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(Information as of noon, EST 27 January 1966)

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at the lowest unit cost in the USSR.

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THAI-CAMBODIAN BORDER TENSIONS CONTINUE

New flare-ups are likely following last week's clashes

near the Gulf of Siam. Increasing activity of the

Khmer Serei seems responsible for the trouble be
tween the two countries.

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Western Hemisphere

DOMINICAN MILITARY CHIEFS REMAIN DESPITE CAAMANO'S DEPARTURE 21 Although refusing to accept new assignments, the military has indicated it will not move against Garcia Godoy at present. Navy chief Jiminez, who has been urging a moderate line on the other chiefs 25X1 25X1 25X6 25X1 PERUVIAN REGIME'S RELATIONS WITH CONGRESS STRAINED 24 The senate's censure of the justice minister has created strained relations and has pointed upgrowing difficulties in the coalition supporting President Belaunde. ECUADOREAN JUNTA REVISES PLAN FOR RETURN TO CONSTITUTIONAL 24 GOVERNMENT Its announcement that congressional elections will be held simultaneously with the presidential election scheduled earlier for 5 June is a major concession to politicians.

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VIETNAM

With the expiration of the 78-hour, holiday cease-fire on 23 January, South Vietnamese and allied forces resumed major operations, thus far encountering only sporadic enemy resistance. The largest allied effort of the war was launched in Binh Dinh Province on 26 January when some 17 South Vietnamese, US, and South Korean battalions began a search-and-destroy operation north of the provincial capital near the coast. Only light contact was initially reported. Earlier, US military officials in Saigon had reported that the North Vietnamese 18th Regiment, probably one Viet Cong regiment, and possibly two other Communist regiments--as yet unidentified --were filtering into the northeastern sector of the province.

Viet Cong incidents increased after the cease-fire period, although no major attacks have yet been reported. most significant action during the post-Tet period was an enemy mortar bombardment on 25 January directed against US and South Vietnamese installations in Da Nang, which killed four and wounded 25 others. The attack included several rounds from a 120-mm. mortar--the second instance in which Viet Cong forces have employed this heavy weapon in South Vietnam.

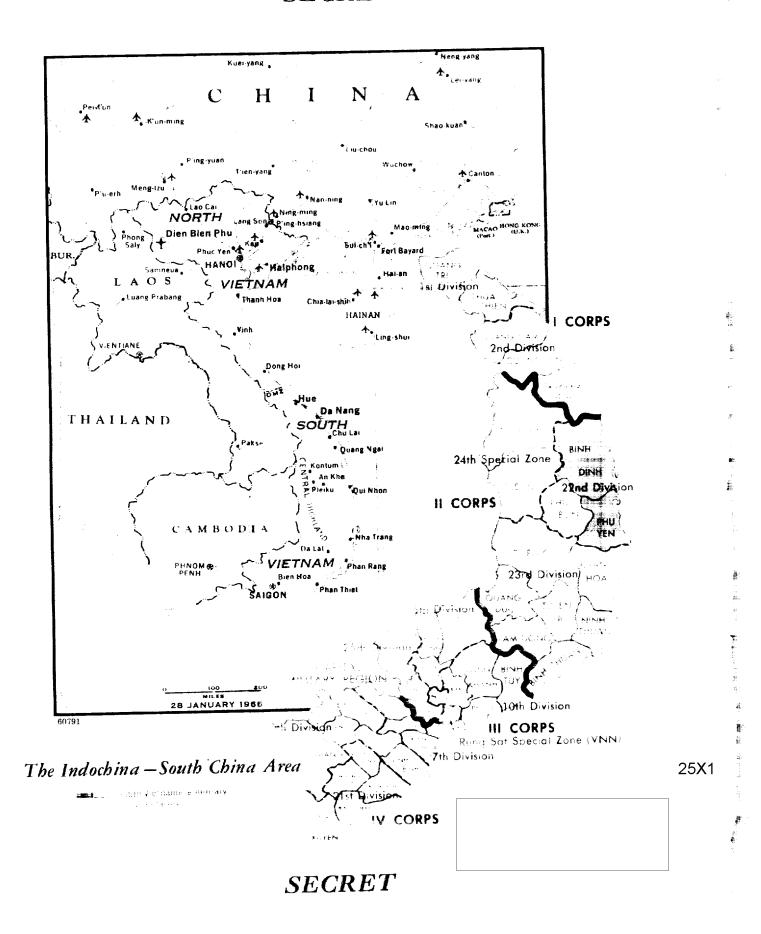
During the four-day ceasefire, enemy activity slackened considerably, but did not stop altogether. Most of the 106 incidents which occurred during this period were concentrated in the Saigon area, near Da Nang, and in Phu Yen Province. Although several serious incidents were reported, the majority consisted of harassment of outposts, patrols, and aircraft.

South Vietnam Politics

Political activity in Saigon during the week came to a virtual halt as observance of the lunar new year holiday prevailed. The US Embassy has reported, however, that Vietnamese Government relations with montagnard tribesmen in the central highlands have continued to deteriorate. Last month's shortlived revolt in several highland provinces, which was inspired by the tribal autonomy movement FULRO, was the most recent serious reflection of fundamental montagnard grievances. Since then, the government has reacted firmly to circumscribe the FULRO movement, but has not yet developed a consistent policy toward the tribal population. Part of the difficulty at present, the US Embassy reports, is the existence of friction within the South Vietnamese Government between Saigon officials and the local area commander as to who will control montagnard affairs.

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In Hue, about 1,000 persons gathered at one of the main pagodas during the holiday period to pray for peace. Organized by a local Buddhist student association, the meeting was orderly and similar to other student prayer-for-peace meetings held in Saigon in recent weeks. though some student statements and banners were reminiscent of the former militant anti-American student movement in Hue, there is no firm indication yet as to whether the meeting was the beginning of a general peace movement or a special Tet ceremony.

DRV Military Developments

Hanoi has repaired the bomb damage to Dien Bien Phu Airfield since 14 January and is extending the 4,000-foot runway some 2,000 feet. This airfield has not been used since June 1965, when it was made unserviceable by US air strikes. The Communist intent in reactivating the field could be to make it serviceable for jet fighters, or to use it as a logistical staging area for PAVN operations in Laos.

An unprecedented and as yet unexplained airlift is being con-

ducted to the Dien Bien Phu area. Most of this activity, has consisted of paradrops in the plains area south of the airfield.

ground southwest of the airfield with box-like objects still attached to some of the shrouds, suggesting that the operation is

DRV Propaganda

essentially a cargo drop.

In addition to taking maximum advantage of the bombing lull to complete bomb damage repair and move supplies, Hanoi is preparing its people for a resumption of the air raids and the possibility of a long and protracted war. On the occasion of the lunar new year celebrations, regime propaganda took a very confident line on the question of eventual Communist victory using the theme "time is on our side." This was coupled, however, with warnings of more difficult times immediately ahead. Hanoi broadcast Western news reports of a US troop build-up in the South and the possibility of an extension of the bombings into the Hanoi-Haiphong área. 25X1 broadcast admitted that such steps_would probably prolong the war.

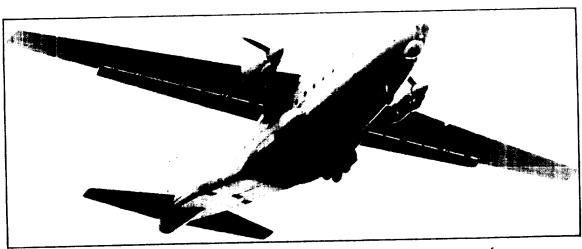
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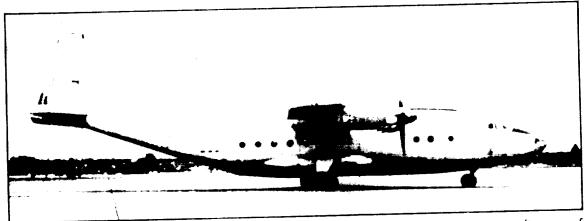
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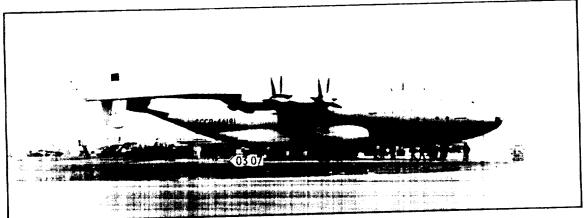
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The An-8 (Camp) carries a normal load of nearly 21,000 lbs. or 75 troops to a range of over 1,300 n.m. Camps make regular paradrops in East Germany and have flown air sampling flights related to Chinese Communist nuclear testing.



