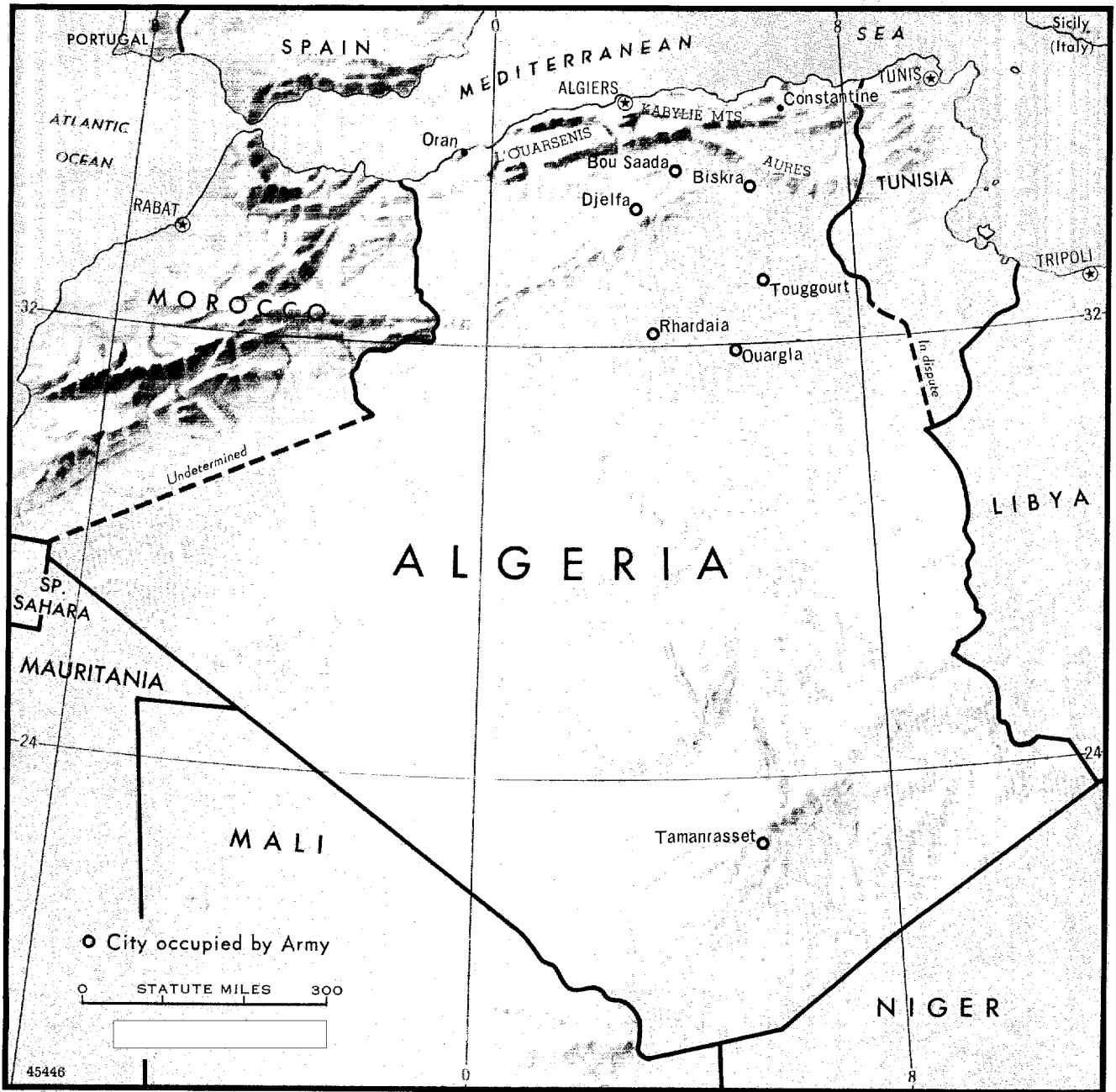
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Asia-Africa

INSURRECTION SUPPRESSED IN ALGERIA

Algerian President Ben Bella apparently rapidly stamped out the insurrection of Col. Mohamed Chaabane, who was reported captured on 8 July, and appears to have stifled other incipient dissidence. Algiers will probably face more serious and coordinated opposition as it continues to suffer from maladministration, lack of direction, economic stagnation, and political apathy at the grass-roots level.

Chaabane, who was bitterly opposed to Defense Minister Boumedienne, had commanded a military region with headquarters in Biskra since independence in 1962. He resisted efforts to integrate his former guerrilla forces into the Algerian Army and to isolate him from his command by assigning him to the army general staff.

Ben Bella had secured Chaabane's election to the central committee and political bureau of the country's only political party, the National Liberation Front (FLN), to help counter Boumedienne's growing stature as a potential rival. Chaabane apparently disliked his role as a political pawn and--tribal in background and experience--was suspicious of the activities of the pro-Marxist intellectuals who strongly influence the administration. He fled Algiers in late June

and tried to spark the vast region of his former command into revolt.

