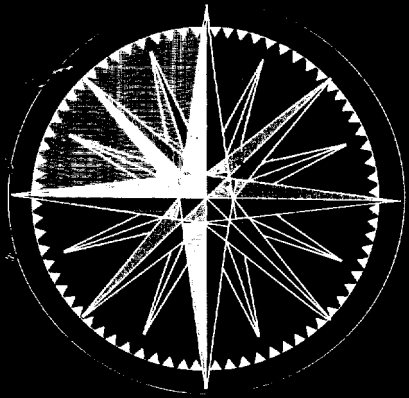


29 January 1965

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WEEKLY SUMMARY

CENTRAL INTELLIGENCE AGENCY OFFICE OF CURRENT INTELLIGENCE

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MEETING OF DE GAULLE AND ERHARD

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The principal result of the 19 January conference of the two leaders was a renewal of Franco-German amity which may have set the stage for early resumption of negotiations on a European political organization.

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ITALIAN POLITICAL DEVELOPMENTS

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The badly divided Christian Democrats have convened their national council in an effort to reach agreement to enact certain of the coalition's reform measures. Unless they are able to do so, their coalition partners will probably feel obligated to leave the government. Meanwhile, new demands from factions in both the Christian Democratic and Socialist parties may portend a fairly extensive cabinet shakeup.

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WESTERN HEMISPHERE (continued)

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POLITICAL TENSIONS RISING IN HONDURAS

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The majority Liberal Party, believing Chief of Government Lopez intends to rig elections for a constituent assembly next month in order to remain in office, may resort to violent protest.

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COLOMBIAN MINISTER OF WAR REPLACED

20

President Valencia, taking advantage of an upsurge of public confidence in the government after the collapse of a threatened general strike, has replaced the politically ambitious and outspoken General Ruiz Novoa.

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The Communist World

ALLIED TRAVEL POLICY FOR EAST GERMANS CHALLENGED

East Germany is gaining at least tacit support from some NATO members in its latest challenge to the system of regulating East German travel to the West. This system operates through the Allied Travel Office (ATO), which was set up as a four-power group after the defeat of Germany and now is administered by the three Western powers with the support of NATO.

ATO adopted a highly restrictive policy after the Berlin Wall went up, when it became more apparent that East Germany would permit trips abroad only if they served its political interests. To counter this, ATO began granting Temporary Travel Documents (TTDs) only for compassionate reasons, emigration, or trade of interest to the West.

Some relaxation occurred in mid-1963: TTDs were granted to athletic teams and scientific or cultural delegations if they joined with similar groups from the Federal Republic to represent all of Germany. Regulations were further relaxed on a trial basis in April 1964 to permit freer travel by individuals and by teams and delegations representing a locality, a sports club, or a regional scientific

group. At no time, however, were travel documents granted to government or party officials. (See table on reverse of this page.)

The regime currently is making use of selected travelers to NATO states in an effort to undercut the ATO regulations. It has encouraged eminent clergymen, scientists, and athletes to apply for TTDs to attend church meetings, symposia, and sports events which draw public attention. If these are not granted, it accuses ATO of being arbitrary and unreasonable. More recently East German offers of increased trade have had some success in gaining access to NATO countries for officials without proper documentation. In October, for example, Trade Minister Julius Balkow visited the Salonika Trade Fair and reportedly met with government officials in Athens. He went to Belgium in December after Brussels and Antwerp businessmen, fearful of losing shipbuilding and other contracts, persuaded Foreign Minister Spaak to waive the TTD requirement.

Twice the East Germans have also caused strain and embarrassment in NATO by sending

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ALLIED TRAVEL OFFICE CATEGORIES FOR EAST GERMAN TRAVEL IN THE WEST

SINCE APRIL 1964

BEFORE APRIL 1964

- 1. Trade
- 2. Transport and Communications
- 3. Professional Banned
- 4. Cultural
- 5. Political Banned
- 6. Press Banned
- 7. Religion
- 8. Official East German Delegations and Teams Banned
- 9. All-German Delegations and Teams
- 10. Private Visits
- 11. Tourism Banned
- 12. Emigration
- 13. Wives with Husbands

- 1. Trade
- 2. Transport and Communications
- 3. Agriculture Banned
- 4. Medical and Scientists Banned
- 5. Professional Banned
- 6. Political Banned
- 7. Cultural Banned
- 8. Sport Banned
- 9. Press Banned
- 10. Religion
- 11. Visits to Relatives
- 12. Visits to Friends
- 13. Wives with Husbands Banned
- 14. Tourism Banned
- 15. Health
- 16. Emigration
- 17. Compassionate
- 18. Private Contractual

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The Communist World

high-ranking party leaders to Western capitals. An SED delegation, led by candidate politburo member Axen, attended the funeral of Maurice Thorez in Paris last July. The French later explained with some chagrin that harried customs officials at Orly had overlooked the East Germans' lack of documentation. In late August, another SED delegation, led by politburo member Warnke, attended the funeral of Palmiro Togliatti in Rome. The Italian Government claimed that pressure from the local Communists had caused it to

grant the East Germans 48-hour transit visas.