The An-12 (Cub) can deliver its normal payload of about 20,000 lbs. or 91 troops to a distance of about 1,300 n.m. The Cub's ability to operate from unpaved strips and its design for rapid cargo handling have made it the mainstay of Soviet Military Transport Aviation.



Still in the prototype stage of development, the giant An-22 (Cock) transport is expected to improve Soviet airlift capabilities considerably. The Cock should be able to transport a maximum load of 176,000 lbs. to about 2,800 n.m.

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The Communist World

SOVIET MILITARY TRANSPORT AVIATION

Soviet military air transport activities have provided good evidence of the current capabilities of Soviet Military Transport Aviation (VTA).

Last April Soviet transports lifted about 5,000 airborne troops from the Soviet Union into East Germany during the West German Bundestag meeting in Berlin; in October, about 100 Soviet assault transports airlifted part of a Polish division, about 1,000 men plus equipment, into southern East Germany as part of a Warsaw Pact exercise.

The main component of the VTA is that element serving the Airborne Troops (VTA/ABN). force has about 650 transports which are based in the western In addition to providing aircraft for operations of Soviet airborne forces, the VTA/ABN also satisfies nearly all the heavy airlift needs of the rest of the Soviet military establishment, probably including the support of missile test ranges and strategic missile deployment, and the provision of large-scale air transport for nonairborne forces.

The VTA's ability to respond to distant military and political situations is still limited, how-ever, by its size. It could probably airlift at least the assault echelons of one Soviet airborne division with all its combat equipment in a single maximum effort. This combat airlift capability can be augmented to some extent in an emergency by calling on the

civil air fleet and the transports assigned to various air force commands. The more than 500 helicopters subordinate to tactical aviation could also be enlisted but their short range would limit their use to tactical airlifts.

The major transports used by the VTA are the twin-engine AN-8 (Camp) and the four-engine AN-12 (Cub), both introduced in 1959. These two turboprop aircraft were the first Soviet assault transports which could load and discharge cargo through rear doors, reducing loading time. Both the aircraft can use unsurfaced airfields but neither can transport very large or heavy equipment.

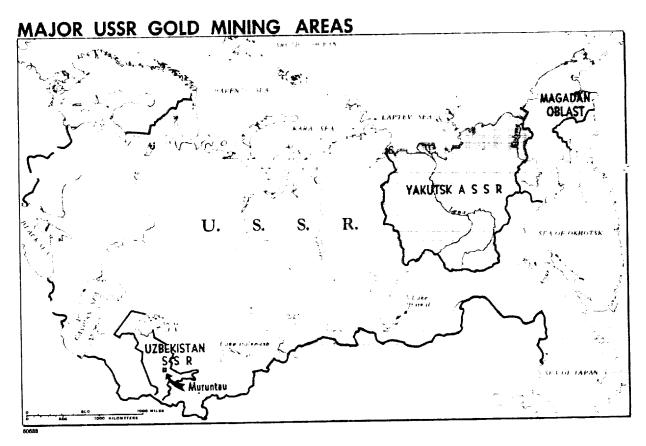
Last year the Soviets made the first public showing of the largest aircraft in the world—the AN-22 (Cock). This prototype transport apparently can lift 176,000 pounds of cargo or 400 combat troops over a distance of 2,800 miles. With its normal load of 50,000 pounds it reportedly has a range of about 5,000 miles without refueling and it can operate from unpaved air strips. It can also handle heavy and bulky items such as missiles and heavy ground armor.

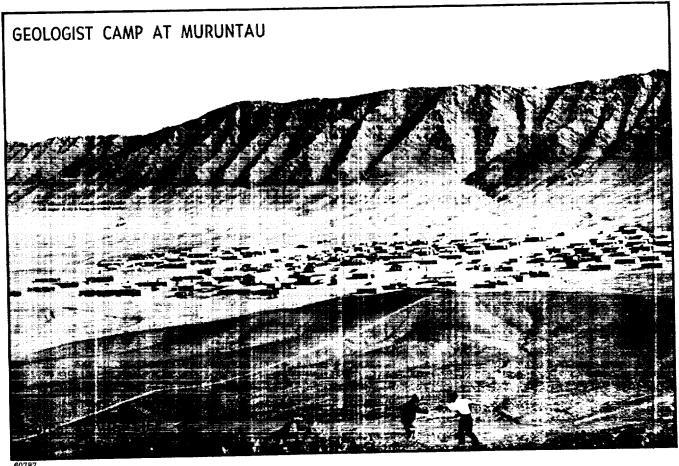
The size of the Soviet military air transport force has been growing and the quality of its aircraft improving. As a result the USSR is working toward a force able to provide substantial support rapidly in any situation where it is required.

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RICH GOLD FIELD UNDER DEVELOPMENT IN THE USSR

The USSR is now developing the Muruntau gold field in Soviet central Asia, which eventually will contribute significantly to Moscow's strained gold reserve position. The deposits will yield an estimated \$20 million worth of gold annually—about ten percent of present total Soviet production—at the lowest cost per unit in the USSR.

Three gold discoveries were reported in Uzbekistan as early as 1959, but intensive study of the Muruntau deposits did not begin until 1961. By 1965 Soviet geologists determined that Muruntau's potential was many times the original estimate and that it probably was the richest single field ever discovered in the A recent Soviet article USSR. claims that Muruntau will yield more gold than Kalgoorlie in Australia, a field that has been exploited since 1912 and still produces \$18 million worth of gold annually.

Full-scale mining and processing operations will probably not begin at Muruntau until the late 1960s. Gold will be mined by the open-pit method, which is more economical than underground operations. Muruntau's favorable southern location will also help reduce production costs. Mining costs in the principal gold regions now being exploited--in the Yakutsk ASSR and in Magadan Oblast of the Soviet northeast--are about \$90 per ounce at the official rate of exchange, or almost three times the current world market price of \$35 an ounce.

Fragmentary evidence suggests that the USSR originally intended to develop Uzbekistan as a gold-producing region simultaneously with the leveling off of production in the northeast in order to reduce over-all costs. The precipitous decline in Soviet gold reserves since 1963, however, has apparently led to a decision to continue expanded operations in the northeast as well as to develop the deposits in central Asia.

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HUNGARIAN PARTY FACTIONALISM AND POPULAR DISSIDENCE

Hungarian party leader Kadar
may be faced with factionalism at
the top levels of the party. This
apparently stems in part from differences over proposed economic reforms, now under discussion, which
among other things call for less detailed central planning and greater
independence for enterprises. This
situation has been compounded by
popular unrest over economic measures
already introduced, specifically
the price increases announced on 19
December.

In a New Year's interview Kadar made critical reference to "narrow-minded sectarians" opposed to his policies. Moreover, the US Legation in Budapest reports there were last-minute changes in and a close vote on the 1966 economic plan in the party central committee.

Hard-liners in the politburo have not been a problem to Kadar for some time. Rather, Kadar's opposition in the party has come from lower level provincial Stalinists. The appearance of differences within the highest party bodies does not necessarily pose a direct personal threat to Kadar, but it introduces a new element into party affairs which could seriously hamper the regime's effectiveness.

Because of various actions over the past year, the regime has suffered a setback in its relations with the population, which fears a hardening of policies. Popular criticism and pessimism were already mounting when the December price increases were announced, and reaction to the announcement was probably stronger than the party had anticipated.

