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(Information as of noon EST, 9 December 1965)

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CHANGES IN THE SOVIET LEADERSHIP

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SOVIET BLOC PRESSES POLEMICAL CAMPAIGN AGAINST PEKING
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Western Hemisphere

24 ELECTION ATMOSPHERE BUILDING IN DOMINICAN REPUBLIC President Garcia Godoy has named two moderates to the body that will oversee the 1 June elections. Despite a continuing ban on political activities, the parties of Joaquin Balaguer and Juan Bosch are jostling for advantage. Agitation by government workers over Christmas bonuses is a new problem for the President.

BRAZIL'S POLITICAL PICTURE IMPROVED The President's ability to overrule military opposition to the inauguration of the Guanabara governor has probably strengthened his authority over the armed forces.

GUATEMALAN GOVERNMENT FACES CRISIS OF CONFIDENCE Its inability to cope with recent terrorist kidnappings has resulted in a further loss of confidence within business and financial circles

HAITI'S DISMAL OUTLOOK -- WITH OR WITHOUT DUVALIER Since coming to power eight years ago, Francois Duvalier has throttled even the most rudimentary forms of political dialogue in Haiti and few persons there are qualified to replace him. His eventual disappearance from the scene may inaugurate a period of violence and bloodshed. The extent of the turmoil probably will depend on whether he is removed by natural causes, coup, or assassination -- and on the ability of his would-be heirs to consolidate power and forestall a collapse of public order.

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VIETNAM

Viet Cong activity has dropped from the record level of the previous week, but the general offensive tempo of the past six weeks is being sustained.

Large-scale Communist activity during the past week was focused in South Vietnam's central coastal provinces and northwest of Saigon, with major attacks reported in Phu Yen, Binh Duong, and Quang Nam. A Viet Cong force estimated at battalion strength on 4 December overran a hamlet several miles north of Tuy Hoa, capital of Phu Yen. Two days later, enemy forces slightly north of Tuy Hoa attacked a government militia company and skirmished with a relief force before breaking contact.

In Binh Duong Province, US troops conducting a search operation near the abandoned Michelin rubber planation on 5 December, killed 236 Communists during several hours of severe fighting. Quang Nam Province was also the scene of major fighting on 8 December, when two government battalions were heavily engaged 20 miles south of Da Nang. Initial reports on this battle listed some 200 government casualties; Viet Cong losses were not immediately known.

Communist pressure in the Saigon area included the bombing of a US enlisted men's billet in

downtown Saigon, which resulted in 8 killed (1 US) and 139 wounded (72 US). Small-scale attacks and the assassination of local officials also continued near Saigon as well as in the delta area, where increased incidents of sabotage were reported along Route 4. Continued enemy sabotage has forced the government to consider closing railroad service between Nha Trang and Da Nang.

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The Political Situation In South Vietnam

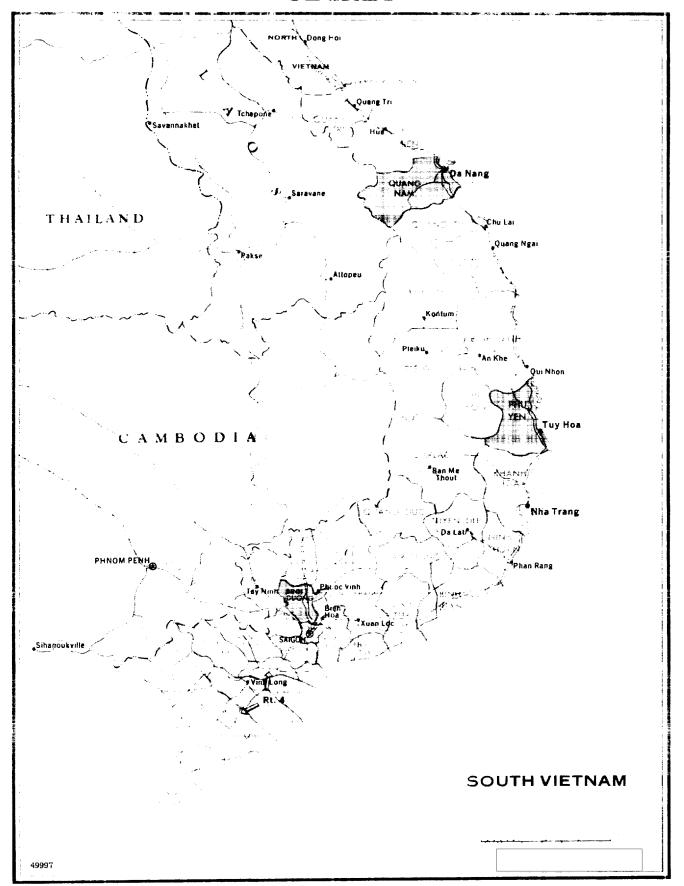
A public memorandum to visiting US Senator Mansfield last week reflected the continuing dissatisfaction of South Vietnam's Catholic community with the Ky government. Signed jointly by leaders of northern Catholic refugees and southern Catholics, the communique stated that the Ky government has not yet satisfied the widely held aspiration for a

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Rumania has not directly retaliated, but soon after the US levied its ban the Rumanians refused a US request to lift priornotification requirements for travel by US diplomatic personnel stationed in Bucharest. This refusal may have been regarded by the Rumanians as a sufficient, if indirect, gesture of reciprocity.

US personnel in Eastern Europe are not seriously hampered by the restrictions—some of which merely extend border area restrictions binding everyone or cut off access to some resort areas. The

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Asia-Africa

SOME HOPE FOR PROGRESS IN INDIA-PAKISTAN DISPUTE

Renewed efforts are being made to bring about a complete cessation of armed clashes along the Indo-Pakistani border, as well as a troop withdrawal. Both India and Pakistan now have agreed to meetings which could produce some results.

Prime Minister Shastri and President Ayub will meet under Soviet auspices in Tashkent, probably in early January. Indian leaders have stated that Shastri is willing to discuss all issues between India and Pakistan, including—but not exclusively—Kashmir. There is some hope that initial steps toward a settlement may be possible.

President Ayub is making preparations for his mid-December visit to the US. (Shastri's proposed US visit will probably not occur until early next year.)

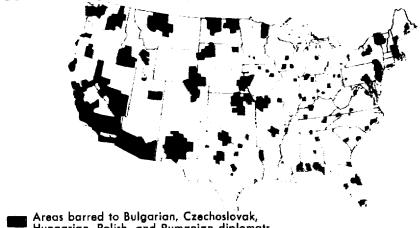
Ayub's entourage reportedly will include some of the more anti—Western members of his government, which could indicate that he is not prepared to make major foreign policy changes. However, he may merely want these men along to share political responsibility for any decisions reached.