Reflecting the greater interest of some NATO members in trade with East Germany, as well as general dissatisfaction over the way current regulations are enforced, the Netherlands delegation to the North Atlantic Council meeting on 13 January proposed liberalizing ATO regulations to permit more travel by sports teams and other "unobjectionable individuals." It also argued that trade officials should be allowed to travel on business.

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NEW SOVIET LEADERS ENCOURAGE LOCAL AND PRIVATE INITIATIVE

The new rulers of the USSR are encouraging local and private initiative in housing construction, agriculture, and industry.

The Construction Bank is once again offering credits to private individuals to build their own homes and encouraging them to do so. These seven-year credits--up to 700 rubles for workers and 1,000 rubles for teachers and doctors--will cover about 25 percent of the total costs of a private house.

In the late 1950s private housing construction, which was supported by government loans, accounted for about a third of all urban housing built. When Khrushchev withdrew his support

of this program in 1960, however, only a limited program of loans was sanctioned, and by the end of 1964 only 19 percent of total urban housing was privately built. The new government apparently recognizes that the 1965 goal of building over 10 million square meters more living space than in 1964 cannot be reached without a large increase in private homes.

Another incentive to stimulate private housing construction is offered to families who settle in state and collective farms on irrigated land. The 10-year credits previously granted have been increased from 1,700 rubles to a maximum of 3,500 rubles for building

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The Communist World

houses with small sheds for animals.

The USSR is also helping individuals acquire livestock. The state will extend five-year credits of 300 rubles for purchase of a milk cow, and 150 rubles to buy a calf. Grain now can be bought from state supplies for privately owned livestock, and fodder now is being sold to collective and state farms and other government enterprises at wholesale prices and without the turnover tax.

A recent article in Pravda has suggested increased reliance on local initiative to raise agricultural production. Stating that profit may be the best indicator for evaluating the operation of agricultural enterprises, the article implied that the government should pay more for agricultural products because some current procurement prices keep production rates below plan. The newspaper also suggested that the farms help draft the plan so that the state can determine which products they want to produce and can then adjust procurement prices to meet the needs of the whole country.

This encouragement of private and local initiative in agriculture follows the announcement of plans to expand a relatively liberal production system now being tried in light in-

dustry. The successful production-marketing experiment conducted at two clothing plants last year is to be expanded in July 1965 to some 400 factories which account for one fourth of total Soviet output of clothing and shoes. In the second quarter of 1965 the same system will be applied to 76 textile and 20 leather enterprises which supply these factories. Plant directors will have authority to buy the raw materials and hire the workers needed to fill orders received, and to set wages. Any reduction in profits caused by changes in consumer demand will be covered at least temporarily by reserves of the regional economic councils.

In line with Premier Kosygin's statement in his 1965 plan speech that this system will eventually spread to other branches of industry, an experiment is under way in five enterprises in the Lvov area including a lift-truck plant and a coal mine. The results of this trial will be watched closely because some of the strongest supporters of the textile experiment believe it cannot be successfully applied to heavy industry. Proponents of its expansion, however, argue that central control over the "commanding heights" of the economy can be maintained through less direct means.

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The Communist World

HANOI COMPLAINS OF ECONOMIC PROBLEMS

Hanoi's year-end statements have been unusually brief, with modest claims for 1964 overshadowed by concern for 1965.

The official announcements on 1964 are thus far limited to claims of a five-percent increase in the value of agricultural output over 1963's very poor crop and a ten-percent increase in industrial production. The early rice crop was excellent, but autumn typhoons left considerable damage from waterlogging. The fact that Hanoi has made no mention of total rice output suggests poor results in this vital area of the economy.

In spelling out the problems, a recent editorial in Nhan Dan reiterated the usual complaint that "various shortcomings in leadership and economic management" have limited progress and have created concern about accomplishing the "very heavy" tasks of 1965. Although this is the last year of North Vietnam's first five-year plan (1961-65), Hanoi's perfunctory references to the plan indicate that even the reduced goals are not expected to be met. Goals for 1965 are stated in extremely broad terms with the only persistent stress being on the need to fulfill food targets. A recent communiqué called for better distribution of food and noted that requirements were growing faster than production.