A worker demonstration and work stoppages resulting in as many as 70-100 arrests have been reported in recent weeks. Western press accounts of these developments drew sharp and rapid denials from the Hungarian Government--for foreign consumption only. At home, however, politburo member Komocsin admitted in a speech that the party was having "temporary political difficulties." Regime spokesmen have resorted to issuing statements and interviews defensively justifying the price increases in an attempt to counter popular discontent.

As in the past the regime probably will continue to make arrests sporadically, hoping thereby to repress any further open manifestations of dissidence. The problems within the party, however, may grow as the essential economic reforms are discussed further. Even though the party intends a very gradual introduction of the reforms, this early opposition portends difficulties for Kadar's moderate policies.

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SOVIET-JAPANESE TRADE AND AIR AGREEMENTS SIGNED

The recently concluded So-viet-Japanese five-year trade pact calls for only a gradual increase in trade through 1970. A civil air agreement was also signed which provides for a direct Moscow-Tokyo air route for the first time. Initially, at least, the route, which will be a joint enterprise, will use only Soviet aircraft and crews.

After a sharp increase in trade during the early 1960s—it amounted to \$150 million in 1960—exchanges are expected to total about \$400 million this year, roughly the same level as in 1964 and 1965. The agreement reportedly aims at expanding trade to about \$500 million annually by 1970. This modest increase is apparently due to the inability of the two sides to find suitable new items to exchange.

As in the past, the USSR's leading exports will be timber, crude oil, pig iron, and coal, accounting for about 80 percent of Soviet deliveries. Japan's exports will center on merchant ships, machinery and plant equipment, textiles, and chemical goods. The trade list indicates that Japan is scheduled to sell

about 100 ships to the USSR, including freighters, fish factory ships, timber carriers, and refrigerator ships. A Soviet delegation is expected to visit Japan this March, reportedly to place large shipping orders.

The air agreement permits the Japanese to fly across Siberia on the Moscow-Tokyo route under a jointly operated service using Soviet aircraft and flight crews. Both parties will share financial interest in the undertaking. After two years the agreement can be reviewed with the possibility of permitting the Japanese to use their own aircraft on this route but the Soviets are not committed to any change at that time.

Soviet sensitivity to foreign overflights of Eastern Siberia had bottled up negotiations held off and on since 1958. With the Soviet TU-114 turboprop transport in service on the new route. air travel time between Japan and Moscow will probably be reduced by four to five hours, and by still more when the Soviet IL-62 jet transport becomes operational. Further Soviet-Japanese negotiations covering flight rights beyond Tokyo and Moscow are still to be held. 25X1

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PEKING STEPS UP SUPPORT FOR INSURGENCY IN THAILAND

The Chinese appear to be increasing their efforts aimed at promoting insurgency in Thailand, and for the first time have publicly linked the growth of Communist activity there with the war in Vietnam. Peking is being cautious, however, in moving ahead with its long-range plans to subvert the Thai Government. Chinese probably regard Thailand as an area with considerable future potential for actions aimed at undermining the US presence in Southeast Asia. Peking is anxious, however, to avoid provoking violent US reaction by moving too quickly.

Peking has recently intensified its propaganda offensive against the Thai Government, and the current Chinese line warns that, if Thailand does not stop aiding US military operations in Vietnam, Bangkok will be pulled down in the inevitable defeat of the "imperialists." On 2 January Liao Cheng-chih, a senior party spokesman, openly related the upsurge in antiregime activity to continuation of the war in Vietnam. Liao asserted that in 1966 the "Thai Patriotic Front" -- set up in Peking a year earlier--together with "other political parties of Thailand" would "make even bigger contributions to the struggle against US imperialism and in defense of peace in Indochina."

The current long-range Chinese campaign apparently got under
way about 18 months ago. In September 1964 the Chinese established
a new school in Peking which provided instruction in the Thai language. Two months later they set up
the "Thai Independence Movement" in

Peking. The Chinese followed this up in January 1965 by sponsoring the "Thai Patriotic Front" dedicated to the overthrow of the Thanom government and to the elimination of US influence in Thailand. In 1965 the Chinese are reported to have made at least one substantial purchase of Thai currency in Hong Kong.

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THAILAND

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Asia-Africa

THAI-CAMBODIAN BORDER TENSIONS CONTINUE

New flare-ups along the 400-mile Thai-Cambodian border are likely following last week's clashes in the isolated Hat Lek area on the Gulf of Siam.

Responsibility for initiation of the fighting is not clear, but it may have been precipitated by an overly vigilant Cambodian post anticipating an attack from the Thai side of the border. Both sides have brought up limited numbers of reinforcements and small naval craft.

The scene of the fighting has long been a trouble spot. Tension in the area has been particularly high since late last year, when Thai troops raided a Cambodian outpost.

The disturbances are symptomatic of tension between the two countries resulting from the stepped-up activity of Khmer Serei dissidents.

No significant new dissident attacks have been reported since the 30 December raid at 0 Smach.

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The Cambodians are also 25X1 moving additional reinforcements to border positions in the O Smach area in the north.

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Although statements emanating from Phnom Penh and Bangkok are colored as always by rhetoric which has characterized public exchanges through the years, there are some indications that positions in the capitals may be hardening. Sihanouk has publicly indicated that Cambodian troops will "retaliate" in the event of future Thai "aggressions," and there is some evidence that they are already doing this. On the Thai side, Foreign Minister Thanat gave an unusual press conference early this week in which he attacked the Mansfield report's treatment of Cambodia as too sympathetic. He complained that the report contained "veiled accusations" that Thailand and South Vietnam we<u>re violating Cambodian ter-</u> ritory

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INDONESIAN STALEMATE CONTINUES

The Indonesian situation remains essentially unchanged: administration is largely paralyzed, maneuvering between President Sukarno and the army continues, and neither faction has been successful in enlisting significant foreign economic assistance.

Sukarno has continued the limited political offensive which he began on 15 January. On 20 January -- in their first show of force since 1 October -- leftwing elements estimated to number 10,000 people staged a pro-Sukarno demonstration as a counter to the anticabinet rallies which the army had encouraged the previous week. Sukarno told the demonstrators and his assembled cabinet that although he was being pressed by "reactionaries" he would not retreat "even one millimeter" until God and the Indonesian people say he is no longer wanted. He reiterated his call for a "Sukarno front," which appears to offer an incipient vehicle for the development of a new political left.

The army is trying to control the front by ordering that any individual or organization that wants to join should register this intention with KOTI, the Supreme Operations Command,

through which the army functions on nonmilitary matters. The army permits the front to operate, however, except in West Java where the local commander has prohibited it. With the permission of the Djakarta army commander, the front hung anti-US banners in the streets on 22 January. The banners were removed three days later after the US Embassy had protested to both the Foreign Ministry and the military.

Army commander General Suharto has moved to strengthen his control over the anti-Communist and anticabinet Student Action Command which staged large demonstrations involving limited violence earlier this month. The army apparently is concerned that the students may take extremist action that could be politically damaging to the army and its civilian supporters in the continued maneuvering with Sukarno.

Both Sukarno and the army persevere in their approaches to various foreign governments for economic assistance. Both factions find, however, that significant aid is unlikely to develop until a unified administration is re-established in Indonesia.

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THE INDIAN CABINET

24 JANUARY 1966

Prime Minister Indira Gandhi

PORTFOLIO

Home Affairs External Affairs

Defense Railways

Food and Agriculture; Community Development

Parliamentary Affairs; Communications

Industry Finance Planning Law

Transport; Aviation; Shipping; Tourism

Commerce

Irrigation and Power

Education

Labor; Rehabilitation

MINISTER

* G. L. Nanda* Swaran Singh* Y. B. Chavan

** S. K. Patil

* C. Subramaniam

* S. N. Sinha

* D. Sanjivayya S. N. Chaudhuri Asoka Mehta G. S. Pathak N. Sanjiva Reddy

> Manubhai Shah Fakhruddin Ahmed

* M. C. Chagla

** Jagjivan Ram

Shastri's cabinet

* Nahru's last cabinet

** Earlier Nehru cabinets

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NEW INDIAN GOVERNMENT SETTLES IN

Continuity appears to be the watchword of the new Indian Government as it prepares to present its program to the next session of Parliament, scheduled to convene on 14 February. India's massive economic burdens leave Prime Minister Gandhi little recourse but to continue the relatively practical approach adopted by Shastri during the past year.