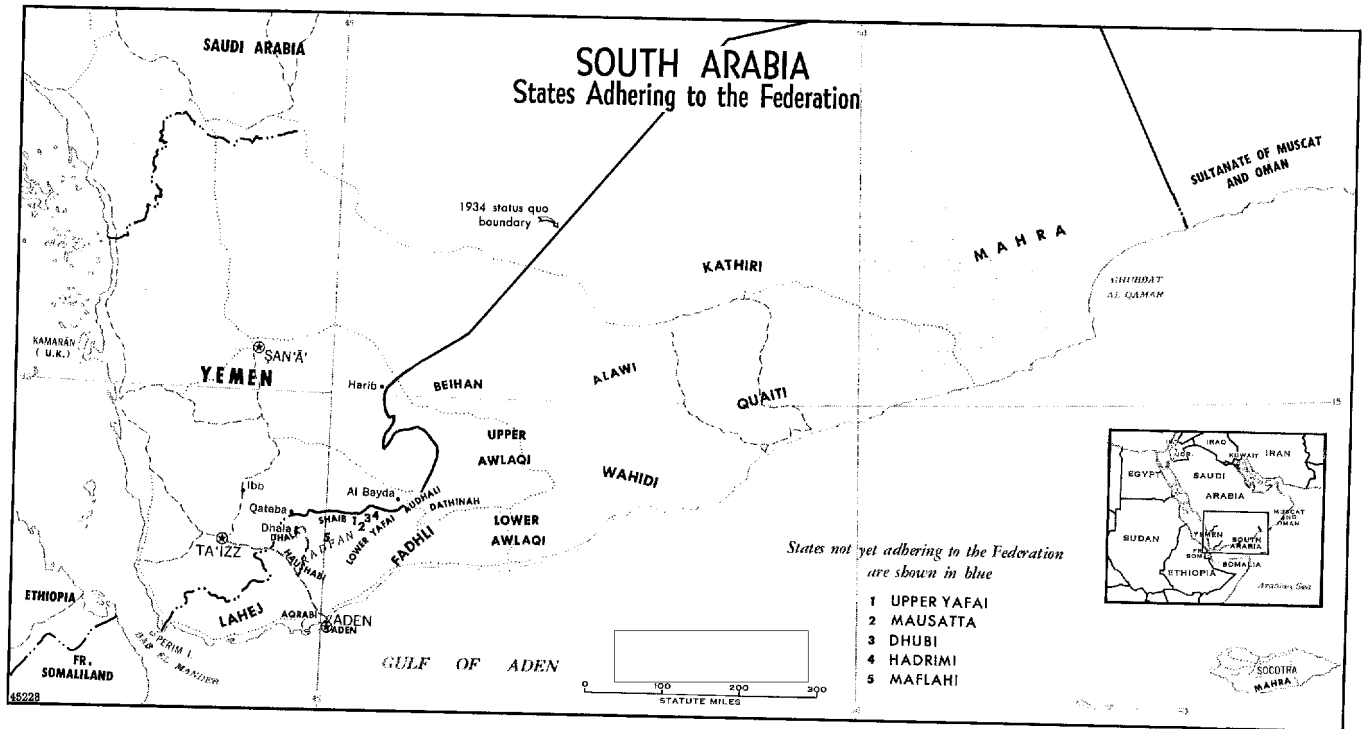
Mohamed Khider, Ben Bella's former confederate who is defying the president from self-imposed exile in Europe, may have timed his recent attacks on Ben Bella's rule to coincide with Chaabane's insurrection. The failure of dissident groups in the Kabylie and Ouarsenis mountains and in the Oran and Constantine areas to exploit the diversion of military forces to deal with Chaabane indicates that opposition elements are still fragmented.

Ben Bella, while suppressing Chaabane's rebellion, also imprisoned or placed under surveillance a number of political suspects including Ferhat Abbas, Khider's associate Rabah Bitat, and other prominent critics. The FLN central committee also expelled a number of prominent political figures from the FLN and from the National Assembly.

In dealing with the rebellion, Ben Bella may have placed new strains on his relationship with Boumedienne.

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Asia-Africa

BRITAIN'S SOUTH ARABIAN PROBLEM

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Britain's agreement that the Federation of South Arabia should become independent by 1968 has been marred by the announced secession of one of the member states.

At the conclusion of a constitutional conference in London it was announced on 4 July that Britain would also surrender sovereignty over Aden colony "as soon as practicable" so that it would have the same status as the other sovereign, but protected, Federation members. It was agreed that Britain would retain its military base in Aden, but as Aden nears independence it may prove increasingly difficult to work out satisfactory detailed arrangements.