Hanoi found it necessary to import food in 1964 and may have to again in 1965. While food shortages have not been serious, the need to import food and the inability to export significant amounts of agricultural products are restricting economic growth and making Hanoi's goal of self-sufficiency all the more unattainable. With limited exports to earn foreign exchange, Hanoi will remain dependent on aid from the Communist world for most of the manufactured goods it needs.

Although North Vietnam's economy is clearly capable of supporting its present level of aid to dissident forces in Laos and South Vietnam, Hanoi remains dependent on the rest of the Communist world for all but the simplest military equipment. In his 1 January statement, Vice Premier Nguyen Duy Trinh said that the 1965 state plan would have to link the economy closely with national defense in order to increase the economic potential for supporting the military and "to heighten combat readiness." Considering the negligible military potential in the predominantly agricultural economy, Nguyen's statement appears designed to stimulate the people to greater economic efforts by citing external threats to the security of North Vietnam.

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Asia-Africa

MILITARY TAKE OVER AGAIN IN SOUTH VIETNAM

The military's bloodless coup on 27 January against the Huong regime in South Vietnam has damped down what was becoming increasingly violent Buddhist-inspired agitation, but General Khanh is likely to encounter a host of problems in his attempt to revamp the government.

Khanh and the military say that Buddhist leaders promised to give the military time to stabilize the situation and agreed to exile some of the more militant monks. The Buddhists, however, having once again demonstrated their political power, are already showing signs of reneging. They are insisting, as they have in the past, that all persons arrested in their recent demonstrations, including identified Viet Cong, be freed.

The military have entrusted to Khanh responsibility for establishing a joint civilian-military council, which will in turn name a new chief of state. The new chief of state is to name a new premier. The council will act as the legislative body pending election of a national assembly, still scheduled for mid-March.

Phan Khac Suu will remain as acting chief of state. Third Deputy Premier Nguyen Xuan Oanh has been appointed acting premier pending designation of a successor to Huong. Khanh professes an intent to leave the rest of the cabinet largely unchanged for the present, but Buddhist pressures are likely to force the removal of some civilian ministers who had previously excited Buddhist attacks.

The projected council, which will include religious elements, may become the new focus for the exertion of Buddhist pressure, as well as for the interplay of those other contending political forces which have thus far prevented establishment of a viable regime. Agreement on a new government combination may thus be difficult to achieve.

An alliance between Khanh and the Buddhists appears to have been a prime factor behind Huong's overthrow. 25X1

Continued
divisions within the military can be expected to limit the degree to which Khanh can enhance his personal power position.

Viet Cong military activity was relatively light last week, possibly reflecting a tapering off as the Tet (lunar new year) holidays approach. As in previous years, the Communists have unilaterally declared a cease-fire from 31 January to 6 February in observance of this major Vietnamese holiday. A sharp upsurge of activity can be expected thereafter.

On the government side, six large-scale operations last week resulted in substantial Viet Cong losses. The most notable government success was against the 261st Viet Cong Battalion, famous for its defeat of government forces in the battle of Ap Bac in 1963. 25X1