Mrs. Gandhi has pulled together a cabinet that is little changed from that of her predecessor. Eleven of its 15 members have previously held cabinet posts, ten of them under Shastri and nine under Nehru. Shastri's most influential colleagues, Defense Minister Chavan and Agriculture Minister Subramaniam, have retained their portfolios, as have six other ministers.

An important addition to the group is Asoka Mehta, the deputy chairman of the government's interdepartmental economic planning commission, who has been named minister of planning. Mehta is ideologically in tune with Mrs. Gandhi's socialist approach to national development, but is not burdened with the disruptive, doctrinaire rigidity of leftist former finance minister T. T. Krishnamachari. Mehta's ability to work harmoniously with the present cabinet's more conservative Finance Minister Chaudhuri, a recent Shastri appointee, will be tested as the two put together a 1966-67 budget for presentation next month.

India's strained relations with Pakistan have eased a bit as both countries work toward implementing the provisions of the Shastri-Ayub Tashkent declaration. On 22 January Pakistan's army chief, General Musa, met in New Delhi with General Chaudhuri, his Indian counterpart, to discuss mutual troop withdrawals from positions occupied during last year's India-Pakistan fighting. They agreed to a preliminary 1,000-yard pullback by the end of January and made plans to complete the withdrawal by 25 February, the date specified in the Tashkent declarations. UN observer groups currently stationed in Kashmir and the Punjab-Rajasthan area will oversee the operation.

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ARMY REGIME CONSOLIDATING IN NIGERIA

The country has continued generally calm, and General Ironsi's new military regime appears to be consolidating its position and gaining greater confidence. Major uncertainties about Nigeria's future remain, however, and delayed tribal violence on a large scale or a breakdown of army discipline could still jeopardize security.

Although planning still seems to be mostly on a day-to-day basis, the frantic improvisations of the period immediately following the initiation of the coup on 15 January by younger officers have ended. Late last week Ironsi, the regional military governors he had named, and top police leaders evidently agreed on the basic outline of their interim government. Subsequently the formation of a Supreme Military Council and a Federal Executive Council -- both headed by Ironsi and devoid of any civilian members -- was announced.

However, civil servants, whom Ironsi had confirmed in their positions along with the judiciary on assuming power, are playing key roles in the new regime. They appear to be keeping the machinery of government functioning more or less smoothly both in Lagos and in the regional capitals. Over the longer run serious difficulties are likely to arise between these career officials and the top military leaders.

Thus so far the new leaders seem to have little in the way of a program. Domestically they are committed only to the maintenance of law and order while

a new constitution is being prepared. Foreign policy is to be based on "nonalignment" and "friendly relations with all," and foreign investors have been reassured.

There continues to be no visible opposition to the changes and no reports of trouble from the most likely initial source-northern Muslim elements, civilian or military. The new authorities have continued to be concerned about this possibility, especially last weekend when the murder of respected former prime minister Balewa was confirmed, and have taken numerous steps aimed at forestalling violence. Statements by important traditional leaders urging calm and support for the new government have also helped. Moreover, it now appears that the great majority of Nigerians welcome the avowed general objectives of the new leaders -- the eradication of corruption and tribal-oriented government.

For the immediate future, much depends on Ironsi and the advice he follows. Many reports indicate he continues to have difficulties with younger officers who have their own ideas of how the military government should be run. Ironsi will be strained still further as he becomes involved in the details of reconstruction, and especially in the development of new power structures in the now politically disorganized Northern and Western Regions.

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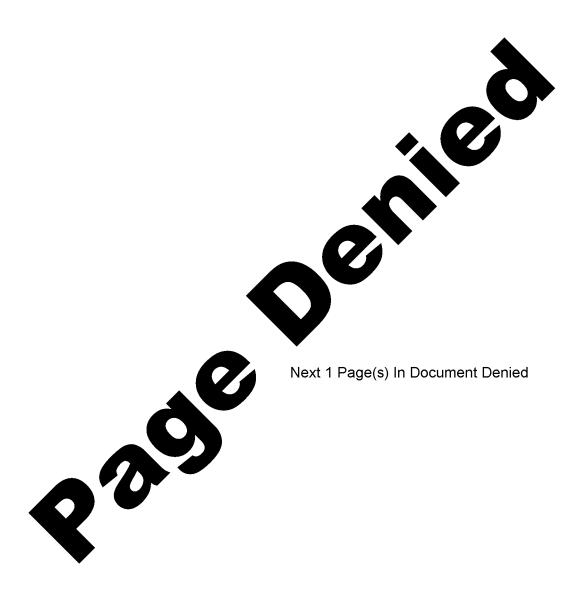
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Europe

BEN BARKA AFFAIR STRAINS FRENCH-MOROCCAN RELATIONS

The charges of high-level French and Moroccan involvement in the abduction and presumed murder in Paris of Moroccan leftist leader Ben Barka have worsened relations between the two countries and created internal problems for each. Both nations have recalled their ambassadors but appear to be trying to avoid a complete diplomatic rupture.

French Foreign Ministry officials maintain that there is no intention to cut off economic and technical aid. The ostensibly private three-day visit to Paris beginning on 22 January of Moroccan former foreign minister Guedira, who has been used by King Hassan in the past to smooth over difficulties between the two countries, probably signifies a desire by Hassan to halt the deterioration of relations.

In France, the government has been forced to replace the head of its external intelligence and counterespionage servicé (SDECE) and to shift the service from the premier's office to the Armed Forces Ministry. The changes probably were intended to demonstrate that the government was moving promptly and without regard to the rank of the offending parties. In addition, the moves were a rebuke to the SDECE and a means of exerting stricter control over it.

Although the French press has implicated cabinet-level officials and at least one of De Gaulle's personal advisers, no official move against these men has been apparent thus far.

The political opposition, led by defeated presidential candidate Francois Mitterrand, has seized on the issue to embarrass De Gaulle. In addition to pressing for more information, De Gaulle's opponents have called for a special session of parliament in order to question the government. Without significant defections from the Gaullist majority in the National Assembly, however, it is doubtful that the opposition can force a special session.

The harshness of France's attack on Moroccan officials is beginning to arouse Moroccan nationalism. For instance, the traditionalist Istiqlal press, normally critical of Minister of Interior Oufkir and no friend of Ben Barka, has taken an anti-French rather than an anti-Oufkir line. The semiofficial Moroccan press agency is countering French press criticisms and is hitting hard on the seamier aspects of French official involvement, implying that De Gaulle himself surely was aware of his agents' activities.

The King has been at pains to demonstrate publicly his solidarity with Oufkir. At the same time, there is some tentative evidence that he is firming up his ties with the army, preparing the ground to remove Oufkir, if he has to do so. Oufkir, however, controls all police units and himself has good military connections.

Although Hassan has stressed Morocco's desire to maintain good relations with France, he might nonetheless move quickly to be the first to break relations if he felt De Gaulle was about to do so.

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MORO DESIGNATED TO FORM NEW ITALIAN GOVERNMENT

Premier-designate Moro's chances of forming a new center-left government appear promising. Nevertheless, hard bargaining among his Christian Democrats (CD) and between the coalition parties could delay its formation for as much as a month or

The outcome of coalition negotiations on the composition of the new cabinet, and priorities for legislative measures will depend largely on Moro's ability to paper over factional conflicts in his own party.

Moro's resignation on 21
January was triggered by CD
"snipers" who helped defeat a
government bill on the establishment of state-run nursery schools.
The negative CD votes breached
agreement with the CD's coalition partners on an important
element of the government's reform program, and concern over
CD disunity on this crucial issue prompted Moro's governing
partners to ask for his resignation.