Arab nationalist elements in both Aden and the protectorate claim that all these moves are merely designed to give an appearance of independence while retaining British dominance. The Sultan of Fadhli walked out of the conference the day before it ended, flew to Cairo, denounced the British "plot," and declared his state's secession. He had apparently been considering this move for some time.

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Asia-Africa

POLITICAL AND MILITARY RIVALRIES IN LAOS

Political and military rivalries continue to threaten the unity of non-Communist elements in Laos.

The leaders of the 19 April coup, probably backed by the powerful Sananikone family, are pressing for the removal of two cabinet members who have close ties with rightist General Phoumi Nosavan. Phoumi has indicated his disapproval of any changes.

Within the neutralist camp, Kong Le continues to have difficulty holding the loyalty of his senior officers.

The military situation in the Muong Soui area remains quiet. The Pathet Lao have the ability to launch an attack on Muong Soui at any time, and enemy build-ups in the area continue to be reported. Rain has curtailed air reconnaissance and strikes against enemy positions and delayed the reinforcement of the village.

Right-wing forces are deploying in the Vang Vieng and Muong Soui sectors for an offensive against Pathet Lao forces in the Phou Khoun area, in an effort to relieve pressure on Muong Soui.

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In central Laos, the right-wing commander has reported troop movements threatening Thakhet. This area has been quiet since February when a Communist offensive pushed right-wing and neutralist troops back to the Mekong Valley.

Prospects for a meeting among the three Laotian factions remain uncertain. Souvanna has rejected Souphannouvong's proposal that the talks be held either in Djakarta or Phnom Penh. The Pathet Lao chief has not responded to Souvanna's counterproposal that the meeting be held in New Delhi.

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Asia-Africa

AREA NOTE

South Vietnam: In an unprecedented pattern of activity, Viet Cong military forces launched four battalion-strength attacks in the first five days of July, all in the northern and central provinces. Harassing and terrorist actions also have apparently increased in the northernmost provinces since 1 July. There are some indications that the Viet Cong may sustain a high tempo of activity throughout this month. The Viet Cong's Liberation Front has ap-

pealed for intensified action to commemorate the tenth anniversary of the Geneva Accords on 20 July.

The efforts by the Special Forces to build effective civilian paramilitary forces for border surveillance and guerrilla operations have suffered some setbacks. Two training camps have come under heavy attack, and two companies of mountain tribesmen last week deserted from another.

CYPRUS IMPASSE CONTINUES

Relations between Greece and Turkey continue to deteriorate as both countries strengthen their military positions on Cyprus.

Several thousand Greek troops reportedly have been sent to the island or are about to move there. The force is probably intended both to deter Turkish intervention and to strengthen the anti-Communist elements on the island. Turkish clandestine troop movements are continuing, but on a much smaller scale. The UN estimates that Turkey can land only about 100 men a week. At the same time, Ankara has protested the movement of Greek troops to the demilitarized Dodecanese Islands near Turkey, and has also announced the deportation of an additional 200 Greek nationals.

Talks involving UN mediator Tuomioja and Greek and Turkish representatives began this week in Geneva with both sides pessimistic over the probable outcome. There is no indication that either Athens or Ankara is willing to make any concessions which could

lead to a settlement. Both governments continue to look to Washington for some idea of what the US would consider an acceptable solution. The backing of the entire Greek press for Prime Minister Papandreou's rejection of bilateral negotiations will probably preclude any immediate change in Athens' position.

Papandreou, who previously had been concerned over the return to Cyprus of former underground leader Gen. Grivas, now regards him as "a positive factor" and a "kind of guarantee to the Western alliance." The retired Greek general has become increasingly outspoken in favor of enosis. Papandreou now claims that Makarios is a dangerous man who is determined to maintain Cypriot independence and who is relying more and more on Communist support.

Canada has stopped the delivery of military supplies to both Greece and Turkey. Officials in Ottawa have expressed concern that the Canadian UN contingent on Cyprus might be caught in fighting between Greek and Turkish forces.

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Asia-Africa

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TSHOMBE TO BECOME PREMIER IN CONGO

Moise Tshombé, whose appointment as premier of a transitional Congo government was to be announced on 9 July, apparently intends to take tight control of authority in Leopoldville. President Kasavubu invited him to form a cabinet only ten days after the former Katangan leader returned from over a year of self-imposed exile in Europe.

Tshombé's future primarily depends on his success in ending the dissidence that had been spreading under Adoula. The countryside now is relatively quiet, with only some skirmishing reported in Kivu-Central and North Katanga. In Stanleyville --whose inhabitants previously have been loudly anti-Tshombé-- the US consul reports favorable public reaction to Tshombé's accession to power. His current popularity seems to rest on the fact that he is a winner.

The USSR has criticized Tshombé's return to Leopoldville, but has delayed committing itself on his becoming premier, apparently awaiting information on the composition and orientation of the new government. Moscow can do little to influence events in the Congo at the moment, and probably will continue to seek propaganda advantage from Western discomfiture over events there.