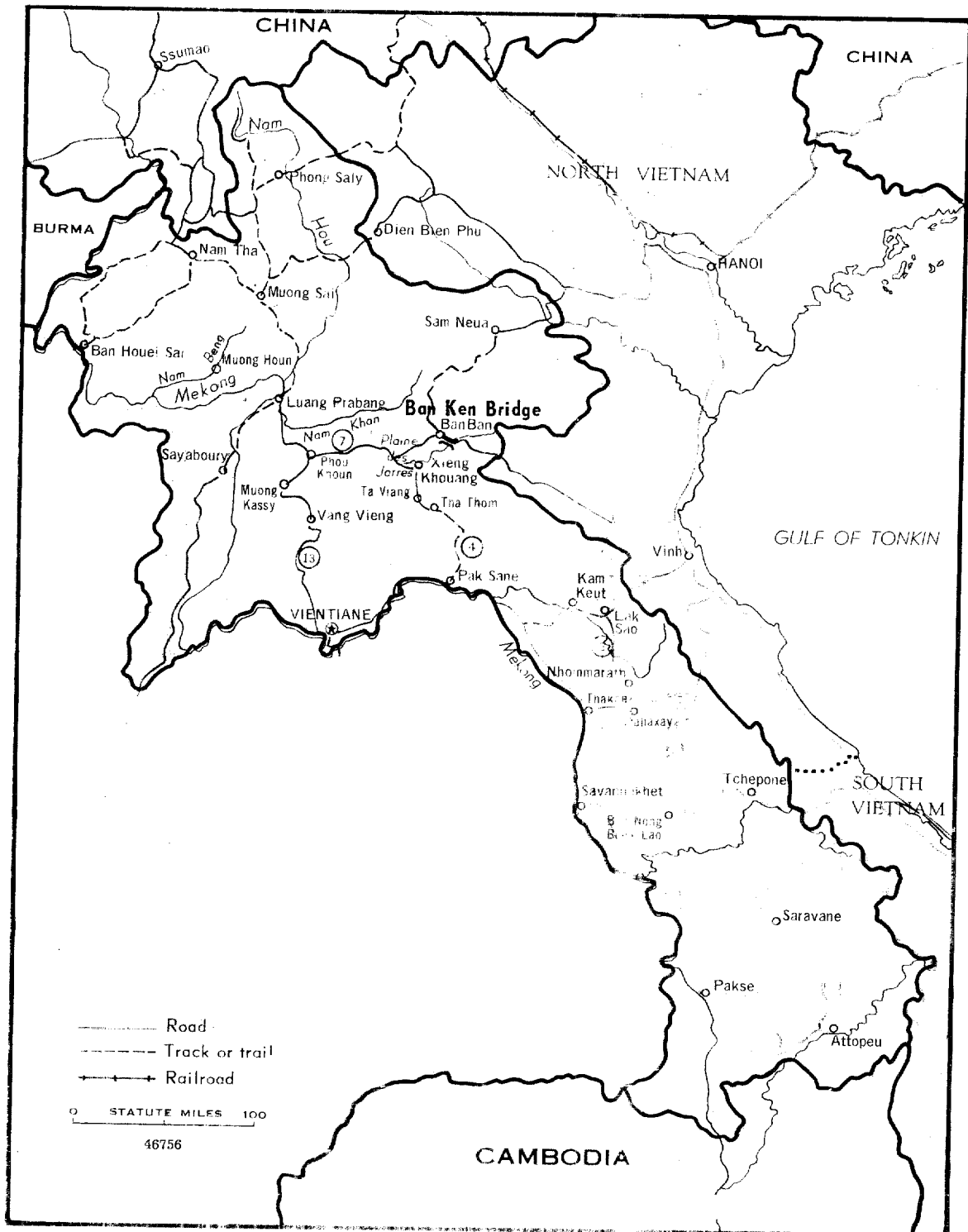
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LAOS



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Asia-Africa

COMMUNIST MILITARY MOVEMENTS IN LAOS

Communist forces last week launched a strong clearing operation against government military pockets in Sam Neua Province in northern Laos. Similar operations conducted sporadically over the past few years have resulted in only temporary gains against the strongly entrenched government troops, mostly Meo tribesmen.

In the present instance, the Pathet Lao, probably reinforced with additional North Vietnamese elements and new anti-aircraft artillery, are believed to outnumber the government forces by about six battalions to three. Some minor government positions west and southwest of Sam Neua town have been taken by the Communists, whose main objective appears to be a base area about 30 miles southwest of the provincial capital. Government defensive actions have been hampered by the loss of air support resulting from the destruction of nine Lao Air Force T-28s in a series of accidental explosions at Vientiane Airfield on 23 January.

The military situation is relatively quiet in other areas of Laos, although there are reports that the Communists may be preparing for another push in the Tha Thom area, southeast of the Plaine des Jarres. Farther south, the recent capture of a

North Vietnamese soldier along Route 9 in the panhandle lends support to previous reports that North Vietnamese forces have reinforced Pathet Lao troops in this area. The Communists may be preparing to launch a counterattack to regain territory lost during the recent government offensive east of Savannakhet.