The key to resolution of the CD's immediate internal difficulties may lie in satisfying the demands of the Fanfani faction which, along with CD right-wing-

ers, apparently helped defeat the school bill. Fanfani has called for a major party and government shake-up. He may seek at least three ministerial posts for himself and his followers in the new cabinet. The CD's coalition partners have been critical of Fanfani's recent actions, however, and the CD will also probably have to try to satisfy the demands of all its other factions for representation in the cabinet.

If Moro fails to form a new government, President Saragat might, as a last resort, appoint a caretaker government and call for new national elections within six months. None of the coalition parties wants elections now, however, and key leaders of the three lay parties favored Moro to head a new government.

The Italian Communist Party (PCI), which is holding its eleventh national party congress (25-31 January) has stepped up its attacks on the center-left and has reiterated its appeal to left-wing CDs and Socialists to join with it in forming a new government majority. There is little likelihood that they will respond.

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Western Hemisphere

DOMINICAN MILITARY CHIEFS REMAIN DESPITE CAAMANO'S DEPARTURE

Despite rebel leader Caamano's departure on 22 January, the military chiefs, led by Defense Minister Rivera, are refusing to accept new assignments and this position appears to have overwhelming backing among the armed forces. The military has indicated it will not move against Garcia Godoy at the present time and navy chief Jiminez, who has been urging a moderate line on the other chiefs,

The chiefs appear convinced that the Inter-American Peace Force (IAPF) would not move against them, and Rivera is claiming he has written guarantees from the Brazilians and Paraguayans to this effect. It is more likely, however, that the IAPF will follow whatever orders are given it by the OAS Committee. This latter group would probably be willing to use force to back Garcia Godoy, but only after exhaustive attempts at peaceful persuasion fail.

Despite the military's hard line, there may be some flexibility in its stand. Before Caamano's departure, for example, Rivera had indicated he would probably accept the Washington attaché post if assured by Garcia Godoy that the rebel chieftain would not be allowed to return until after the June elections. Other concessions that might appeal to the military are a guarantee that no other command changes will be made and

the removal of some controversial civilian officials by the provisional regime.

The failure of the provisional regime to pay the military their regular salaries for January may be an attempt to bring them into line. Considering the patience he displayed in effecting Caamano's exit, however, it seems unlikely that Garcia Godoy would follow such a course of action if he felt it would provoke a rash countermove by the armed services.

Even if the impasse over departure of the military leaders is resolved peacefully, there may be some unpleasant by-products such as an increase in anti-Americanism among military officers. They are upset by continued US support of the provisional regime—which they see as leftist or—iented at best.

Caamano departed with little fanfare after receiving guarantees as to the security of his men from the OAS Committee. extent to which Garcia Godoy gave the rebel leader concessions in order to get him to leave is not clear, but he may have made promises regarding integration of rebel military into the armed services that could be difficult to keep. In any event, Caamano's departure removes a constant irritant to the regulars and will reduce the chance of renewed fighting between the two hostile military factions.

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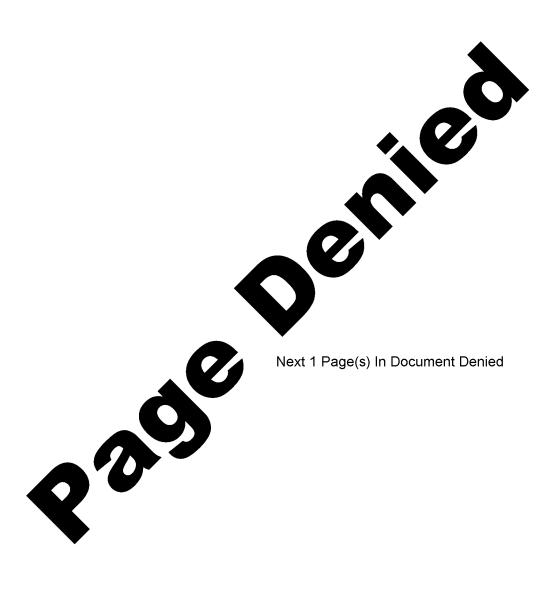
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PERUVIAN REGIME'S RELATIONS WITH CONGRESS STRAINED

The senate's censure of Justice Minister Paniagua on 19 January did not provoke a major cabinet crisis, but it put a further strain on executive-legislative relations. Events surrounding the censure, which forced Paniagua's resignation, also pointed up growing difficulties in the alliance between the Christain Democratic Party (PDC) and President Belaunde's Popular Action.

Paniagua's censure was one of the most blatantly political antiadministration moves to date by the coalition of the moderate leftist APRA and the moderate rightist National Odrista Union (UND), which controls both congressional houses. The coalition attack was set in motion, however, by the intemperate behavior of Senator Hector Cornejo, a PDC leader. Reacting angrily to the irresponsible conduct of all involved, President Belaunde gave serious consideration to forming a military cabinet. Cooler judgment led him to appoint able PDC deputy Roberto Ramirez del Villar to the justice post. The naming of Ramirez clearly reflects Belaunde's irritation with Cornejo, as the two men represent rival factions in the PDC.

The administration's relations with Congress may become still worse. APRA-UNO reportedly now is considering censure of the ministers of education and labor.

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ECHADOREAN JUNTA REVISES PLAN FOR RETURN TO CONSTITUTIONAL GOVERNMENT

The military junta, which earlier had announced its plan to restore constitutional government in 1966 through presidential elections to be held on 5 June, has now announced that congressional elections will be held simultaneously.

This major concession to the politicians was made on the advice of several former presidents and as a result of pressure from the armed forces. Now afforded an opportunity to win remunerative seats in the traditionally corrupt legislature, second-echelon politicians probably will be less interested in pressing demands for a constituent assembly and an interim

president--earlier sought by most politicians to strengthen their position during the transition period.

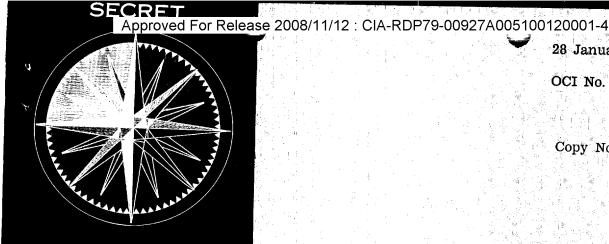
Some reduction in the size of Congress may be decreed. As yet the junta has reportedly made no decision concerning a time for municipal elections. Registration of voters has progressed and, if the political parties now turn their attention to constructive activity, the transition to civilian rule should develop reasonably well. Thus far, however, no figure of stature has been put forward as a presidential nominee, nor have the parties begun adequate preparations for the campaign.

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SPECIAL REPORT

DISARMAMENT NEGOTIATIONS RESUME IN GENEVA

CENTRAL INTELLIGENCE AGENCY OFFICE OF CURRENT INTELLIGENCE

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DISARMAMENT NEGOTIATIONS RESUME IN GENEVA

Disarmament talks resumed this week in Geneva in the Eighteen Nation Disarmament Committee (ENDC). Since the first talks in March, 1962, ENDC sessions have run for a period of about three months between recesses. Despite the lengthy consideration of disarmament issues by the UN General Assembly at its 20th session, and in other forums, nonaligned ENDC delegates are eager to get back to Geneva. Nevertheless, there is no evidence of any significant shift in the positions of the key nations, and the outlook for progress presumably is further dimmed by the war in Vietnam. Any advances seem likely to be limited to a further sorting out of some of the issues involved in a nuclear nonproliferation agreement, a comprehensive test ban treaty, a treaty banning underground testing above a certain threshhold, and the creation of nuclear-free zones. Exploratory talks for a world disarmament conference may also disclose some of the problems involved in associating Peking with any disarmament talks.