UN efforts to effect a 25X1 troop withdrawal have made no progress. armed clashes are still 25X1 occurring regularly in the southernmost area of the front. However, the UN secretary general's representative, Chilean Brigadier General Marambio, has just begun his first round of discussions with Indian and 25X1 Pakistani officials and may be able to obtain some limited agreement.

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US RESTRICTIONS OF NOVEMBER 1963



Areas barred to Bulgarian, Czechoslovak, Hungarian, Polish, and Rumanian diplomats



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EASTERN EUROPE BELATEDLY RETALIATES AGAINST US TRAVEL BANS

All the Soviet bloc countries of Eastern Europe except Rumania have finally, and probably reluctantly, taken measures in retaliation for the travel restrictions placed on bloc diplomatic personnel in the US in November 1963. The delays in taking action -- ranging from seven months in the case of Poland to two years in the cases of Czechoslovakia and Hungary--were duc mainly to pressures within each regime to seek improved relations with the US and to the lingering hope that the US would in due course rescind its restrictions. In all cases the Eastern European restrictions are provisional in that they will remain in effect only as long as the US travel ban.

Unlike the others, Hungary, which reciprocated in November of this year, extended its travel ban to certain nondiplomatic as well as diplomatic US personnel. This slightly more stringent restriction may reflect the strained atmosphere caused by the Vietnam war.

The Czechs appear finally to have decided to reciprocate—as of 1 December 1965—in direct response to a more recent US measure. In mid-November the US informed the Czechs that the US-Czech financial claims settlement which had been in negotiation for nearly ten years and initialed last year would have to be scrapped and completely renegotiated.

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COMMUNIST CHINA'S TRADE WITH THE FREE WORLD UP SHARPLY

Chinese Communist trade with the free world this year is expected to rise about 25 percent to a record peak of roughly \$2.5 billion--more than two thirds of Peking's total trade. The ratio next year may be even higher because of China's continued need for large grain and fertilizer imports and the regime's preference for Western industrial equipment.

Grain imports for 1965 will total about 6 million tons, worth more than \$400 million. Fertilizer imports, more than double those of 1964, will reach about \$140 million in value. Imports of industrial equipment and products, including steel, synthetic fibers, and construction and transportation equipment, are also up.

China's trade with Japan has increased dramatically this year. Total value both ways is expected to reach about \$450 million, a rise of 45 percent over last year—as a result of which Japan will probably replace the USSR as Peking's lead—ing trade partner. It is expected that Chinese imports from Japan—mainly industrial goods—and exports of agricultural products, coal, and iron ore will expand further in 1966.

China's sales of textiles, nongrain foodstuffs, and low-priced manufactures have again boosted its trade with Southeast Asia. With Hong Kong, China's leading source of foreign exchange, net trade earnings are expected to reach about \$400 million this year, which will be an increase of 20 percent over last year and a new record high.

China's trade with Western Europe is also on the rise. attendance of top-ranking Chinese officials at the recent large French industrial fair in Peking, the biggest Western trade exhibition so far held in China, suggests that Peking wants to increase it further. During the year, China has purchased such items as merchant ships, aircraft, industrial equipment, and complete industrial plants in Western Europe. In its largest single deal with the non-Communist world to date, it bought more than 1,000 heavy-duty trucks from France valued at \$30 million. Another recent Chinese purchase was \$3 million worth of large-diameter pipe-making equipment from Italy. Numerous other contracts for industrial goods and plants are under negotiation in Western Europe.

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SOVIET BLOC PRESSES POLEMICAL CAMPAIGN AGAINST PEKING

Moscow and its supporters are pressing their efforts to exploit Peking's adamant stand. In a brief but direct attack on the Chinese Communist leaders, a 6 December Izvestia article stressed that Chinese obstinacy "hampers the struggle against imperialism and helps the aggressor."

There is some evidence that China is continuing to obstruct the passage of Soviet military aid to North Vietnam. Moscow will surely attempt in private interparty briefings to play up charges of such interference as the most graphic "proof" of the dire consequences of Peking's intransigence.

The Soviets, however, delegated to the regimes of Eastern Europe the task of replying directly to last month's People's Daily - Red Flag philippic. The Poles, Czechs, Hungarians, and Bulgarians recently joined the East Germans in roundly condemning the Chinese. Poland's party daily, for example, referring to

the "absurd accusations" made by People's Daily, asserted that "no nonsense can justify China's refusal to cooperate in defense of a nation that is bleeding under bombs."

Such open polemics--heretofore generally avoided by East European leaders--reflect Moscow's more effective working relationship with them, and also the degree to which the Chinese have become isolated.

The East Europeans appear satisfied with "methodical en-deavors" by the Soviets to consult--often at the highest level--on problems of mutual importance. Their support of Moscow against the Chinese assault reflects the confidence of the East European regimes in their increasingly successful attempts to assert their independence from the USSR and contrasts with their past concern over Peking's charges that they are "dancing to the Soviet baton."

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Soviet, citing poor health, and was succeeded by Nikolay Podgorny, who apparently had been second in command to Leonid Brezhnev on the party secretariat. According to Moscow rumors, Shelepin, who was relieved as a deputy premier and chairman of the Party-State Control Committee "to devote all his time and energies to party central committee work" will move into Podgorny's old position.

The decision to make these shifts apparently was approved at an unheralded plenum of the party central committee on 6 December. At this meeting the central committee replaced the joint Party-State Control Committee which Shelepin headed with a kind of popular inspectorate called the "Committee of People's Control," which appears to be of lesser importance. The Supreme Soviet formalized this action and appointed Pavel Kovanov, one of Shelepin's deputies on the old committee, as its chairman.

Podgorny's election to the presidency as a replacement for the retiring Mikoyan indicates that he has lost influence in the party secretariat and may soon lose his membership in that His political standing body. appears to have suffered since late spring. His new duties -largely ceremonial -- should effectively exclude him from becoming involved, as formerly, in matters of party personnel and appointments.

Mikoyan's retirement has been rumored for many months. Although it can be believed that, in view of his age and long service, honorable retirement offered him an attractive course, it may also be that his resignation was not entirely voluntary. Although he remains for now on the presidium, he clearly has withdrawn from the front line, and it is probable that his influence, which has been over the years by and large a moderating one, will, now count for far less in the highest councils.

In other high-level personnel actions the central committee reinstated Vladimir Shcherbitsky as a candidate member of the party presidium and named Ivan Kapitonov to the party secretariat. Shcherbitsky's added honor has been expected since October of this year when he was brought back as Ukrainian premier. He had been relieved of both positions by Khrushchev in 1963 and is reportedly close to Brezhnev. Kapitonov appears to be a belated replacement of Vitaly Titov, Khrushchev's party personnel chief who was transferred out of Moscow last April. Kapitonov has been doing similar work in the Russian Republic (RSFSR) for the past year.