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Asia-Africa

INDIA DURING SHASTRI'S CONVALESCENCE

Indian Prime Minister Shastri's convalescence from his mild heart attack is likely to last until mid-August. He is, however, already consulting with senior government and Congress Party leaders at his residence, and a previously planned July meeting with Pakistan's President Ayub may still be held before the end of the summer.

The new cabinet had been in office only 17 days when Shastri was stricken on 26 June. Procedures and policies suited to the somewhat diffuse power structure of the moderate new regime had barely been established. Ever since Nehru's stroke in January, however, senior government and party leaders had been coping with India's most pressing problems without the guidance of an effective prime minister. The additional confidence they gained from the smooth succession after Nehru's death and their mutual interest in preserving the new power structure will carry them a long way during the convalescence.

India's problems--always serious and potentially fatal--do not appear critically urgent at the moment. The 850,000-man Indian Army is now a better deterrent against Pakistan and

Communist China--the countries India fears most--than at any time in the past decade. Continued implementation of arms and economic agreements with the US and the USSR, and Indian ambivalence in Laos indicate that the Shastri government is following India's tested policies of political, economic, and military balance between both East and West. Shastri hopes to visit both Moscow and Washington this year.

Domestically, the government will probably not soon correct this year's particularly serious food shortages and monetary inflation. No national elections, however, are scheduled until 1967, and even in the one next February for the once Communist-controlled state of Kerala, these issues will carry less weight than purely factional and communal considerations. In Punjab State, a notoriously corrupt political boss has been replaced by a more flexible and more honest--though untried--chief minister acceptable to all factions. This is the regime's first successful exercise of central party power to solve one of a number of important political problems in the states.

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Europe

THE CONTINUING ITALIAN GOVERNMENT CRISIS

Current four-party negotiations to reconstitute a center-left government will be arduous and may not succeed. Christian Democratic and Socialist leaders must cope with strong minority elements pressing for diametrically opposed courses. The lack of a viable alternative to the center-left formula, however, encourages efforts to reach agreement.

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[Redacted]

Moro's personal attitudes are not known but he is publicly committed to the view that anti-inflation action must not lessen the real value of wages or lead to cutbacks in employment.

At the Christian Democratic directorate meeting on 6 July the majority faction strongly criticized the draft bill on urban planning--a key reform proposal--and the directorate issued a relatively vague resolution. Although it did not set specific conditions for a new center left, it repeated its earlier provocative demand for a "clarification" within the Socialist Party. Some influential Christian Democrats will try to impose conditions which would oblige the Socialists to abandon the coalition or reduce

them to docile auxiliaries to the larger party.

One of the Socialists' main concerns is to prevent further damage to their party's image among its electorate. They originally entered the government on the premise that it would secure some long-overdue social and economic reforms. Party leaders acknowledge that economic difficulties require postponement of the more costly reforms, and they fear that further anti-inflation measures might lead to a rise in unemployment and a widespread reduction in the work week.

If adequate phraseology cannot be found to blur divergent viewpoints, the Socialists may have to balk. Their central committee meeting last week merely papered over intraparty differences, and a large minority holds that reforms must be carried out simultaneously with the anti-inflation program.

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[Redacted]

Lombardi [Redacted]

[Redacted] may declare a new coalition's program unacceptable and demand a party congress. This could delay, or even prevent, the installation of a new center-left government.

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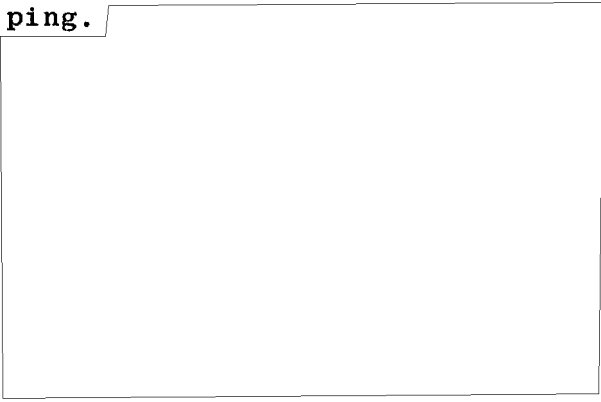
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Europe

AREA NOTE

Italy: The Italian Government has stepped up efforts to expand trade with Communist China and a group of Italian businessmen are scheduled to leave shortly for a month's trade mission there. Because of the current government crisis it is unlikely that an Italian trade office will open soon in Peiping, but industrial interests are increasingly insistent that they gain access to the Chinese market.


Some impetus toward increased trade may have developed from Socialist Senator Vittorelli's recent visit to Peiping.



The Italians made official contacts with the Chinese in Cairo, and the two countries have agreed to a permanent quasi-official Italian trade office in Peiping. Rome claims that no decision has yet been taken on granting the Chinese similar facilities in Italy. The Chinese probably would not allow an Italian office to be established, however, without reciprocal treatment.