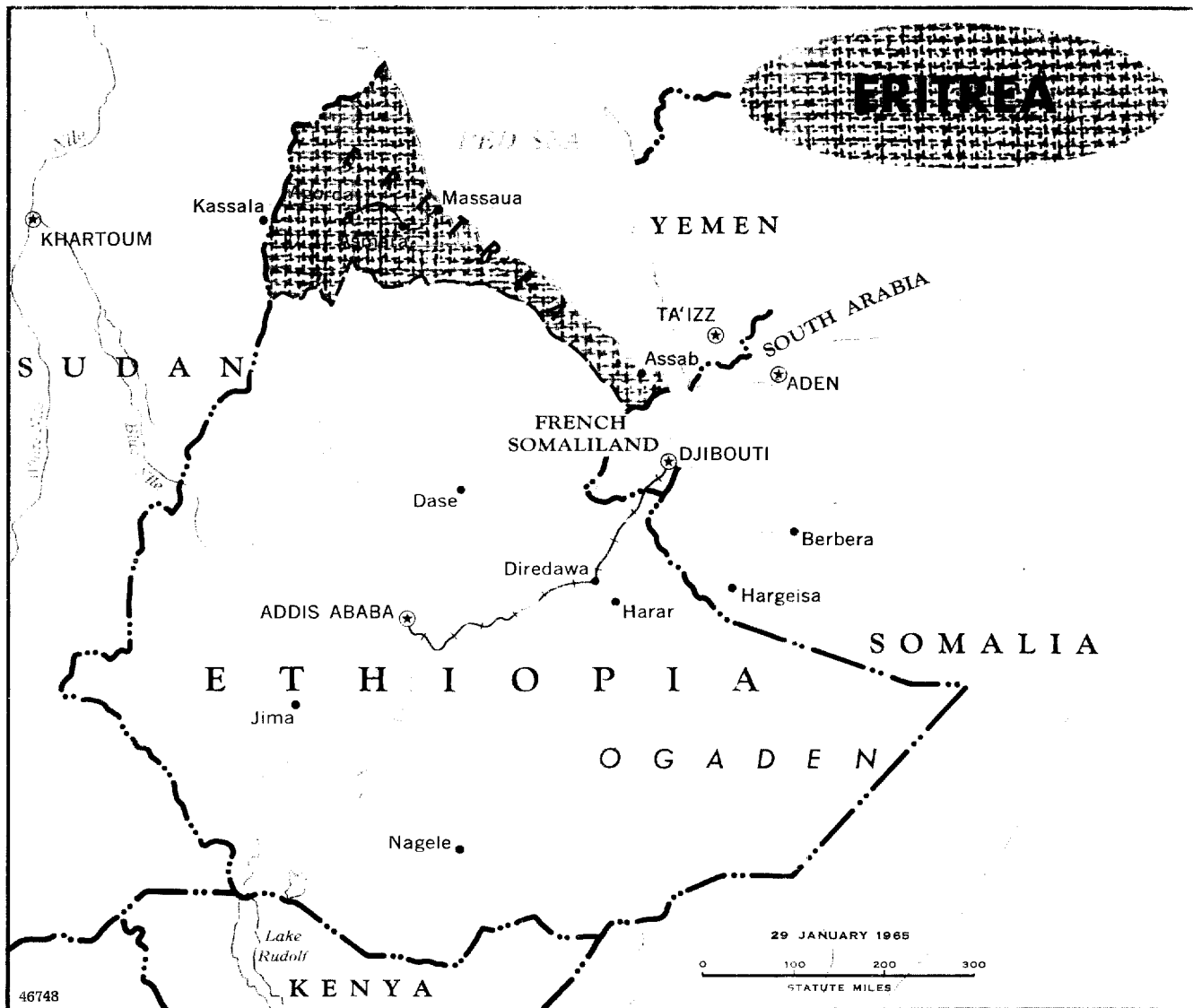
Meanwhile the Communists continue to supply advanced positions in the panhandle area along routes 12 and 23. In the 11-26 January period a total of approximately 70 trucks moved west on Route 12 toward the Nhommarath-Mahaxay area, an average of about 5 per day. In the same period, about 100 trucks moved south on Route 23. This latter movement was highlighted by a 60-truck convoy on 25 January, the largest southbound convoy on Route 23 since mid-December. Most of the trucks carried unidentified cargo, although in some instances small numbers of Communist troops apparently were transported.

A recently received road-watch report, the first since late December, indicates that Communist traffic continues to move into the Plaine des Jarres via Route 7. [redacted] photography tends to confirm earlier reports that a ford just north of the destroyed Ban Ken bridge is in use. [redacted]

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Asia-Africa

ETHIOPIA AGAIN FACES DISSIDENCE IN ERITREA

Ethiopian officials are increasingly concerned about chronic armed dissidence in Eritrea Province. The latest incident was a successful attack on a police unit at Massaua in mid-January. Addis Ababa is particularly worried over the support the new Sudanese Government is giving the Eritrean liberation movement, whose leaders have been in exile, first in Egypt and now in Iraq, since Eritrea was federated with Ethiopia in 1952 under a UN resolution. It became an integrated province of Ethiopia in 1962.

This month Ethiopia's acting foreign minister, angered by an anti-Ethiopian demonstration in Khartoum as well as Sudanese press and radio propaganda favoring the Eritrean cause, publicly deplored the new Sudanese sympathy for Eritreans in exile. Ethiopian officials also believe that in recent months the USSR has been giving more encouragement to the Eritreans in exile.

Banditry, tribal warfare, and Christian-versus-Muslim antagonisms as well as political dissidence have been endemic in Eritrea, but poor organization and factional rivalries have kept unrest at a level control-

lable by police and army units responsible for internal security. During the past ten years, the exile leaders have obtained military training for displaced Eritreans, recruited from Sudan and elsewhere, while a few personnel and small quantities of arms have been smuggled in and out of Eritrea with minor help from Egypt, Somalia, and other Muslim countries. The impact of this activity has been minimal. The collaboration that evidently has been developing between the new Sudanese Government and Somalia, however, lends some substance to Ethiopia's historic fears of Muslim encirclement.