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MOSCOW HOLDS TO TOUGH LINE IN TALKS WITH BRITISH

During their recent talks in Moscow with British Foreign Secretary Stewart, Soviet leaders made it plain that they attach crucial importance to the unresolved problems in Europe and indicated their frustration over the limits the Vietnam conflict imposes on political initiatives.

According to UK Ambassador Harrison, the Soviet leaders received Stewart with a personal warmth which contrasted with the relative coolness of Soviet public treatment of the visit. In keeping with Moscow's intention to avoid public divergence from Hanoi's position, the Soviet press repeatedly emphasized that British policy in Vietnam prevented the development of closer ties. Foreign Minister Gromyko, however, went out of his way in private to express the desire for "very friendly relations" and an increase in all kinds of contacts:

On the question of European security, Premier Kosygin stressed that "nuclear sharing" would strengthen NATO and lead to increased tension in which a non-proliferation agreement would be more difficult to achieve. Gromyko, however, left the UK representatives with the impression that the USSR has a continuing interest in such an agreement. He told Stewart that the USSR is still willing to discuss this subject outside the existing disarmament forums.

Although the Russians recently have been playing up the risks posed by alleged US military actions in Laos, they did not discuss this question with Stewart in any detail. On Vietnam, Gromyko reiterated Moscow's standard position that it is not empowered by North Vietnam to speak on this subject. The British received the strong impression that he was upset by his lack of maneuverability on Vietnam.

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CHANGES IN SOVIET LEADERSHIP

The first substantial recasting of the Soviet hierarchy since the removal of Khrushchev in late 1964 was undertaken in Moscow this week. As a result, a new political balance now seems to be taking shape in the ruling party presidium. The pivotal change appears to be that

affecting the role of party secretary and former police chief Aleksandr Shelepin.

Anastas Mikoyan, who turned 70 last month, stepped down as titular chief of state at the 9 December session of the Supreme

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Chinese retaliation. It may, however, reflect genuine concern that US military operations in Vietnam will lead to inadvertent or unintentional attacks on Chinese installations.

The Soviets stepped up their propaganda support for Hanoi this week. Acting in its capacity as Geneva co-chairman, the USSR on 8 December published a draft note which condemned US actions in Vietnam and warned that they are "fraught with extremely dangerous"

consequences." The note was routine in content and demanded "strict observance of the 1954 Geneva agreements and an end to the bandit war." In addition, on the domestic scene the Soviets have mounted a vociferous campaign of rallies expressing solidarity with the DRV. Soviet gestures included orderly demon- 25X1 strations in Moscow timed to coincide with the release of its co-chairman note.

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political framework based on representative institutions. The memorandum concluded that a government lacking such a popular base could never hope to match the Communists politically.

The government's ruling military Directorate is apparently nearing agreement on the formulation of a national advisory council of about 80 members to be selected from the various religious, regional, and political groups. Major tasks which may be assigned to the council include the drafting of a constitution and laws governing elections and political parties. Government leaders at present are refusing to comment publicly on this development, but plan to present the council late next month.

Hanoi's Relations With Peking and Moscow

Chinese protestations of "all-out support for North Vietnam" were undercut this week by the low-keyed treatment of a new Sino-Vietnamese economic aid agreement. The aid agreement, signed in Peking by DRV politburo member Le Thanh Nghi, was treated cautiously by both Hanoi and Peking. It lacked the expressions of close support and friendship which normally accompany such pacts, and, in contrast to Peking's announcement of grants last July, this agreement mentioned only loans. Le Than Nghi left for Moscow on 6 December.

Peking is continuing its propaganda support for Vietnam. A People's Daily editorial of 3 December encouraged the Vietnamese to continue the war and appeared to be assuring the Viet Cong that they will be able to destroy any number of troops and modern weapons which the US may commit.

On 2 December the same journal charged US aircraft with strafing Chinese fishing boats in the Tonkin Gulf on 18 and 25 November. The article warned the US not to take "lightly" Chinese protests over such incidents. Although sharp in tone, the article did not go beyond previous general warnings or threaten specific

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MANEUVERING CONTINUES IN INDONESIA

Maneuvering between Sukarno and the Indonesian Army continues, with no solution in sight.

Sukarno still resists pressure to outlaw the Communist Party (PKI). His speech on 4 December was "defiant, confident, and totally unreconstructed," according to the US Embassy. Emphasizing that the revolution must hold to its leftist course. the President warned that any party disruptive of national unity would be banned. The PKI, however, was never named. Sukarno cited only the Catholic and Christian parties and a small army-backed organization.

Sukarno's address to the People's Provisional Assembly on 6 December struck a different note. Pleading guilty to a certain neglect of Indonesian economic development, Sukarno complained of being "pushed and prodded" by anti-Communist elements. "If you do not accept my leadership any more, all right, kick me out," he challenged.

Members of the rubber-stamp assembly may feel called upon to respond with some expression of support, but the army may well benefit ultimately from Sukarno's open admission that he no longer fully controls the machinery of government. Possibly to avert such an effect, Sukarno specifically took credit for the deci-

sion to set up a military tribunal to try persons directly implicated in the abortive coup of 1 October.

In a speech the same day, Defense Minister Nasution underlined the army's determination to eliminate the PKI. Criticizing the resurgence of Communist elements after the PKI-led revolt of 1948, he argued that the organization and its activities must be stamped out to prevent a future attempt to take over.

Djakarta area commander
General Umar has followed four
other area commanders in banning
the PKI and its affiliates. Significantly, the order specifically referred to the party's
central organization as well as
its local units. Although decided upon in advance, Umar's
decree was published only a few
hours after Sukarno's speech
demanding a free hand, and can
be read as symptomatic of the
army's refusal to change course.

The Indonesians are apparently trying to lessen Soviet bloc concern over the anti-Communist campaign.

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Indonesian embassies throughout Eastern Europe have been told to stress that Indonesia's leftist foreign policies will continue regardless of internal political changes.

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SINGAPORE DEFERS RESUMPTION OF INDONESIAN TRADE

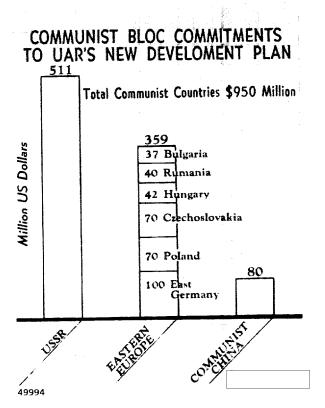
A direct confrontation between Singapore and Malaysia was narrowly averted last week when Singapore agreed to defer its publicly announced plan to resume barter trade with Indonesia, originally scheduled for 1 December. The question will be reviewed again at the meeting of the UK-Malaysia-Singapore Combined Defense Council on 14 December.

