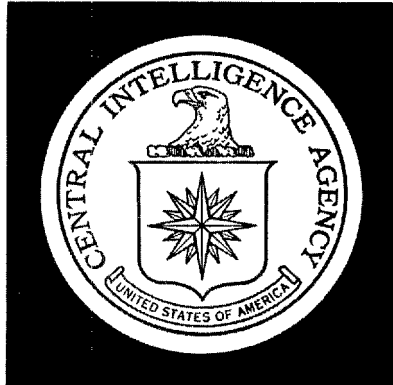


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DIRECTORATE OF
INTELLIGENCE

Intelligence Report

Weekly Report

Prepared Exclusively for the
Senior Interdepartmental Group

Secret

44

27 December 1966
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Communist China Food & Population

Food Years (July-June)	Estimated Grain Output	Gross Imports	Net Grain Imports	Projected Population	Estimated Per Capita Daily Caloric Intake
	Million Metric Tons	Million Metric Tons	Thousand Metric Tons	Millions	
1957-58	180		700	649	2250
1958-59	200		1500	665	2200
1959-60	165		2000	680	1700
1960-61	160		800	692	1650
1961-62	165	6.0	4900	703	1800
1962-63	180	5.4	4600	716	1900
1963-64	176	5.7	5000	730	1950
1964-65	175	5.6	4500	746	1950
1965-66	176	6.2	5500	763	2000
1966-67	171	*5.0	5500	780	1900

*Purchased to date for delivery through June 1967.

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1. CHINA'S FOOD SITUATION

Peking's food problems in 1966 are an indication of the extent to which China's ability to feed its population has come to depend on the vagaries of the weather. Although the current food shortage has not approached that experienced in 1959-61, when millions suffered severe malnutrition, calamitous weather for a year or two would likely bring a similar crisis situation.

The below-average early harvest this year resulted from poor but not disastrous weather. Rations in widespread rural areas and for the first time in many years in some cities have had to be cut by about one third, or to 20-25 pounds of grain per adult each month. The late crop just harvested also appears to be below average and will not be large enough to enable restoration of the cut in rations. Total 1966 grain output will probably be at least five million tons less than in 1965.

Reduced ration levels, grain imports, and continued tolerance of private plots have so far permitted Peking to feed its rapidly growing population. China's food problem can only worsen if the more or less fixed food supply continues to be spread over an ever-increasing population, as has been the case since 1962.

The recent purchase of three million tons of chemical fertilizers should help next year's crops, but any long-range solution must include a reduction in population growth. As yet, birth control programs have hardly begun in rural areas, where 80 percent of the population lives.

In the current situation, China should be seeking more grain imports than the five to six million tons purchased annually in recent years. For the year beginning July 1966, China has already purchased about five million tons and has canvassed Australia and Argentina for more. Canada will probably be asked for more and, as in the past, small quantities may be sought from marginal suppliers such as Mexico and France (see chart).

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3. LAOS

Prime Minister Souvanna's effort to elect a new national assembly more amenable to his direction is setting the stage for a new round of political infighting in Laos.

In order to block the re-election of certain obstreperous deputies, Souvanna has drawn up a list of 34 candidates for the 59 assembly seats that will be contested on 1 January. Each candidate on Souvanna's "united front" list is committed to supporting Laos' neutrality, its tripartite form of government, and Souvanna as prime minister.

This arrangement is almost certain to eliminate some of the neutralists and "young nationalists" who do not enjoy the support of military leaders.

Souvanna worked out his list in cooperation with three regional commanders, who agreed to use their influence on behalf of the approved candidates. These deals have inspired strong criticism of Souvanna by Leuam Insisiengmay, leader of the rightist faction in the National Assembly, who wields considerable power in southern Laos.

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4. BAHAMAS

Political grievances and labor unrest in the Bahamas are causing concern to authorities in Nassau

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The Bahamas will elect a new government on 10 January. The election was called following allegations that ministers of the ruling United Bahamian Party had been using their official positions to further their private business interests, particularly in gambling concessions. Feeling is running high over the issue, and Governor Grey flew to London last week to discuss the situation.

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Last week's strike of construction and electrical workers eased over the holiday weekend with the workers agreeing to return to their jobs soon. Officials in Nassau believe, however, that this improvement is only temporary and that a real possibility of violence exists in connection with the upcoming elections.

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5. ARGENTINA

A serious split apparently has developed within the Ongania government over the handling of essential labor reforms, especially those proposed in connection with the reorganization of the deficit-ridden national railroads.

Strong disagreement over proposed strict work rules and dismissals of redundant railroad employees is developing into a major controversy over general labor policy. The Ongania regime at first tried to avoid antagonizing organized labor and thus prevent crippling strikes and demonstrations while the regime was consolidating its position. Lately, however, hard-liners in the government have begun to urge that labor be given an ultimatum either to obey new rules and regulations or face military mobilization and possible government intervention in the unions. They fear that any willingness to compromise or negotiate would be taken as a sign of weakness by the unions.

Moderates in the government have been working to avoid a major confrontation with organized labor, which is still dominated by the Peronists. While moderate Peronist leader Augusto Vandor has urged labor to negotiate with the government, a splinter Peronist group headed by Jose Alonso favors a tougher policy.

President Ongania seems to favor a firm hand with labor but has not yet definitely committed himself to any position. However, he may soon be compelled to take a clear stand. A recent incident in which the leader of the Portworkers' Union was arrested before he could complete steps to end the two-month-old dock strike indicates that some government officials are moving to force the issue.

Should the government decide on a strong anti-labor policy, militants in organized labor might be strengthened in their demands for strikes and even terrorism to combat government plans. This could, in turn, force the authoritarian regime to adopt more repressive measures against the unions.

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