Foreign Minister Saragat, on 1 July, gave Ambassador Reinhardt the impression that Italy would delay opening its Peiping office until the Southeast Asia situation "becomes less critical."

Saragat also implied to Reinhardt that he doubts that present Italian policy, on the questions of recognition and of Chinese representation on the UN, can be continued "much longer" and that Rome will re-examine these problems late this year.



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Europe

MULTILATERAL NUCLEAR FORCE CHARTER STILL UNWRITTEN

Completion of a charter for a seaborne multilateral nuclear force (MLF) by the end of the year appears increasingly doubtful. By pushing for consideration of its own ideas for multilateral land-based and airborne nuclear deterrents, London hopes--at a minimum--to delay an MLF decision as long as possible. The position Rome takes will depend on the stability of whatever government is in power at the time of decision and the identity of other prospective MLF partners.

At the 2 July meeting of the MLF working group, no agreement could be reached on how to handle the UK proposals. UK representative Shuckburgh was unable to reaffirm the Rusk-Butler agreement of last April that the working group should produce plans for an MLF charter for a decision by November or December of this year. He was rather disparaging in his references to the seaborne force and equivocal in responding to inquiries whether the UK proposals were intended as an alternative.

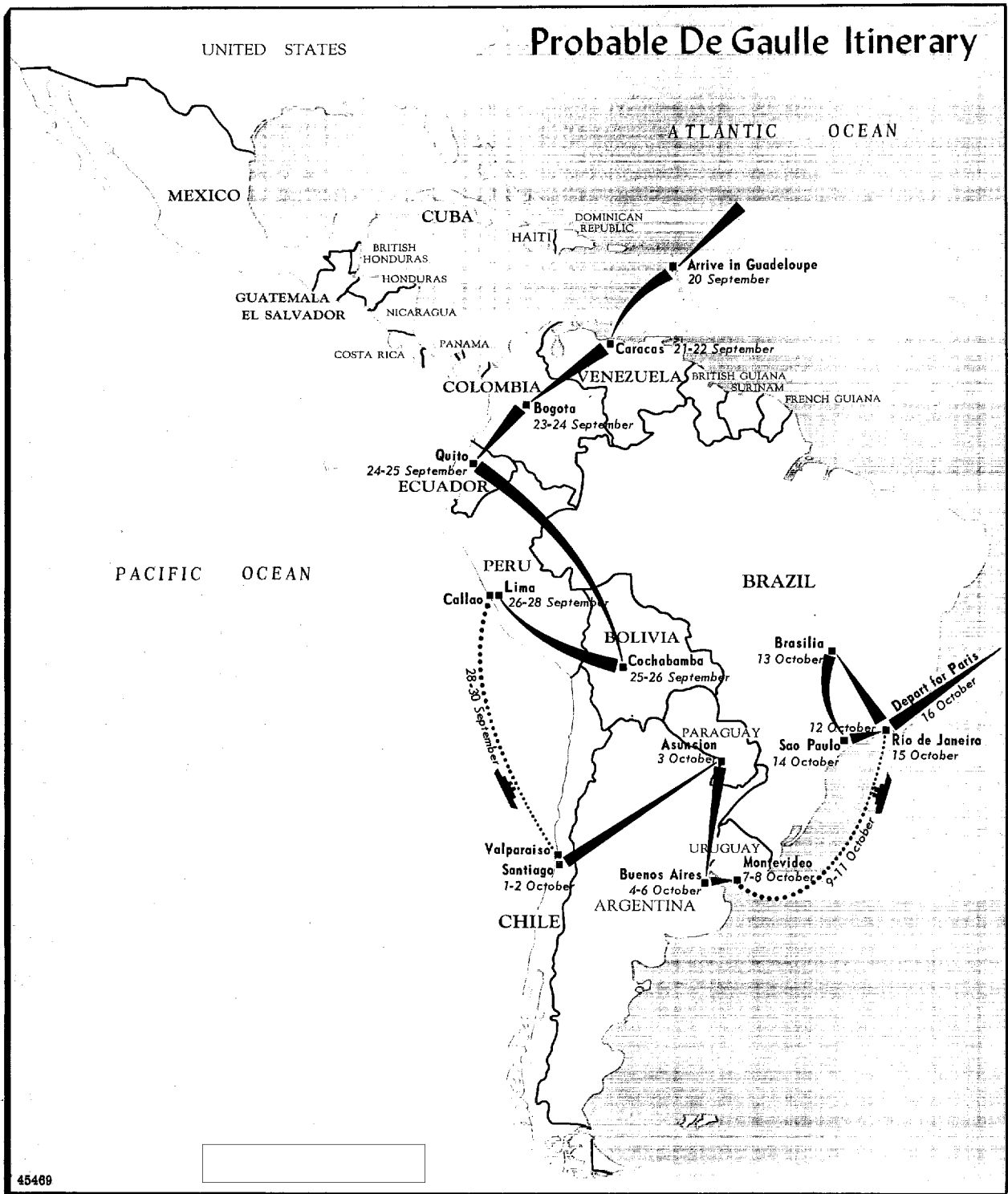
Britain's most obvious intention is to delay the proceedings of the working group,