In the interim, however, Singapore apparently intends to go ahead with a new plan to begin trade by means of two large vessels anchored in international waters. Malaysian Prime Minister Rahman, who strongly opposed the earlier plan to use a Singapore island site for the trade, may acquiesce in this new arrangement. Such a scheme would not permit a high volume of trade, however, and Singapore Prime Minister Lee Kuan Yew is unlikely to accept it as a permanent solution to the present impasse.

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COMMUNIST COUNTRIES' ECONOMIC SUPPORT FOR THE UAR



Hungary's recent agreement to extend an additional \$42 million worth of credits to the UAR concludes a series of new aid agreements by Communist countries to support Egypt's current development plan. most \$1 billion now has been pledged for projects under this plan, which went into effect last July. In addition, about \$200 million is available for use by the UAR in unexpended funds from earlier bloc credits. Western aid commitments to the plan are small in comparison.

As in the past, Soviet assistance will be concentrated mainly in the UAR's metallurgical and petroleum industries. Other allocations include those for the electric power industry and a large land reclamation project. The Eastern European countries are to assist in the

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establishment of a variety of small factories, including cement plants and textile mills, and in the development of the UAR's mining industry. To date, the Chinese credit has not been allocated for specific projects.

Although most of the new credit agreements carry a long-term repayment period of 10-12 years, the USSR for the first time included mediumterm credits of 5 years in its aid package.

The volume of trade between the Communist countries and the UAR continues to increase, although their share in the UAR's total trade remains at about 27 percent. In 1964 total trade with the Communist countries amounted to \$401 million, compared with \$377 million in 1963 and \$325 million in 1962. Negotiations for new five-year trade agreements now have been completed with most of the East European countries, and protocols covering exchanges in 1966 project further increases in trade.

Egyptian cotton export commitments to the Communist countries appear to be on the rise again. During the past cotton export season (September 1964 - August 1965), total sales to these countries amounted to 625,485 bales--about 60 percent of total UAR cotton sales, as compared with only 50 percent during the 1963-64 season--the target the UAR tries to maintain for cotton exports to the bloc.

Negotiations for a new Soviet-Egyptian long-term trade agreement, originally scheduled to begin in October, have been delayed, possibly because Cairo wants first to complete a review of economic projects now in progress. To alleviate Egypt's financial burdens, Moscow probably will not insist that Egypt make hard-currency payments in its trade with the USSR. The USSR extended a similar concession in its agreement with the UAR for 1965.

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DISTURBANCES IN CHAD

Recent antigovernment incidents caused by Muslim elements in Chad have pointed up the ineffectiveness of the local administration and security forces and heightened moderate President Tombalbaye's perennial doubts about the loyalty of Chadian Muslims.

The government has quieted the disturbances for the present, but the 4,200-man security forces, weakened by the partial withdrawal of French personnel last winter, would probably be unable to handle either a major uprising or scattered, si-

multaneous disturbances. France, which still maintains about 1,000 troops at Fort Lamy, has promised more military aid, but it will be some time before a well-trained security force can be created.

Tombalbaye, who represents the Negroid, Christian-animist tribes dominating the government, has long viewed Chad's Muslims as a threat to his regime and has progressively reduced their participation in it. The Muslims, who make up slightly more than half the population, resent their

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limited role and have been particularly hostile to the appointment of southerners to administrative posts in predominantly Muslim northern and eastern Chad.

Last month Muslim tribesmen in Mangalmé, northeast of Fort Lamy, killed a National Assembly deputy, a high official, and six policemen in what Tombalbaye called a "misunderstanding." The tribesmen--some 1,500 strong and armed with spears and machetes-were protesting government plans to impose what they considered unjust taxes.

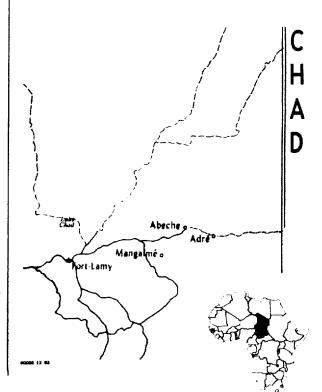
Another incident occurred during the first week in November when a lightly armed band of Sudan-based Chadian political dissidents crossed the frontier and attacked the administrative headquarters at Adré. After killing two National Guardsmen and wounding another, the dissidents withdrew to Sudan, leaving behind tracts inciting the population to revolt and accusing the government of "selling out to France and Israel."

There appears to be no direct connection between the two
incidents, although the dissidents from Sudan, who are also
Muslim, may have been exploiting
the Mangalmé uprising. Tombalbaye
reacted first by accusing unnamed
officials in Fort Lamy of exploiting tribal dissidence to further
their personal ambitions, and
then by arresting three Muslim

leaders, including two cabinet ministers.

Mangalmé and Adré now are quiet, but the government faces growing problems near Lake Chad, as well as in the east. These two areas, deteriorating economically, were once centers of powerful Islamic potentates in which, until about ten years ago, tribal chieftains received large financial subsidies. It is believed that many of the chieftains now stirring up trouble there seek a return to their former privileged system.

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NEW CONGO GOVERNMENT SEEKS CLOSER TIES WITH BELGIUM

Belgium's influence in the Congo appears to have been strengthened as a result of the coup staged by armed forces chief Mobutu on 25 November.

Since he ousted President Kasavubu, Mobutu has appointed Belgians to key positions in his entourage and has asked Brussels to provide a coordinator for the various government ministries. He evidently intends to continue working closely with Belgium, particularly in military affairs.

Mobutu stated, when Brussels first suggested discretion in their relations, that one of his chief reasons for taking over the government was to establish the same kind of relationship with Belgium that ex-French and ex-British colonies had with their mother countries.

The key Belgian military official in the Congo is asking Brussels to increase the military personnel assigned to the Congo from 300 to 1,000. He also wants a cadre of 30 to 50 Belgians with each army battalion.

The need for new Belgian military help is accentuated by the imminent departure of the English-speaking mercenaries.

In the economic sector, heads of the Belgian companies with Congo

interests have been working with officials in Brussels to clarify the particularly weak points in the Congolese economy and to come to an agreement on what the Belgian Government can do to help. Company representatives in the Congo have expressed confidence in Mobutu and intend to support him fully despite pessimistic appraisals of the present state of the Congo economy.

The interrelationship between Belgian business and Congo politics was highlighted shortly before the 25 November coup by a statement of a director of Belgium's largest holding company, Societé Generale. In reply to Foreign Minister Spaak's request that the companies refrain from politicking in the Congo, the director said it would be well nigh impossible to undo the established custom of subsidizing provincial politicians.