Background

The present negotiations stem from the sessions of the United Nations Disarmament Commission (UNDC), which was suddenly convened by the USSR last spring for the obvious purpose of providing a forum for attacks on the policies of the United States in Vietnam, the Dominican Republic, and the Congo. The USSR was joined by some of the Afro-Asian nations in linking disarmament with US aggression-countries such as Algeria, Guinea, Mali, and Jordan expounded on the evils of colonialism and criticized US "intervention all over the world." When the debate did focus on disarmament, most of the serious speeches dealt with the need to draw up a nonproliferation agreement, but little was accomplished. Even so, the Western powers expressed hope

that the ENDC would be convened later in the summer.

The USSR unexpectedly agreed, and the ENDC met in August. After an initial round of Soviet propaganda, the discussion was for the most part constructive, dealing with a number of collateral arms-control measures rather than general and complete disarmament. Attempts to work out terms of a nonproliferation treaty were overshadowed, however, by differences among the Western Allies over its implications for nuclear sharing in NATO, and the meetings were cut short by the opening of the 20th Assembly of the United Nations.

The assembly inherited the issues left over from both the UNDC and the ENDC sessions. Five disarmament resolutions were debated and approved by the First

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Committee (Political and Security Committee) and were then passed overwhelmingly in the assembly since none of them involved substantive agreements. However, the heavy majorities chalked up by the assembly resolutions and the increased initiative shown by the nonaligned members seem to have imparted a sense of urgency to the resumption of the talks in Geneva.

Nonproliferation

At the head of the ENDC's agenda will be the halting of the spread of nuclear weapons. With Peking's detonation of a nuclear device in October 1964 and a ten- or twenty-nation nuclear world becoming a foreseeable possibility, all the members consider nuclear proliferation the most vital problem facing the committee. But there agreement stops.

At the UNDC meetings last spring, the discussion of nonproliferation began on the basis of a 1961 Irish proposal that nuclear states undertake to retain absolute control of their nuclear weapons and not to give nonnuclear states control of such weapons or power to decide when they would be used. The question was soon broadened, however, by the vigorous insistence of India and other nonaligned countries on the need for UN or other safeguards for the security of the nonnuclear

states against nuclear black-mail. The Indians and others also insisted that nonproliferation proposals be integrated with other disarmament measures, such as a comprehensive test ban, a complete freeze of the production of nuclear weapons and means of delivery, and the reduction of stockpiles of such weapons.

When the nonproliferation issue was later taken up at the ENDC, serious consideration was delayed by the well-publicized differences among the Western Allies over the terms of a draft treaty. A draft prepared by Britain prior to the opening of the ENDC caused West Germany in particular to object that the language would impede the subsequent organization of a NATO nuclear force. Although the British reluctantly agreed not to present their proposals until there had been sufficient Allied consultation and consented to the substitution of a lastminute alternative Allied draft. they nevertheless felt prodded by domestic politics to state their reservations to any treaty leaving open the possible emergence of a European-controlled nuclear force.

In the ensuing discussion, the Soviet Union stated that the Allied draft could not serve as a basis for negotiations because any treaty which permitted the creation of a NATO nuclear force was unacceptable. The

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nonaligned for their part generally welcomed the Western draft since it was the first time that specific terms had been proposed. However, Brazil, India, Sweden, the UAR, and Nigeria urged that "both facets of proliferation" --an increase in nuclear arsenals and the spread of nuclear weapons to other countries--must be dealt with together. The final memorandum of the nonaligned, however, attempted to compromise between the two positions by stating that measures to halt the proliferation of weapons should "be coupled with or followed by" tangible steps to halt the nuclear arms race and to reduce nuclear weapons stocks and means of delivery.

A few days after the convening of the 20th General Assembly, the USSR offered its version of an "appropriate" nonproliferation treaty--one which would prohibit any granting of the right to participate in the ownership, disposition, or use of nuclear weapons to nonnuclear states directly or indirectly via third states or groups of states. After lengthy debates -- which the Soviets put to good use by attacking NATO nuclear sharing as well as the nuclear aspirations of West Germany -- a compromise between the Soviet and US draft resolutions was worked out by the nonaligned members of the ENDC. Passed by the assembly without a negative vote, the resolution recommended the earliest possible resumption of ENDC negotiations on a treaty containing "no loopholes" that might permit nonnuclear states to gain access to nuclear weapons.

The prominence which Western reporting during the past year has given to the urgency of the proliferation problem is undoubtedly a factor in the Soviet Union's ready agreement to continue discussions in It probably hopes that sufficient pressure for a nonproliferation agreement will be generated to cause the Western Allies to lose interest in any kind of MLF for good, and it may even be that this is Moscow's sole objective. The forthcoming talks, however, will permit further probing of possibilities for a compromise between the major Particularly, they powers. may clarify what the USSR has kept obscure: the degree of nuclear sharing Moscow would accept and still sign a nondissemination agreement. any case, many on the ENDC seem to feel this may be the last year to work out some sort of agreement. Certain states such as India and Israel may acquire nuclear weapons, and several other nations such as Sweden, Japan, West Germany, UAR, Pakistan, and South Africa may be motivated to develop nuclear weapons.

Comprehensive Test Ban Treaty

Among the more important goals of the nonaligned members of the ENDC are obtaining general

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adherence to the limited test ban treaty of 1963 and extending that treaty to ban all testing. The Chinese detonations and the prospect of additional tests by both Communist China and France have given added impetus to the first, and the belief in some quarters that there has been improvement in detection and identification systems for seismic disturbances has encouraged optimism regarding the second. The US on the other hand believes that, while there have been improvements in detection capabilities, there have been no substantial improvements in identification capabil-

Although support for a comprehensive test ban treaty is widespread among Western as well as Afro-Asian powers, the chief stumbling block remains the opposition of the Communist nations to any type of on-site inspection. At the UNDC sessions last spring attempts were made to work out a compromise. The UK, in indicating its support for such a comprehensive treaty, said that -- with the advancement in means of detection -- there was a need for a smaller number of on-site inspections. Sweden, after calling on the nuclear club to halt all testing, proposed that there be a continuous flow of data from national observation systems evaluated by disinterested scientists who would be a part of a "detection club" of nonnuclear powers. Sweden also introduced a resolution urging all states to adhere to the partial test ban treaty and requesting that the ENDC give priority to extending that treaty to underground tests.

At the ENDC sessions the Western members continued to stress the importance of extending the limited treaty to banning underground tests. The US and UK argued that the results expected from a world-wide network of large-aperture seismic arrays (LASA) would make it possible to determine the nature of a greater proportion of seismic disturbances, but that on-site inspections would still be necessary because some 20 percent of underground events above a few kilotons could still not be identified as to type by seismological means. The LASA system is still undergoing evaluation in the West and until such evaluation is complete, its ultimate effectiveness cannot be determined. The Brazilian delegate then suggested that the present ban be extended to cover tests above a threshold of seismic magnitude of 4.75 on the Richter Scale -which he felt could be detected by national means--but did not call for a moratorium on smaller tests.

Pressing hard for an agreement, the nonaligned members maintained that the nuclear powers must be willing to take some risks in order to conclude a comprehensive test ban. In a joint memorandum they called for an immediate suspension of all nuclear weapons tests and noted that a comprehensive test ban agreement would be facilitated by the exchange of scientific information between nuclear powers or by the improvement of detection systems if necessary. The Soviet delegate, however, continued to maintain that national means of detection would be sufficient, and announced that Moscow would

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accept a UAR proposal which in essence endorses the Soviet call for an unverified ban on all underground testing.

In the General Assembly, the eight nonaligned members of the ENDC again carried the ball, introducing a resolution which urges that all nuclear weapons tests be suspended, that all countries respect the limited test ban treaty, and that the ENDC continue with a sense of urgency to work on a comprehensive test ban—taking into account advancement in the possibilities for international cooperation in the field of seismic detection.

This resolution was later changed so that it no longer called for the immediate suspension of nuclear tests, but urged instead a permanent cessation of all nuclear testing as soon as possible, with the implication the ban would be subject to a verification agreement. The resolution stated that improved seismic detection possibilities should be considered in reaching a comprehensive test ban treaty and thus be a condition for suspension of nuclear testing.