but its motives otherwise are unclear. The Foreign Office may believe it would help appease the domestic military opposition to the MLF if it can be shown that the UK proposals are being thoroughly considered. The government may also be bent on minimizing the cost of the MLF either by applying its principles to existing weapon systems or by reducing the size of the MLF fleet. Both Shuckburgh and Minister of Defense Thorneycroft have questioned whether the MLF needs 25 ships and 200 missiles. British maneuvering may also reflect a genuine reluctance to see France further isolated by the MLF, and a desire to keep open the possibility of a later British initiative toward a more ostensibly "European" nuclear arrangement.

The difficulties of the Italian political situation make it uncertain that the government in power in December will be in a position to make an MLF commitment. In any event, the Italians probably would not want to act until after the British have taken a position and would not want to be the only other continental participant besides the West Germans.

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Europe

DE GAULLE'S PLANNED TOUR OF SOUTH AMERICA

French President Charles de Gaulle's month-long tour of South America, scheduled to begin 20 September, will allow him to make at least short visits to all ten nations. The crowded itinerary will be broken up by two three-day "rest periods" at sea aboard a French warship. The 73-year-old President's crowded work schedule over the last month

Some adjustments in the itinerary may still be made as a result of the advance visits now being carried out by government officials. A French Foreign Ministry official told the US Embassy that De Gaulle had decided against visiting any Central American country. He is still being urged, however, to visit one so Central American presidents can meet there and receive him.

A Foreign Ministry official said that De Gaulle would make no offers on the scale of the \$150-million loan package to Mexico. The main emphasis, he said, would be on technical and cultural assistance, with no country receiving more than \$10 million for specific projects.

French officials are concerned that De Gaulle's visit may result in considerable South American disappointment if there is little solid economic assistance. This is reflected in efforts to encourage West Germany to collaborate on aid projects.

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Europe

DEVELOPMENTS AMONG THE PORTUGUESE OPPOSITION

The arrival of exiled Portuguese opposition leader Humberto Delgado in Algiers on 27 June signals a new stage in efforts to overthrow the Salazar regime. Delgado will probably transform the Algiers group of his Communist-supported Patriotic Front of National Liberation (FPLN) into a full-blown government in exile.

Delgado has been in Brazil most of the time since his surprisingly strong showing in the 1958 race for the presidency caused Lisbon to renounce popular elections for the office. From self-imposed exile, he repeatedly proclaimed his intention to overthrow Salazar and restore democratic government. He has been in Prague since mid-December and apparently visited Moscow at least once in June. He had originally expected to reach Algiers six months ago.

His willingness to accept Communist participation in the FPLN has probably alienated many potential supporters. Others may have been estranged by the extravagant blueprint for revolution he had reportedly prepared. This called for infiltrating groups into Portugal last March to prepare for strikes and an uprising in May, for a general revolt in June, and for an invasion by the Front's armed forces in August.

On the other hand, Premier Ben Bella's open support will give Delgado increased stature among Salazar's opponents, and Lisbon will probably be concerned over his influence on Portuguese in North Africa. Radio Algiers has been broadcasting anti-Salazar propaganda to Portugal since late 1963. The FPLN could become a rallying point for the 2,000 to 5,000 young Portuguese who have gone to North Africa, many to avoid military service in Angola.

In Portugal, the FPLN could expect support from dissatisfied army elements and civilian oppositionists, some of whom mounted the abortive Beja coup on 1 January 1962. The current trial of some leading participants in that move has revealed that their principal motive was to "re-establish constitutional freedoms."

Even if Delgado's group plans no early direct action against Portugal, his presence in Algiers may affect the situation in the African territories, particularly if it results in keeping at home a considerable part of the armed forces and security police that would otherwise be available for overseas duty.

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Western Hemisphere

CASTRO'S "OFFER" OF RAPPROCHEMENT WITH THE US

Fidel Castro's statements about "normalization" of US-Cuban relations, as reported in a press interview which appeared on 6 July, still mean US acceptance of his regime on his terms. Castro terms "normalization" a resumption of trade, but not necessarily a resumption of diplomatic relations. The new relationship must be made to appear the result of a US initiative. The interview was part of Castro's continuing effort to present Cuba as an aggrieved party anxious to make any reasonable move toward reducing tensions with its powerful neighbor.

Castro repeated previous suggestions that he would be willing to pledge cessation of material aid to Latin American revolutionaries if the US promises to stop supporting subversion in Cuba. At the British Embassy reception in Havana on 12 June, he implied that an end to the US "policy of aggression" against his regime would end Cuba's efforts to export its revolution. During the past two years, Castro has hinted that the Cuban revolutionary effort in Latin America is in retaliation for US "aggressions" against Cuba.