Belgian consideration of requests for more military and economic aid, however, is limited by the economic climate in Brussels. The rate of economic growth has slipped badly in Belgium this year. The government faces a projected record outlay in its 25X1 1966 budget, moreover, and must seek new tax revenue to make up the deficit.

INCREASING AFRICAN OUTCRY AGAINST LONDON'S RHODESIA POLICY

The special ministerial-level meeting of the Organization of African Unity (OAU) in Addis Ababa from 3 to 5 December demonstrated that the white Rhodesians' in-

dependence bid has aroused African emotions to an unprecedented extent. Representatives from many moderate states appeared as deeply affected as radical activists, and

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there was a rare degree of accord that Africa must try to reverse the situation whatever the consequences. It was evident, however, that considerable differences exist as to means to be adopted, especially in the military sphere.

The delegates called for a complete economic embargo of Rhodesia and agreed on a variety of measures designed to press Britain to take stronger action against the Smith regime. They publicly declared, e.g., that all OAU states—including nine Commonwealth members—will break relations with London if it has not ended the Rhodesian rebellion by 15 December.

Zambia was authorized to call on "friendly powers" for troops in an emergency, but Ghana and other activists failed to gain approval for any immediate deployment of OAU troops. There was widespread appreciation, fostered by some of the realistic military advisers present, of the many practical difficulties involved. Many feared such symbolic actions would only disclose the OAU's military weaknesses.

The delegates did authorize the special "Committee of Five," created at the OAU summit conference in Accra last October, to work out sabotage and subversive action plans. The committee would face frustrating problems in dealing with the divided Rhodesian African Nationalists, but might in time foment incidents that would precipitate a dangerous escalation of the situation. Provision was

also made for an early meeting of the regular OAU defense commission, apparently for longer term, more basic planning.

The Addis meeting revealed a general African disbelief both in the efficacy of London's economic sanctions and in the likelihood of more meaningful UK action by 15 December. There was also a consensus that Africa would have to turn to other powers for help. Increased pressure on the US is the most likely initial result, but it was apparent that the African officials who attended the meeting were already anticipating having to turn to the Communists for help.

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sals from Rhodesia. He is likely to heed London's strong warnings against a total embargo.

Zambian spokesmen are discouraging deployment of OAU troops to their country, while reaffirming Zambia's right to accept foreign troops over British objections. Kaunda is especially anxious to avoid Zambia's direct involvement in paramilitary operations by Rhodesian nationalists, although Zambian leaders are openly encouraging nonviolent resistance in Rhodesia.

Zambia does not intend to break relations with Britain and may dissuade other Commonwealth states by pointing out that a breakaway by Tanzania, Kenya, or Zambia would deprive Britain of facilities needed for suppressing the Smith regime.

The movement of RAF units to Zambia now is almost complete. They include Javelin all-weather jet fighters as well as special RAF airfield defense forces.

British officials are in Zambia negotiating the possible stationing of infantry troops, and the UK has one battalion in the UK and another in Swaziland on alert. British officials are pessimistic that any agreement can be reached. Kaunda is insisting that the UK forces occupy the Rhodesian side of the Kariba 25X1 dam, but the UK is willing to station them only on the Zambian side "at this time."

Most African countries are prepared to enforce the economic embargo against Rhodesia, but are becoming doubtful about the wisdom of their ultimatum to the UK. Only Tanzania's Nyerere is publicly committed to a severance of relations, and in this, as in last year's Congo crisis, he is far ahead of the African mainstream. Nevertheless, if Britain fails to respond with some convincing action, other leaders will feel obliged to make at least some gesture toward breaking relations.

The Zambian foreign minister nominally concurred in the decisions at Addis Ababa, but President Kaunda will strive to avoid actual measures so drastic as to provoke crippling repri-

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THE FIVE REMAIN FIRM AGAINST FRANCE IN EEC CRISIS

At the EEC Council of Ministers meeting last week the Five held firm on their common position opposing France's conditions for resolving the community impasse. Although concerned about keeping open the possibility of discussions with France, the Five reaffirmed their unwillingness to tamper with the community treaties or deal with Common Market problems outside the framework of EEC institutions. In a public communique the Council specifically mentioned Brussels as the site for the extraordinary Council session which France is again being invited to attend.

The Five decided to instruct Council President Colombo to communicate their position to French Foreign Minister Couve de Murville in Rome this week. Moreover, they agreed privately to avoid bilateral talks on the EEC with the French and make future contacts exclusively through the Council president. This approach would still leave open the possibilities of discussing the "application" of majority voting and the "style" with which the Commission will exercise its functions, but in light of the Council discussions it seems doubtful that the Five would or could agree to any concessions which violate the form of the Rome treaties and the treatyassigned role of the Commission. It remains to be seen whether the French Government, faced with a firm position of the Five which coincides with apparent

domestic concern over De Gaulle's European policy (see next article), will soften its Common Market demands.

An immediate problem for Paris will be whether to approve by "written procedure" the EEC and Euratom budgets passed by the Council. The 17.8-percent increase approved for the EEC, although substantially less than the Commission asked, is considerably more than the French were previously willing to consider. Should the French vote "no," the Five reportedly will hold a Council session to consider adopting the budget by majority vote. They have also agreed to proceed on 1 January 1966 with the scheduled 10-percent cut in internal tariffs, even without parallel French action.

Policies for the Kennedy Round trade and tariff negotiations, to be reviewed by the Council in January, may force the Five into a confrontation with France. Although the Commission is still unwilling to provoke French ire by pointing to mounting difficulties in the Geneva negotiations, community officials have privately admitted the necessity for new negotiating instructions. The Germans and Dutch are increasingly eager to move ahead on this front, which in practical terms may mean employing the majority voting rule after 1 January 1966 to revise the Commission's Kennedy Round mandate.

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FRENCH PRESIDENTIAL ELECTION

Despite De Gaulle's relatively poor showing in France's presidential election on 5 December, he is expected to win the runoff against Francois Mitterrand on 19 December. A poll conducted by the French Institute of Public Opinion shortly after the first ballot gives De Gaulle a comfortable 60 percent of the vote on the second ballot. campaign, which officially opens on 10 December, will give Mitterrand additional nationwide exposure, however, and could lower De Gaulle's majority.

Both men are expected to retain their first-round supporters.

RESULTS OF FIRST ROUND OF FRENCH PRESIDENTIAL ELECTION

S DECEMBER 1965

Charles de Gaulle Francois Mitterrand Jean Lecanuct Jean-Louis Tixier-Vignancour Pierre Marcilhacy Marcel Barbu	No. of Votes 10,828,521 7,694,005 3,777,120 1,260,208 415,017 279,685 24,254,556	7 of Total 44.63 31.71 15.56 5.19 1.71 1.15
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(Registered electorate: 28,914,581)

Mitterrand will probably gain most of the diehard anti-Gaul-list vote of the extreme right which went to Tixier-Vignancour on 5 December. Tixier personally has already endorsed Mitterrand.