Moscow objected to this latter part of the resolution and its acceptance by the General Assembly could be considered a defeat for the Soviet Union. However, if the negotiations on a nonproliferation agreement bog down in the current talks, the eagerness of the eight for some alternative progress may lead them to accept the view that detection advancements have less-

ened the need for on-site inspections.

World Disarmament Conference

The past year has seen a sharp increase in interest in a world disarmament conference. This idea was advanced in 1961 when Ethiopia proposed a world conference to outlaw the use of nuclear weapons, and a resolution to this effect was passed by the General Assembly over the opposition of the Western powers. A Soviet resolution calling for the implementation of the resolution at an early date did not come to a vote, however.

At the UN Disarmament Commission meetings last spring, the Yugoslav call for a world conference received overwhelming support from the nonaligned nations, probably because of the lack of progress on disarmament and their desire to include the Chinese Communists as well as the French in any negotiations. In adopting the resolution, the commission recommended that the General Assembly urgently consider the proposal, and at the Geneva talks in August, the idea was again briefly mentioned when Burma suggested that the major powers must take the initiative on the matter.

In the 20th General Assembly, the Afro-Asians led the campaign for UN approval despite opposition from the Western powers who pointed out the dangers, problems, risks, and lack of promise involved. A group of 43 nonaligned nations led by Yugoslavia and the UAR introduced a resolution calling for a conference no later than 1967 to which all countries would be

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invited and suggesting consultations to establish a representative preparatory committee.

Saudi Arabia proposed that a small group explore whether there was in fact a constructive basis for a conference. In December such a group met to discuss plans but made no decisions.

Since then the Western powers have been informally conferring on the best way to handle the matter. A world conference would raise many knotty problems, such as the attendance of divided states and their willingness to sit down together at the same table. It remains uncertain whether Chinawould attend. ing the assembly discussions Peking stated publicly that it would not attend but some Communist delegations believe this is not Peking's final word and that if the conference were completely divorced from UN auspices the Chinese would come. In any case soundings will be taken to see if the Chinese will participate in an exploratory group.

If the conference is ever convened, many Western powers and especially ENDC members expect it will result in no more than another round of propaganda attacks between the East and the West, and in the process will undermine the ENDC. Alternative suggestions which have been made are the French proposal for a conference of the nuclear powers, and the Nigerian suggestion that all "powerful" nations meet. However, the nonaligned have set high hopes on the larger arena and are unlikely to give up the idea unless Peking categorically refuses to attend.

Other Issues

Other disarmament issues discussed during the past year may come up in Geneva, but none is likely to receive much attention. An Italian proposal that each nonnuclear state should unilaterally eschew acquisition of nuclear weapons for a specified period of time is an alternative should a nonproliferation treaty not materialize. However, the nonaligned countries are increasingly reluctant to relinquish any chance of obtaining nuclear weapons unless there is a prospect of general and complete disarmament. India has maintained that security assurances must be given the nonnuclear states, but its delegation made no effort to obtain an endorsement of joint nuclear guarantees during the disarmament discussion in the General Assembly.

The concept of nuclear-free zones is a popular one among some of the Latin American countries and in the Middle East. Western powers support such zones for Latin America and the Middle East, provided the balance of military power is not disrupted and the transit of ships carrying nuclear weapons is not banned. The Communist proposal for a nuclear-free zone in Central Europe has met with reservations on the part of some of the Western powers. Czechoslovakia and Mongolia propose that the two Germanies renounce the use of nuclear weapons. In the 20th General Assembly, an Africanbacked resolution was passed which calls on all states to respect the continent of Africa as a nuclear-free zone.

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may encourage a new initiative by supporters of the Latin American nuclear-free zone.

Still other items to be considered are the Western proposals for a freeze on the number of strategic nuclear vehicles and a cutoff on the production of fissionable materials for weapons use. These were discussed at the UNDC, but have received only limited attention since then. The UK delegate suggested that these proposals might be linked to an agreement to destroy a specified number of delivery vehicles in order to bring existing nuclear weapons down to "lower, safer, and less costly levels."

The Soviet bloc has taken the line that both proposals are useless and would in effect increase the danger of nuclear war, since the US has vast stockpiles of nuclear materials which it would use to produce weapons for a long time. The bloc also opposes a freeze on delivery vehicles because the US would still have a considerable stockpile of warheads.

Another Western item will be a proposal that developing countries limit competition in nonnuclear arms by entering regional arrangements to refrain from acquiring certain sophisticated military equipment. Implementation of these arrangements would be properly verified in order that a military balance be maintained.

The Soviets seem likely to bring forth such old chestnuts as the resolution they introduced at the UNDC calling for the withdrawal of troops on foreign soil and the liquidation of foreign military bases. the same forum, the Soviets proposed a special conference in 1966 for the purpose of "banning" nuclear weapons to be preceded by a declaration by each nuclear state that it will not be the first to use nuclear weapons. Support for such measures has been limited to the Communist satellites plus states such as Nigeria, the UAR, Cambodia, Iraq, Mali, and Chile, which want foreign bases liquidated. However, the Soviets may have received a certain boost from the General Assembly's approval last fall of a resolution condemning the existence of military bases in small territories.

Another Soviet idea is the reduction of military budgets-an approach supported by many of the less-developed countries which propose that the resulting savings be used for their economic aid. Brazil has proposed at least a 20-percent reduction, a figure supported by Italy, India, Jordan, Haiti, and many of the African countries. The Soviets may play up this proposal again by tying it in to increased US expenditures in Viet-The Soviets are likely to nam. include chemical warfare on the agenda as a means to attack US actions in Vietnam.

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Finally, the Soviet "nuclear umbrella" proposal may
be raised once more. It calls
for the elimination of all nuclear delivery vehicles and warheads at the outset of general
and complete disarmament with
the exception of a limited number retained in the Soviet Union and the United States. The
West opposed this proposal because of its lack of balance and
realism as to timing and verification.

Outlook

Any significant breakthrough in Geneva appears doubtful, despite the enthusiasm for it in many quarters, the growing understanding of the problems involved, and the ingenuity which has been demonstrated in advancing possible compromises. Against the tense background of the Vietnam war, many would consider even the agreement to resume talks an accomplishment. Whether Moscow still wants to keep a door open to the West, whether it sees opportunities to advance its influence with the nonaligned

countries, whether it feels it could not afford to stay away, or all of these, is difficult to say. However, it may be expected that the Soviets will have much to say on Vietnam before any meaningful discussions are begun.

At this session the nonaligned are likely to have a more significant and influential role. In the last UN session, it was the Afro-Asians, often supported by the Soviet bloc, who passed proposals over Western opposition. The resolution on military bases in small territories is an example. stalemate on a nonproliferation treaty may be expected in Geneva, and the resulting frustration is likely to cause the eight nonaligned to put pressure on the major powers for other measures such as a comprehensive test ban treaty. If the ENDC fails to come forth with substantial progress, its prestige as a disarmament forum will undoubtedly be damaged and interest will probably shift to preparations for a world disarmament conference.

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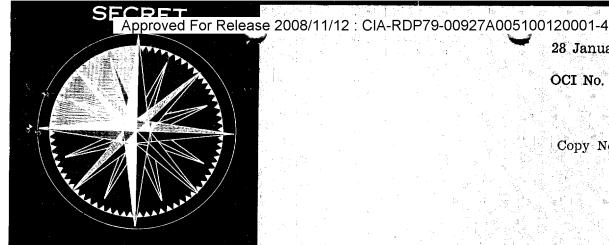
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SPECIAL REPORT

SCIENCE AND TECHNOLOGY IN COMMUNIST CHINA

CENTRAL INTELLIGENCE AGENCY OFFICE OF CURRENT INTELLIGENCE

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SCIENCE AND TECHNOLOGY IN COMMUNIST CHINA*

Communist China lags far behind the more advanced nations of the world in major areas of science and technology. Peking's leaders want to narrow this gap, and are making energetic efforts to provide research facilities and manpower to support their ambitious development plans. A major share of all scientific and technical resources appears to be allocated in direct or indirect support of advanced and conventional weapons programs. This concentration is believed to be retarding seriously the growth of a strong technical base for the broader needs of the economy.