Castro's promise to stop material aid to Latin American revolutionaries would not indicate any meaningful change since his public and private statements strongly suggest that he regards this as less important than the "ideological and spiritual" assistance which he believes is in-

herent in his regime's existence. Castro claims the "example" of Cuba will "inevitably" lead to a successful "anti-imperialist revolution" throughout Latin America.

He stated specifically in his interview that any agreement to stop material support could not prevent Cuba from providing Latin American revolutionaries with "sympathy" and other forms of nonmaterial assistance. Instances of Cuban material support for Latin American revolutionaries, such as the arms shipment to Venezuela last fall, have in fact been infrequent in recent years and much less important than the training, indoctrination and guidance which Havana has been giving. Evidently he would continue to train other Latin Americans in Cuba and to spew out propaganda supporting revolution.

He would anticipate, in fact, that a general relaxation of the anti-Castro controls in the hemisphere resulting from an antisubversion pledge might enhance Cuba's abilities to influence the Latin American revolutionary movement.

Castro hinted in his interview that the USSR had been counseling him to improve relations with the US. It seems likely that his remarks were motivated somewhat by a desire to weaken the resolve of other hemisphere governments before the OAS meeting of foreign ministers in Washington on 21 July. The meeting is to discuss sanctions against Cuba for its subversive efforts against Venezuela late last year.

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Western Hemisphere

VIOLENCE CONTINUES IN BRITISH GUIANA

British Guiana appears on the brink of civil war as one racial incident follows upon another. The bombing of a passenger vessel on the Demerara River, killing about 30 Negroes on 6 July, is the most serious single episode to date. The Negro population responded by beating four East Indians to death, raising the total fatalities since the disturbances began five months ago to about a hundred.

The British governor in Georgetown--who assumed emergency powers on 13 June--is particularly concerned over this pattern of reprisals and counterreprisals and over the increasing use of firearms and explosives. According to British estimates, there are 10,000 licensed shotguns in the hands of Guianese, mainly Indians, and quantities of explosives are assumed to be available to various dissidents. Governor Luyt has signed a new order giving extensive powers to the security forces and authorizing the Supreme Court to flog and jail for life anyone illegally handling arms and explosives. The British nevertheless anticipate further violence. In London, a Defense Ministry spokesman said 100 additional soldiers would soon

be flown to the colony. This would bring to about 1,100 the number of British troops stationed there. As a precautionary measure, Luyt has placed East Indians in the bauxite mining area under protective custody.

Prospects do not seem good for reaching a political arrangement which might ease the situation. Prime Minister Jagan continues to angle--inside and outside British Guiana--for support of a coalition between his predominantly East Indian People's Progressive Party (PPP) and Forbes Burnham's People's National Congress.

Burnham, however, is still adamantly opposed to any coalition arrangement. In a 4 July letter to the Commonwealth conference, he blamed Jagan for the current violence and for rejecting a Burnham proposal six weeks ago for a pre-election national coalition whose sole purpose would be to deal with the disorders. Burnham insisted that his party would not now enter any such coalition and demanded that elections be held under proportional representation this year as planned.

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Western Hemisphere

THE CURRENT SITUATION IN GUATEMALA

Renewed terrorist attacks in Guatemala may be timed to put pressure on the new Constituent Assembly as well as to elicit greater support from Cuba.

The assembly convened on 6 July to revise the constitution suspended when Guatemalan military forces ousted President Ydigoras on 30 March 1963. The assembly's members, carefully selected by the Peralta government and confirmed by the 24 May election, have been charged with creating the framework of a new constitutional government which would exclude all political groups the government distrusts. In addition, decrees issued by the Peralta government would be made law, election dates and regulations would be set, and revisions made in qualifications for the presidency.

The bombings and other attacks in Guatemala City in the past two weeks have been on a minor scale, but the government's

inability to capture any of the terrorists may encourage activity by other opposition factions anxious to discredit the work of the assembly.

The larger guerrilla attacks which have recently occurred in eastern Guatemala are possibly more significant. Since 28 June some 15 antiguerrilla officials or their relatives reportedly have been murdered or captured by "heavily armed groups" along the highway from the capital to the Caribbean. Guatemalan Army uniforms and weapons are usually stolen in these attacks.

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The guerrillas

may be claiming credit for raids they did not commit, but even so are evidently operating in larger numbers than in recent months. The new outbreaks and the Peralta government's inability to suppress the guerrillas could serve to raise political tensions and enhance the rebels' prestige and drawing power in rural areas.

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Western Hemisphere

ARGENTINE POLITICAL DEVELOPMENTS

The General Confederation of Labor's (CGT) threat to renew agitation in Argentina for political and economic concessions is causing official concern about the stability of the government.