Third place finisher Jean Lecanuet refused to endorse either candidate in a press conference on 9 December. The bulk of his Catholic-oriented voters will probably opt for De Gaulle rather than for the Communist-backed Mitterrand.

De Gaulle's failure to win an absolute majority on 5 December has been given widely differing interpretations by French political figures. For one thing his personal involvement in the campaign did not attract as many voters as expected away from the parties they traditionally support, although he did get 4 million more votes than did Gaullist candidates in the 1962 National Assembly elections. Mitterrand, moreover, appears to have had the solid support of the Communist and Socialist parties.

Also the campaign itself, particularly in the last two weeks, appears to have changed many minds. De Gaulle's slide in the public opinion polls in the late stages was probably due to the effective criticism of his policies by attractive opposition candidates. In regular television appearances, the opposition offered not only alternative policies but also youthful and dynamic personalities. Lecanuet's challenge to De Gaulle on the issue of Europe's future struck a responsive chord among those voters who oppose De Gaulle's policies in the EEC

and NATO and was especially damaging.

The election results will continue to be cited by French politicians to prove their own particular theses on why the French voter acted as he did. It is clear, however,

that the picture of De Gaulle as the indispensable man of France has been severely shaken. The general himself may not accept this and is unlikely to alter his basic policy goals, although he may modify his tactics or timing.

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GREEK POLITICAL AND ECONOMIC SITUATIONS MAY WORSEN

The political weakness of the Stephanopoulos government is hindering its efforts to deal with Greece's economic problems. Failure in this sphere may in turn weaken it still further.

In September, Stephanoupoulos came to power with a 152-148 vote of confidence from Parliament. Since then he has failed to gain more support, and his backing may in fact have fallen as low as 150 deputies, exactly half of Parliament. There appears to be no immediate prospect of winning over any of the followers of opposition leader Papandreou.

The government has been hesitant to undertake new policies of any sort, and its weakness has encouraged the opposition to fight at every turn. Parliament, which reconvened in mid-November, has done little more than elect some of its officers, and several of its sessions have ended in pandemonium.

Stephanopoulos is under attack on issues ranging from the organization of the Greek Orthodox Church to the return of exiled Communist guerrillas, but it is his handling of Greece's economic difficulties that may determine the future of his government. The long political crisis of last summer and the unrealistic fiscal policies of the Papandreou government added serious budgetary problems to Greece's already worsening balance of payments.

In the past few weeks public confidence in the economy has declined rapidly. Private gold purchases in a single day have surpassed earlier monthly totals, and savings deposits, which were rising early in November, have fallen sharply.

To halt the economic decline Stephanopoulos is considering tax increases and restrictions on expenditures, buthis slim majority in Parliament will make their passage difficult. Stephanopoulos apparently believes US backing will be necessary for his measures to have any chance, and has asked for emergency aid as an expression of support.

A parliamentary defeat of his economic program might force Stephanopoulos to resign. Should this happen, it would probably cause a political impasse similar to the one which paralyzed Greece for more than two months last summer.

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Western Hemisphere

ELECTION ATMOSPHERE BUILDING IN DOMINICAN REPUBLIC

President Garcia Godoy has set 1 June 1966 for the election of a new Dominican government and has named two political moderates to the body that will oversee the selection of the administration to take office early in July. His actions, following quickly an abortive rightist coup in Santiago on 22 November, have allayed fears that the provisional government might not survive and that the choice of a four-year government would be put off indefinitely.

The political parties have not had time to surface the "issues" on which they will seek popular endorsement, but Joaquin Balaguer's Reformist Party (PR) and Juan Bosch's Dominican Revolutionary Party (PRD) are jostling for advantage. Balaguer, in particular, has taken to the hustings to stress the need for stability and a legal transition of power. Replying to charges that he is violating the ban on political activities, the PR presidential candidate insists that he has yet to begin a formal campaign.

Balaguer has indicated privately his dismay over "the rebel mystique" among the youths, many of whom will vote for the first time in June, and his alarm over the degree to which Bosch's PRD has infiltrated local jobs under the auspices of the provisional government. Balaguer fears that PRD officeholders will resort to chicanery to influence the election outcome.

Bosch too has taken every opportunity to put his views before the public with newspaper interviews and radiobroadcasts but is loath to leave his heavily guarded home for fear of his life. He has charged that "some" Dominican military and police are "terrorizing" the PRD rank and file.

There is speculation that Bosch is toying with the idea of not entering a PRD candidate in the elections if the PR seems likely to win the semblance of a popular mandate. He reportedly is convinced some gesture toward the US is necessary if he is to stand a chance of winning and assuming office, but is unwilling to forfeit extreme leftist support by making such an For the moment, overture. Bosch's adherents expect him to take the stump against the continued presence of the Inter-American Peace Force even though he senses that its departure would make it unlikely that any PRD government could take office in the face of determined opposition from the Dominican right and the military establishment.

The present, perhaps deceptive, calm may be upset by Garcia Godoy's decision to grant only half the customary Christmas bonus to government employees. Sugar workers have struck over the issue, and employees of other government-owned industries may follow suit. The

sugar workers are backed by the pro-US labor federation whose leadership feels it must adopt a more radical line in the face of extremist efforts to cut into the labor movement.

No progress has been made on integrating former rebel military personnel into the armed forces. The arms-for-pay scheme has produced only modest results in collecting perhaps 20 percent of rebel weapons.

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BRAZIL'S POLITICAL PICTURE IMPROVED

The possibility of a show-down between President Castello Branco and Brazil's hard-line military officers has receded with the inauguration of Guanabara Governor Francisco Negrao de Lima on 5 December. The President's ability to override military opposition in this case has probably strengthened his authority over the armed forces, at least temporarily.

In a series of decisive moves during the week preceding the inauguration, the President succeeded in checking the pressure that had been building up against Negrao de Lima among officers in the Rio de Janeiro area.

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move by the government was the assignment on 29 November of General Jurandyr Mamede, an outstanding leader and confidant of the President, to command the important Vila Militar Garrison in Rio.

Hard-line leader Lieutenant Colonel Francisco Boaventura Cavalcanti was arrested on 28 November after publishing an open letter protesting the installation of the new governor. Despite his popularity and widely recognized qualities as a very capable officer, the arrest failed to arouse many open expressions of sympathy.

Negrao de Lima's mandate could be short-lived, however, if a military court accedes to a request for his arrest on charges of collaborating with the Communist Party. The administration seems virtually certain to accept whatever decision the court makes.

Although conditions have improved, the government will continue to face pressure to adopt a more revolutionary outlook, particularly with regard to subversion and political corruption.