The Somali Government, which has its own long-standing feud with Ethiopia over the Ogaden region, is surprised and delighted by the Sudanese support for the Eritreans.

A marked step-up in dissidence in Eritrea would severely tax the Ethiopian Army, whose best units are already tied down watching the Somalis in the Ogaden. Any sign of weakness in dealing with the Eritreans, moreover, could encourage elements in Ethiopia hostile to the Emperor's regime. Continued Sudanese toleration of the Eritreans thus could eventually provoke the Emperor to retaliate, possibly by supporting the southern Sudanese rebels.

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Asia-Africa

PROSPECTS FADING FOR MARCH PARLIAMENTARY ELECTIONS IN SUDAN

Prospects for March parliamentary elections in the Sudan are fading. While the non-Communist parties are anxious to dissolve the leftist-influenced transitional government as soon as possible and are pushing hard for cabinet assurances that elections will be held as promised, the Communists still prefer a postponement. The Communists and other leftists can probably secure ample cabinet votes to put off final approval of an electoral law indefinitely.

The growing conflict between the non-Communist Front of Political Parties--led by the Ansar religious brotherhood--and the Communist-backed Professional Front has thus far been limited to an exchange of public accusations and demands. Both groups, however, may soon turn to demonstrations and violence. The Professional Front has already called on the govern-

ment to lift the present ban on demonstrations.

The inflexibility of the strongly anti-Communist leaders of SANU, the southern dissident organization, is playing into the hands of the leftists. The Communists and most other northern Sudanese insist that any elections held must be nationwide, and SANU refuses to participate in elections until the government meets its presently unrealistic demands for self-rule in the southern provinces.

SANU leaders in exile are said to have agreed to return to the Sudan for constitutional negotiations. Southern dissident activity, however, is continuing. While both northerners and southerners still claim to be anxious to settle the southern problem, both sides are taking an increasingly hard line, and there is no indication that any compromise is possible at this time.

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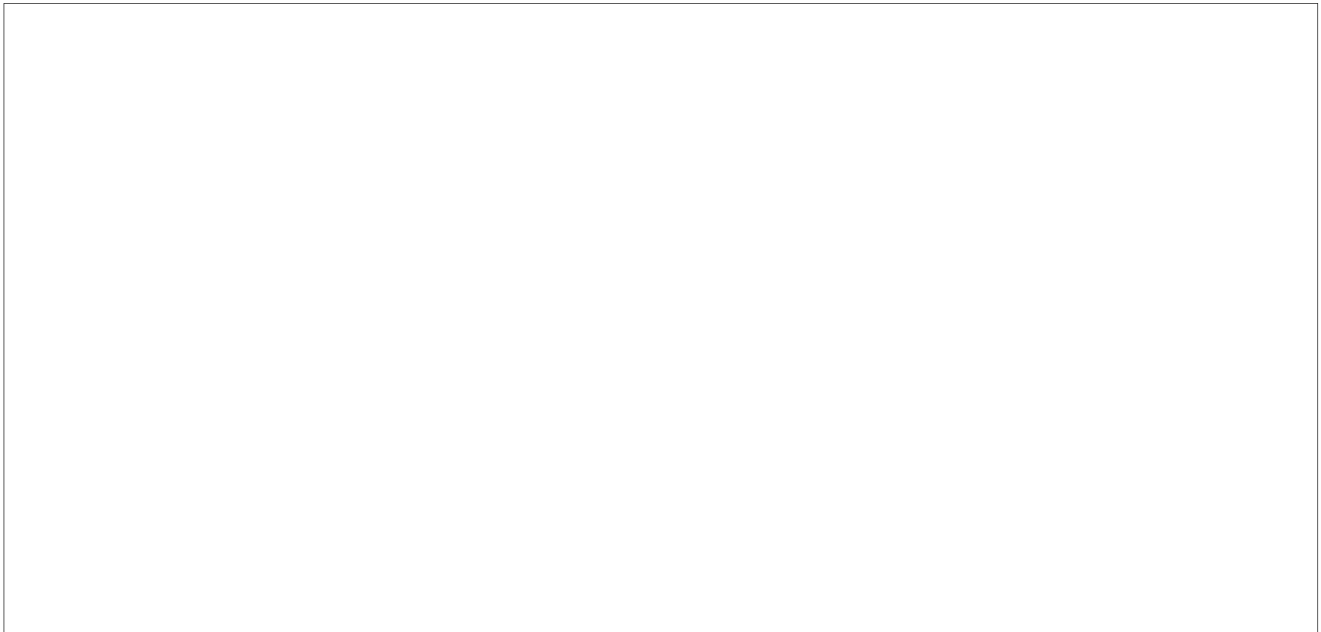
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Asia-Africa

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**TSHOMBE TO NEGOTIATE IN BRUSSELS**

Moise Tshombé plans to make his oft-postponed trip to Brussels this week end, while the OAU's Congo Committee is scheduled to meet in Nairobi.