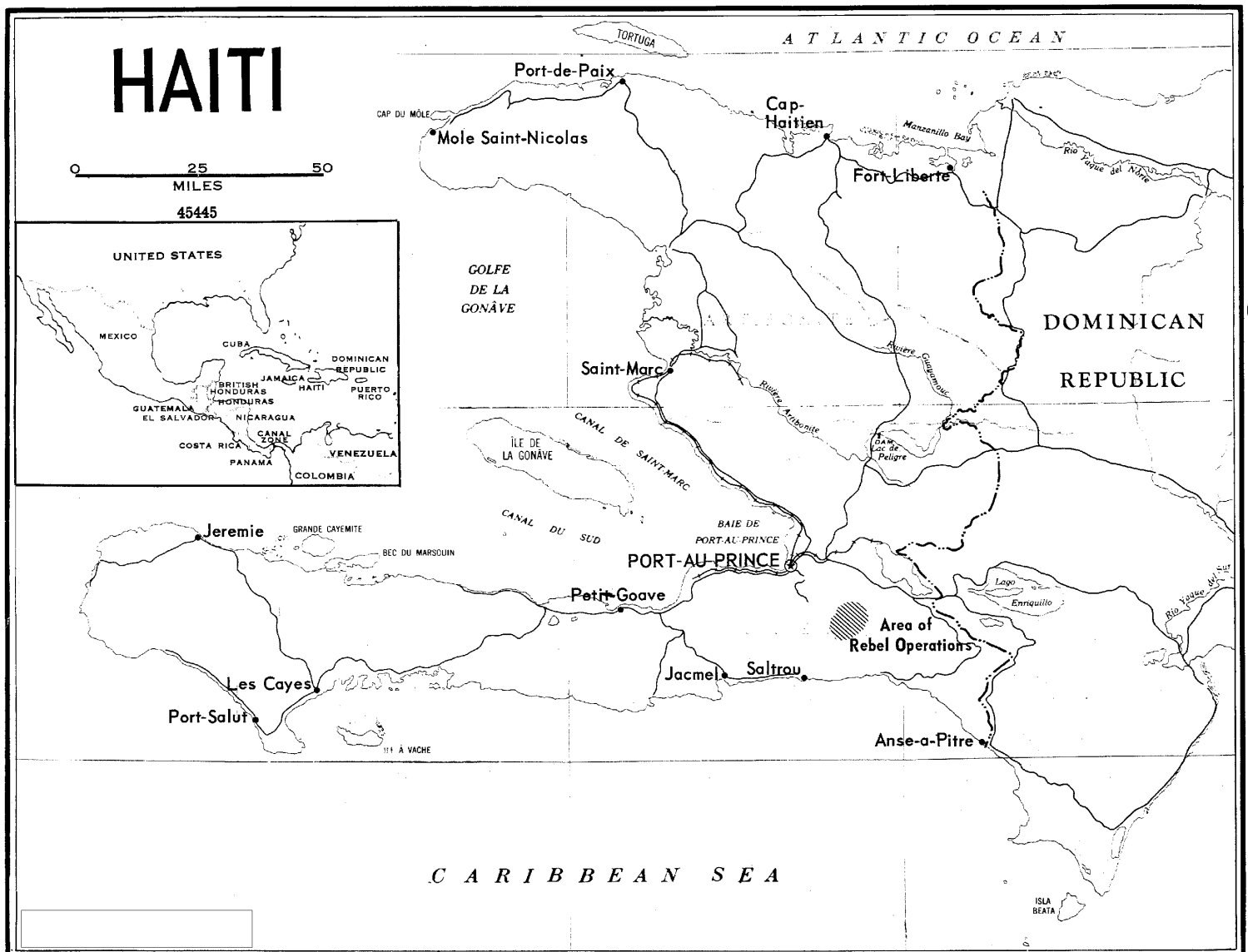
The Peronist leaders who dominate the labor confederation continue to reject talks with the government. The last meeting of the CGT central committee voted down motions by the "independent" bloc for talks with President Illia and, instead, appointed a Peronist-dominated committee to recommend plans for further agitation. The independents have charged that the Peronists are trying to convert an economic protest into a revolution.

The new CGT plans may vary from the eight "operations" carried out in May and June, which included sitdowns in numerous plants, holding managers hostage, and transportation stoppages.

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Western Hemisphere

AREA NOTE

Haiti: There are indications ~~that~~ Haitian military leaders, including Chief of Staff Constant, are becoming demoralized and doubtful of their ability to deal with the small but apparently well-armed group of exiles who invaded Haiti last week. The rebels, estimated to number about 30, are apparently still at large in the mountainous region northeast of Saltrou, where they landed. The rebels are being pursued, but government forces have been unable to engage them in battle. The inability of the Haitian Army and militia to maintain contact with the rebel group is an in-

creasing psychological advantage to the rebels.

The government is considering burning a number of houses and fields to flush out the rebels and to serve as a warning to inhabitants not to aid the rebels.

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