Chinese weapons development programs are based almost entirely on technology made available by the USSR before aid was abruptly terminated in 1960. The Chinese are also looking ahead and trying to develop follow-on models to available Soviet designs for weapons systems. The status of such independent work is unknown, how-It is possible that the current emphasis on applying available technology is taking place at the expense of basic developmental research needed to achieve long-run objectives.

While the level of industrial technology in China varies sharply between sectors, on the whole it is very backward and in most industrial fields progress has been slow since 1960. Significant successes have been achieved in the field of advanced

weapons, however. By shrewd allocation of scarce human rescurces and with the benefit of substantial past Soviet aid, the Chinese have been able to explode nuclear devices, undertake a diversified missile program, and embark on other military research and development programs of some significance.

Major Problems

China's key weakness is the shortage of well-trained scientists in the middle and upper brackets of competence. The regime could assemble a team of researchers competent to make progress toward almost any single objective, but only at the expense of other projects.

For the lower level of technical services, a good supply of

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technicians and narrowly trained engineers is available. In 1965 China had some 846,000 living graduates in scientific and technical fields, including 476,000 engineering specialists (see The large number of chart). graduates is not, however, a good indicator of China's scientific capabilities. Much of the training has been of low standard. Only 10,000 or so have received any training at the graduate level and of these only some 3,000 scientists have had formal training to the Ph.D. level, mostly in the United States, Europe, or the USSR.

The first formal programs offering four-year Ph.D.-level training were established in the universities and in the Academy of Sciences in 1956. Current total enrollment in such programs is not known but may be on the order of 2,500.

Another conspicuous weakness is the shortage of research apparatus, test equipment, machine tools, and various technological materials that require sophisticated processing. China has been turning increasingly to nonbloc countries for scientific equipment. From such countries as France, the UK, Japan, and Switzerland, China has been obtaining technical data designs and prototypes of reliable equipment, new instrumentation, unique apparatus, and critical raw materials.

Chinese scientific research work is primarily applied and is

concerned almost wholly with urgent practical problems. Information on most foreign research and development accomplishments, both basic and applied, is readily available in scientific and engineering journals, which the Chinese monitor and exploit routinely. Peking is reluctant to tie up its limited scientific manpower in extensive basic research.

Organization of Research

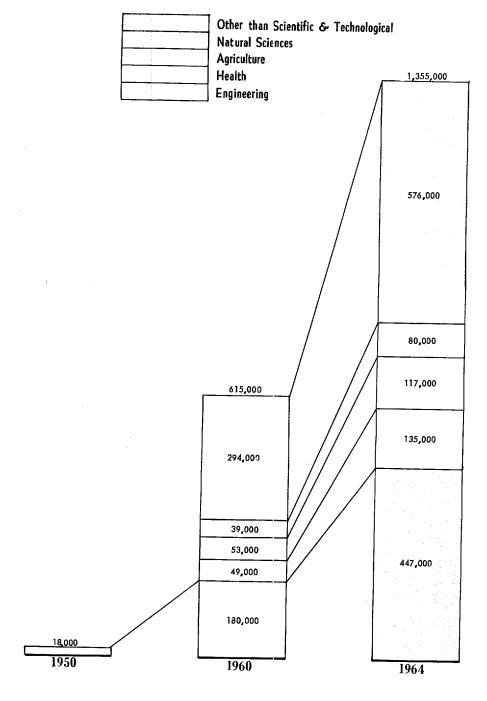
Scientific research in Communist China is being conducted under a broad ten-year plan (1963-72). The plan was drawn up in 1961-62 with the aim of filling the gap left by the Soviet withdrawal of aid in 1960. Chinese determination to work out a plan at a time when economic dislocations made long-term economic planning extremely difficult points up the high priority assigned to scientific research.

Under party supervision, the Chinese Government plans and supervises scientific and technological affairs through the State Scientific and Technological Commission, a senior body in the State Council (see chart). The commission has possibly 40 or more divisions which handle particular substantive scientific and technological fields and perform or manage supporting services. The commission is believed to have a defense technology division for incorporating military problems

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Cumulative Scientific and Technological Graduates by Field of Specialization for Selected Years in Communist China



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into the national planning of research and development. There is close coordination within the party of military and scientific affairs. The chairman of the State Scientific and Technical Commission, Nieh Jung-chen, is concurrently a vice chairman of the party's key Military Affairs Committee and was a marshal before the abolition of military ranks in June 1965.

The actual execution of research and development is carried out principally by the Chinese Academy of Sciences and by the research organs of the various technical ministries. The ministries operate central research academies with subordinate research institutes, and have jurisdiction over additional research facilities attached to industrial plants.

The Chinese Communist Party is dominant in scientific life. Reliable party members are present in each scientific unit. Top authority rests with a party man, who is not necessarily the formal head of the unit. The party not only supervises technical work of scientists but also devotes much effort in an attempt to try to improve their political attitudes. Scientists are repeatedly told that it is important to be "red" as well as "expert," and that this goal can be achieved only by spending much time studying the works of Mao Tse-tung and applying his "thinking" in their research work. To what degree political demands of this sort will impede scientific research will depend on the extent to which scientists are allowed to do their own work without interference while merely giving lip service to political shibboleths.

Major Fields of Research

Physics: Capabilities in physics are sufficiently well developed to provide for normal scientific growth and for general support of economic and military needs. The Chinese have made limited achievements in low-energy nuclear physics, but accelerators available for research are few in number and variety. High-energy physics in China is confined largely to theoretical aspects because of a shortage of experimental facilities. About 50 scientists were being trained in this field at Dubna in the USSR before they were pulled out in June 1965.

Mathematics: Chinese mathematicians are competent and active. Their work follows the lead of foreign mathematicians and most of it deals with applications in the areas of computers, automatic control, statistics, operations research, and linear programing.

Native competence in computer technology is growing, but China will remain behind the West for many years. An increasing number of special-purpose analog computers and fairly high-speed digital computers are becoming available but their supply is limited and strict allocation of computer time is required to solve priority economic and military problems.

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Equipment
Second — Nuclear Energy
Third — Aircraft
Fourth — Electronics
Fifth — Weapons and Vehicles
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Sixth — Navol and Civil
Marine Engineering
Seventh — Possibly Missiles
Eighth — Agricultural
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Electronics: China is conducting a wide range of research and developmental activities in electronics. Progress is hampered, however, by deficiencies in other industries, notably precision instruments, metallurgy, and chemicals. Work on lasers is handicapped by lack of suitable high-quality crystals. Although many types of germanium transistors are being produced, China lags considerably in industrialscale techniques for refining germanium and silicon.

Chemistry: Some good work in inorganic chemistry is conducted by the Chinese, particularly on the methods of analysis, and separation and preparation of pure materials, especially for applications in the fields of electronics and nuclear energy. Chinese organic chemistry research is far behind that of the West. A major program on high polymers has been initiated, yet workers are capable of only a small amount of high-quality basic In the field of research. pharmaceutical chemistry, some very good original work has been done, resulting in some success in producing drugs for export.

Metallurgy: China's metallurgical research program is
expanding and China now produces a limited variety of alloy steels, including ordinary
grades of stainless steel, highspeed tool steels, and some
spring steels. Corrosion-resistant steels for use in fertilizer plants have been developed. A limited capability
for producing high-temperature

metals used in jet aircraft engines and missiles may be developing. Aluminum and magnesium technology is adequate and a modest research activity has been reported.

Geophysics: Meteorology is probably the most active geophysical science in China. Considerable work to improve weather forecasting and equipment has been accomplished and further work is planned. Geodesy capabilities are adequate for supplying geodetic parameters for an IRBM range but not for an over-water ICBM range.

Military Applications

Military technology in China places considerable emphasis on the manufacture of duplicates and modifications of foreign equipment of proven capability, especially Soviet guided missiles, aircraft, naval weapons, and electronics.

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