The Congolese premier's object is to try to resolve outstanding critical problems with Belgian Foreign Minister Spaak. Tshombé is interested primarily in obtaining possession of the important portfolio of shares in Belgian companies operating in the Congo which was to have been handed over at independence, four and a half years ago. Spaak, worried by radical African support of the rebels, is pressing

Tshombé hard to seek wide African support by broadening his government, holding general elections, proclaiming a sweeping amnesty, and replacing South African mercenaries with Europeans.

As a pressure tactic the Belgian Government has recently stalled on further military and technical assistance to the Congo. Some of the most effective Belgian military advisers recently returned to Belgium at the expiration of their tours,

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Asia-Africa

At the OAU ad hoc committee meeting, the radicals who have previously dominated the commission may encounter more resistance from the moderates. The latter are concerned over the support radical African regimes have been giving the rebels.

The ad hoc commission chairman, President Kenyatta of Kenya, is reportedly becoming concerned over the threat to East African stability posed by the continuation of the Congo imbroglio. Kenyatta took pains last week to inform the US that he remains committed to a peaceful solution in the Congo, despite the publicized meeting of East African leaders with rebel leader Gbenye in Uganda. The Congo problem is also troubling OAU's radical secretary general, Diallo Telli, because of its increasing threat to OAU unity. One outcome of the Nairobi meeting may be the dispatch of a small delegation of commission members to Leopoldville, Burundi, and Brazzaville. Such a mission was specified by the OAU in the September mandate establishing the ad hoc group.

In the Congo, the government's planned military drive to the Sudanese and Ugandan borders has been postponed until sometime in February. The force

in Paulis has been awaiting more vehicles and additional mercenaries.

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The delay in moving to the border areas continues to favor the rebels, who presumably continue to receive shipments of arms through the Sudan.

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Elsewhere the military situation is relatively quiet. Another rebel raid in the Bolobo area--200 miles upriver from Leopoldville--was successfully dispersed by Congolese Army (ANC) troops. In the eastern Congo, a small force of ANC troops and mercenaries destroyed a large rebel camp near Uvira--on Lake Tanganyika and near the Burundi border.

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Asia-Africa

OAU PRESSURES AGAINST HOLDEN ROBERTO'S ANGOLAN EXILES

Pressure is mounting within the Organization of African Unity (OAU) to reduce its support of Holden Roberto's Angolan Revolutionary Government in Exile (GRAE). The GRAE, ensconced in the Leopoldville Congo, is the largest nationalist organization fighting Portuguese rule in Angola. Radical African leaders are disgusted by the GRAE's failure to make significant gains against the Portuguese, and they are reluctant to continue to support a group based in the domain of the hated Moise Tshombé.

In November, after unsuccessful efforts to reconcile

the GRAE with its bitter rival, the smaller, leftist-oriented Popular Movement for the Liberation of Angola, headed by Dr. Agostinho Neto, the OAU's nine-member Liberation Committee, voted unanimously to extend aid to both organizations. OAU endorsement of the committee's recommendations would severely damage Roberto's prestige. Pressures are certain to continue, in any case, as long as the GRAE is hamstrung by low military morale, internal squabbling, dissatisfaction with inefficient leadership, and the tepid support accorded by Tshombé.

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Europe

MEETING OF DE GAULLE AND ERHARD

The principal result of the 19 January conference between President de Gaulle and Chancellor Erhard was a renewal of Franco-German amity which may have set the stage for an early resumption of negotiations on a European political organization. These accomplishments, together with De Gaulle's willingness to make a gesture toward German reunification, were in part calculated to assist Erhard and his party in the September Bundestag elections.

De Gaulle responded positively to the German common agricultural price concessions of last December by committing France to consider recent proposals for European political unity, notably those put forward by Bonn. He agreed in principle to the convocation of an EEC foreign ministers' meeting to discuss the German and Italian plans, but indicated that before substantial progress could be made, certain outstanding agricultural problems among the six Common Market members would have to be resolved. Should the foreign ministers agree on a unity plan, an EEC summit meeting would be called to complete an accord.

The French Government now is prepared to formalize political consultations and coordination among the Six and would accept a European secretariat to suggest agenda and implement decisions. It would oppose any supranational institutions, however, such as an EEC-type commission with political authority. The German chancellor, noting the attitude of the Brit-

ish Labor Party toward the EEC, agreed that UK participation in the talks need no longer be regarded as essential.