The regime's opponents are seeking to pit the armed forces against the government. Conservative leader Carlos Lacerda, for example, has broken a temporary silence with a strong attack against the government in which he accuses Castello Branco of having common interests with the Communists and of "demoralizing the armed forces."

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GUATEMALAN GOVERNMENT FACES CRISIS OF CONFIDENCE

Growing dissatisfaction with the Peralta regime, especially among influential business and financial circles, threatens a new political crisis in Guatemala.

Already concerned by Guatemala's worsening foreign exchange deficit and a commodity scandal which has reflected adversely on the integrity of prominent members of the administration, the businessmen and financiers have begun to doubt the regime's ability to cope with terrorists who three times in recent weeks have abducted members of prominent Guatemala City families for ransom.

To date, \$180,000 in ransom has been paid furtively and in the face of police protests. The police, inept at best, have been hampered by the refusal of the families of the kidnap victims to cooperate in the investigation or apprehension of the criminals. The kidnapings, along with reported demands for the payment of "protection fees," appear to be well planned and professionally executed.

Yon Sosa's 13 November Movement has been implicated in one kidnaping, and the FAR-the Guatemalan Communist Party's action arm-is thought to be behind another. It is not clear whether the two groups are working together again after a split in midyear or whether both have decided to employ extortion tactics to finance guerrilla operations

elsewhere in the country. [#]25X1 The evident strain on Chief of Government Peralta, coupled with his own administration's obvious lack of confidence in him, may invite an early attempt to oust the government. 25X1



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10 December 1965

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SPECIAL REPORT

HAITI'S DISMAL OUTLOOK-WITH OR WITHOUT DUVALIER

CENTRAL INTELLIGENCE AGENCY OFFICE OF CURRENT INTELLIGENCE

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HAITI'S DISMAL OUTLOOK -- WITH OR WITHOUT DUVALIER

Since coming to power eight years ago, Francois Duvalier has throttled even the most rudimentary forms of political dialogue in Haiti and few persons there are qualified to replace him. His eventual disappearance from the scene may inaugurate a period of violence and bloodshed. The extent of the turmoil probably will depend on whether he is removed by natural causes, coup, or assassination—and on the ability of his would—be heirs to consolidate power and forestall a collapse of public order. Contending for power will be the bureaucracy, the internal security forces, Communists, and non-Communist exiles. Whatever the immediate outcome, the political situation will be extremely confused over the succeeding weeks and even months.

The Political Scene

Duvalier was elected President for a six-year term in 1957. Four years later, in 1961, he had himself "re-elected" for an additional six years. He then proclaimed himself "President for Life" in 1964--an action sanctioned by a controlled plebiscite. The next step, according to recurring rumors, will be to proclaim himself emperor.

Only five of Haiti's more than 30 chiefs of state have lived out their terms and left office voluntarily; three of these served during the US occupation from 1915 to 1934. The Haitian Constitution of 1964 made no provision for a vice president or for choosing a successor to the president. Duvalier has said that his 15-year-old son will succeed him, with Mrs. Duvalier serving as "regent" until the boy reaches maturity.

Duvalier has erected a facade of legality around his regime, but he has remained in power by destroying or neutralizing all sources of opposition. The only legal political grouping is his own National Unity Party. Government and military leaders have been rotated often to keep them from developing personal followings or becoming potential rivals. As a counterforce to the regular military, Duvalier has set up his own civil militia and secret police.

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small Communist parties, which

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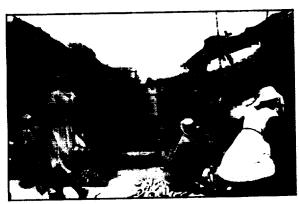
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operate more or less overtly, comprise the only organized internal opposition. The politically apathetic majority--probably 90 percent of the population--is illiterate, physically and culturally isolated, and exists on the fringe of starvation. Many accept Duvalier's grandiose claims to supernatural powers and authority and believe him the reincarnation of a voodoo deitv.

Military and Security Forces

Duvalier depends for survival on the armed forces (FAdH), the civil militia, and the secret volice.

The FAdH numbers around 4.800 officers and men, including ground, air, and coast guard personnel. It is primarily a national constabulary, with responsibilities for internal security, local police functions, and fire fighting. Half of its total strength is in Port-au-Prince, the capital; the remainder is in



Slums in Port-au-Prince 49944

small, police-type units throughout the country.

Duvalier has replaced most of the FAdH's professional officers with less capable men who are unqestionably loyal to him. The FAdH is poorly equipped with obsolescent hardware. Except for two unarmed T-28 aircraft, a twinengine Cessna 310, and one C-47 transport -- all illegally acquired in 1964--no new equipment has been purchased since about 1962. There are serious shortages of weapons, ammunition, vehicles, ships, aircraft, and logistical support of all kinds.

The FAdH has almost no capability for standard military oferations in the countryside. In mid-1964 two groups of rebels--25 to 30 in one group and 13 in another -- eluded capture for over two months before being overpowered by sheer numbers. The military forces might, however, be more effective within Portau-Prince, where they would have access to munitions stored in the National Palace.

The 10,000-man civil militia, the National Security Volunteers (VSN), was created by Duvalier and is personally loyal to him. About one-third of its members are armed, but with a motley collection of pistols, revolvers, and bolt-action rifles. group is poorly trained and could not cope with a well-armed and -trained enemy. However, their uniforms and their public training sessions add to Duvalier's appearance of strength and help to cow the populace.

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The secret police apparently have no official name or status; Haitians privately refer to them as Ton Ton Macoute (TTM), a Creole phrase meaning "bogeyman." The TTMs are armed thugs, about 1,500 in number, who specialize in beatings, murder, arson, pillage, extortion, and other violence. Occasionally, the TTMs overstep their rather broad authority and Duvalier is forced to curb them. However, he seems to find them too useful to limit their power for long.

The Economy

Haiti's GNP currently is estimated at \$300 million--equivalent to about \$60 per capita, the lowest level in Latin America. There is little prospect that the downward trend of recent years will be reversed.

When fiscal year 1965 ended on 30 September, foreign exchange reserves were very tight, and the internal budgetary situation placed additional pressure on the government. Revenues were lower than anticipated, at least partly because of theft by customs and tax officials. The \$28.2-million budget approved for FY 1966 is about \$400,000 lower than last year's and contains no provision for any direct government investment.

Production of export crops-coffee, sugar, and cocoa-in-creased this year, but their value did not rise because world prices declined. Projected increases in the output of coffee and sugar in 1966 are unlikely to benefit Haiti because of the likelihood that

world prices will continue low and that sugar production will far exceed the quota set by the US--the principal market for Haitian sugar.