On the question of German reunification all that was achieved was an agreement that France should make a "very favorable statement," and in concert with the US and the UK approach the USSR on forming a four-power council to deal with the problem. De Gaulle remains discreetly opposed to early German reunification, believing it may come about only when Eastern Europe has regained freedom of action.

Although there was a discussion of defense matters, De Gaulle did not choose to make an issue at the meeting of Germany's participation in an Allied nuclear force. He merely reminded Erhard of the probable Soviet-bloc reactions to such a course, and hence its incompatibility with reunification. He conceded, however, Germany's right to take part in nuclear defense planning and targeting.

Erhard made no commitment to abandon his interest in a nuclear force, but he apparently made it clear that so far as Bonn is concerned the issue would not be pressed until after the German elections. At least until that time it is unlikely that Erhard will permit problems such as the MLF to jeopardize his new-found rapport with De Gaulle or the forthcoming European unity discussions.

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Europe

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ITALIAN POLITICAL DEVELOPMENTS

Italy's badly divided Christian Democratic (CD) Party has convened its national council in an effort to pull itself together and reach agreement to push some reforms through Parliament. The party's coalition partners--particularly the Socialists (PSI)--have dug in their heels after a year of government inactivity on reform measures, and now are insisting that they will be forced to leave the government unless the Christian Democrats agree to go ahead with the program.

Although coalition leaders had hoped earlier that cabinet changes in the wake of the presidential election could be limited to the appointment of a new foreign minister to replace Saragat, a fairly extensive shake-up now appears to be unavoidable. Both the CD right-wing faction--which opposes the center-left reform program--and ex-Premier Fanfani's faction are demanding important cabinet posts as one of the terms of their participation on the CD directorate.

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Western Hemisphere

POLITICAL TENSIONS RISING IN HONDURAS

Political tensions in Honduras have increased as a result of a recent announcement by Chief of Government Lopez that he would accept the presidency if it is offered to him by the constituent assembly.

The majority Liberal Party and many members of Lopez' own Nationalist Party have believed for several months that Lopez is being encouraged by his chief adviser, Ricardo Zuniga, to find some means of remaining in office. Furthermore, it is widely believed that Zuniga is using every means at his disposal to rig the 16 February constituent assembly elections so as to assure the election of a pro-Lopez majority. Lopez' statement substantiates these suspicions and increases the chances of violence during the election period.

The return of ex-President Villeda Morales from exile on 24 January provides the Liberal Party with a rallying point, improving its prospects for becoming a more effective opposition party. However, if the minority Nationalist Party and the incumbent military regime frustrate the Liberal Party's political activity in connection

with the elections, some extremist Liberals might turn to subversive activity.

The arrest of the chief of the National Investigative Corps for insubordination over budgetary matters has also added to the political tension. This occurred at a time when he was indicting high-ranking Communists and publicly exposing Cuban support for Honduran guerrillas.

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Other subversive or terrorist groups could also take action during this period. Cuban-supported guerrilla groups which have been quiescent for several months may again become active in the rugged north coast area.

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Western Hemisphere

COLOMBIAN MINISTER OF WAR REPLACED

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Colombian President Valencia has replaced the politically ambitious and outspoken minister of war, General Ruiz Novoa, taking advantage of an upsurge of public confidence in the government following the collapse of a potentially ruinous general strike on 25 January.

[redacted] as courageous, honest, and pro-US.

Ruiz' dismissal ends the possibility that he might take power by means of his ministerial authority over the armed forces. The periodic circulation of rumors that he might do so had been contributing to political instability made worse by the government's severe economic difficulties, labor unrest, and the recent emergence of new terrorist guerrilla activities. Although Ruiz' ouster may now quiet the coup rumors, it will probably make him more of a focal point for opposition to the National Front and free him to organize wider political support.

Although the cancellation of the general strike has revived general confidence, Valencia may find that the government has committed itself to difficult and costly reform measures in negotiating the cancellation. The powerful Colombian Workers Union rescinded its strike order on 24 January after a 48-hour bargaining session in which a ministerial committee agreed to call a special session of Congress to consider repealing the month-old sales tax. The tax is to be replaced by some other less onerous revenue device and, in addition, the special session will consider bills to reform the labor code and government employment regulations as well as the customs tariff. A fourth bill concerning the administration of social security will also be proposed.

Ruiz' replacement, General Gabriel Rebeiz Pizarro, has moved swiftly to consolidate his new position among the military. Rebeiz is closer politically to Valencia than Ruiz, and has been described [redacted]

Efforts to extract agreement on such a wide-ranging legislative program in a Congress only barely under the control of the National Front coalition are certain to create new problems. [redacted]

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