Life for the peasants, who comprise over 80 percent of Haiti's population, has been even more difficult in the past year because of a prolonged drought. Although the peasants customarily exist at a subsistence level, 1965 saw actual cases of starvation. The small middle class-especially the merchants-also feels the effects of the decline in the economy, in addition to exorbitant taxes, harassing regulations, and arbitrary "voluntary" collections.

Possible Opposition Within the Government

Several men within the government have figured in past plots against Duvalier, or are described as ready to take over when he dies. Various alignments appear within the palace entourage from time to time.

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The Communists

Haiti's two Communist parties—the Party of Popular Accord (PEP) and the Popular Party of National Liberation (PPLN)—are small, lacking in discipline, and poorly indoctrinated. Their split stems from personal rivalry among the leaders, rather than any real ideological differences.

There is no precise information on the number of PEP members

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and sympathizers; estimates place the membership at around 200 and the number of fellow travelers between 300 and 1,000. The PEP is seeking adherents mainly in labor ranks, and formerly supported the Intersyndical Union of Haiti (UIH). The UIH was disbanded by the regime in December 1963 because of its antigovernment propaganda, and now is thought to be operating clandestinely as the Haitian The PEP Syndical Front (FSH). presently has no newspaper; however, between 1962 and 1964 it published the clandestine monthly Voix du Peuple.

The PEP is recognized by the international Communist movement as the Haitian Communist party. It is Moscow oriented; the amount of financial assistance it receives from Moscow, if any, is unknown,

A recent estimate places the number of PPLN members at around 300, with perhaps 500 to 1,000 sympathizers. The leadership currently publishes no newspaper, but during 1962 and 1963 it sought to win readers for a monthly called Haiti-Demain among the urban workers, peasants, and the very small middle class.

The PPLN has concentrated on a succession of short-lived youth fronts. One of the most recent, taking its name from a type of peasant attire, was called the Caracoa Bleu. Organized around the end of 1962, it reportedly had about 400 members and an

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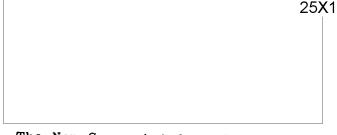
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additional 500 or so sympathizers who attended lectures, concerts, and art exhibits which were used as vehicles for Communist propaganda. Caracoa Bleu became inactive toward the end of 1964 and is thought to have been reorganized early in 1965 under the name Popular Youth League (LJP), which continues to sponsor much the same type of activities.

The PPLN suffered a setback in July 1965, when the accidental shooting of a member during an arms training class enabled the police to discover its meeting place and arrest several members—including some who possessed extensive knowledge of party organization and activities. There were follow-up arrests and several party leaders hurriedly left the country.

No direct contact between Moscow and the PPLN has been detected. It is Castro-oriented and receives ideological guidance from Radio Havana, which beams one program in French and another in Creole.

Over the past few years, there have been unsuccessful attempts to unite the PEP and PPLN in something to be called the United Democratic Front (FDU). Radio Havana treats the FDU as if it were an organized party and has called on all "patriotic Haitians" to join it to overthrow Duvalier.



The Non-Communist Opposition

Most of the non-Communist Haitian exile opposition is located in New York and Miami, with smaller groups scattered around the Caribbean in Venezuela, Puerto Rico, the Dominican Republic, and perhaps in the Bahamas. Other large groups of uneducated Haitian workers in the Dominican Republic, Cuba, and the Bahamas are not active politically.

Of those with political pretensions, about ten leaders in New York have grouped their individual followings into the International Haitian Union. is presently active and sponsors a half-hour daily short-wave broadcast to Haiti in Creole over New York station WRUL. The program consists of music, news, and poetry, and carefully avoids any direct reference to Duvalier or his regime. Nevertheless, Duvalier has complained to the US Government that these broadcasts are inciting the Haitian population to revolt.

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SPECIAL REPORT

Haiti After Duvalier

There is almost certain to be a complete breakdown of the government and extensive disorder when Duvalier leaves the scene. For eight years "Papa Doc" has silenced all political dialogue; executed or exiled all potential opposition; played on racial antipathies; allowed the economy to stagnate; permitted quasimilitary terrorist organizations to exercise almost unbridled authority over the populace; and made no provision for a legal, orderly transfer of power. The way in which Duvalier goes -- as well as the ability of his wouldbe successors to consolidate their control--will determine the extent of the turmoil.

Duvalier's sudden death from natural causes probably would occasion the least public disorder, assuming that news of his demise could be withheld long enough to permit one or more of his entourage to consolidate control over the militia, military, and internal security forces before they fell upon one another.

If Duvalier were mentally or physically incapacitated over a long period of time, his henchmen might be able to capitalize

on their positions within the palace to supplant the ailing dictator. The length of time during which Duvalier was unable to function or the choice of a successor remained unclear would determine the extent of dislocation within the administrative bureaucracy.

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A coup could also limit the amount of attendant bloodshed. The assumption of power by a person or group closely identified with Duvalier would cause less dismay to his rank-and-file supporters. Those most closely associated with the excesses and brutality of the Duvalier regime -- for example, the militia and the Ton Ton Macoutes -- would probably go along with it on the assumption that there would be no wholesale reprisals against If however, the coup should them. bring to power someone not in sympathy with Duvalier, the situation would probably be radically different. The militia and Ton Ton Macoutes probably would react by striking out at the



Duvalier

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long-suffering white and mulatto population of Port-au-Prince out of fear that these groups would seek to exact revenge for their mistreatment under Duvalier.

A public assassination of Duvalier would be likely to occasion a reign of terror, probably limited to the capital but possibly extending to the rural areas. Members of Duvalier's entourage and the Haitian military would enjoy less of an advantage in such a situation, although they would still have access to arms and munitions stored in the capital. Public disorder would be a major prob-The militia and Ton Ton Macoutes probably would go on a rampage in Port-au-Prince, both to seize what they could in the way of booty and to attempt to get the jump on what would likely be a vendetta against them. Moreover, the deliberate racist policies of Duvalier -- setting up the majority blacks against the minority elite of whites and mulattoes -- would probably result in bloody racial turmoil, with the blacks seeking vengeance and the whites and mulattoes fighting for their lives.

Either or both of Haiti's Communist parties will try to capitalize on the uncertainty and turmoil. Concentrated in Portau-Prince, where the expected power struggle and public disorder would be centered, the Communists could only hope to improve their fortunes during any vacuum in national leadership and would probably seek to prolong the choice of a successor to Duvalier, possibly to make a stab at seizing the top office themselves.

seize a pre-eminent position, however, the Communists would require the effective support of the military, and probably the Ton Ton Macoutes and the militia. There is no indication that they could garner such support.

Prospects

Barring a totally unforeseen development, there is no 25X6 indication that Duvalier will voluntarily leave the scene in the immediate futuUNC

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