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DIRECTORATE OF
INTELLIGENCE

Central Intelligence Bulletin

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22 March 1968

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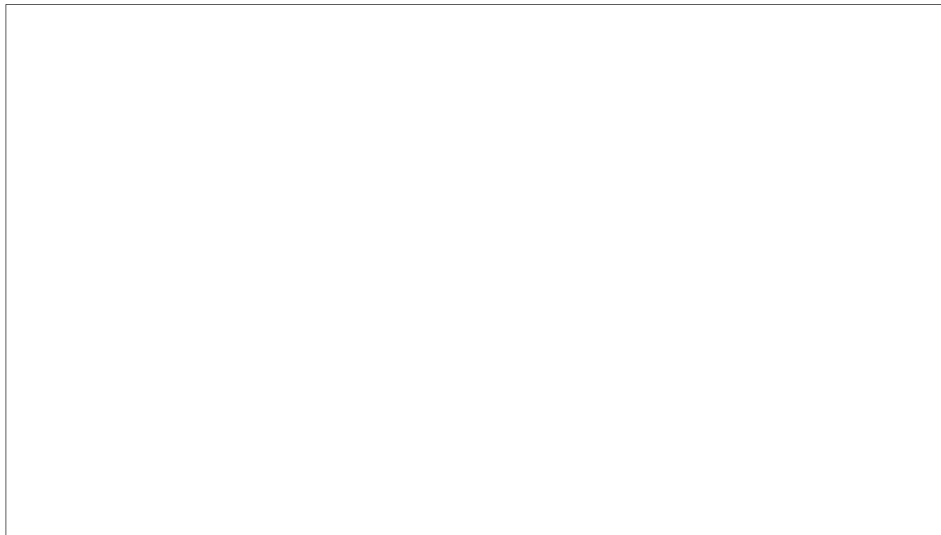
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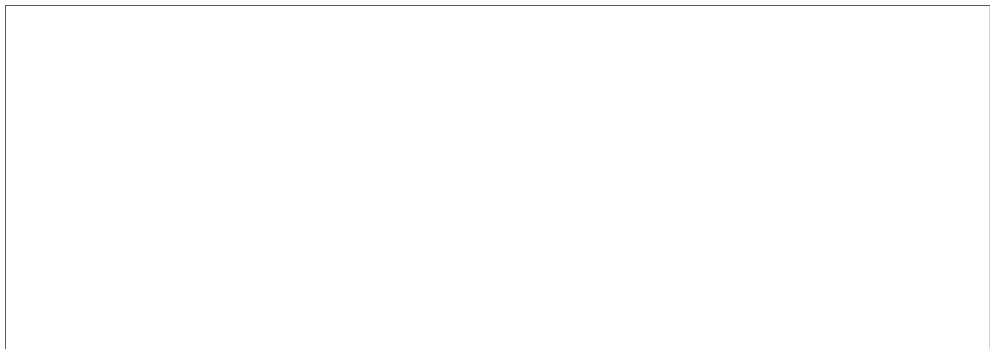
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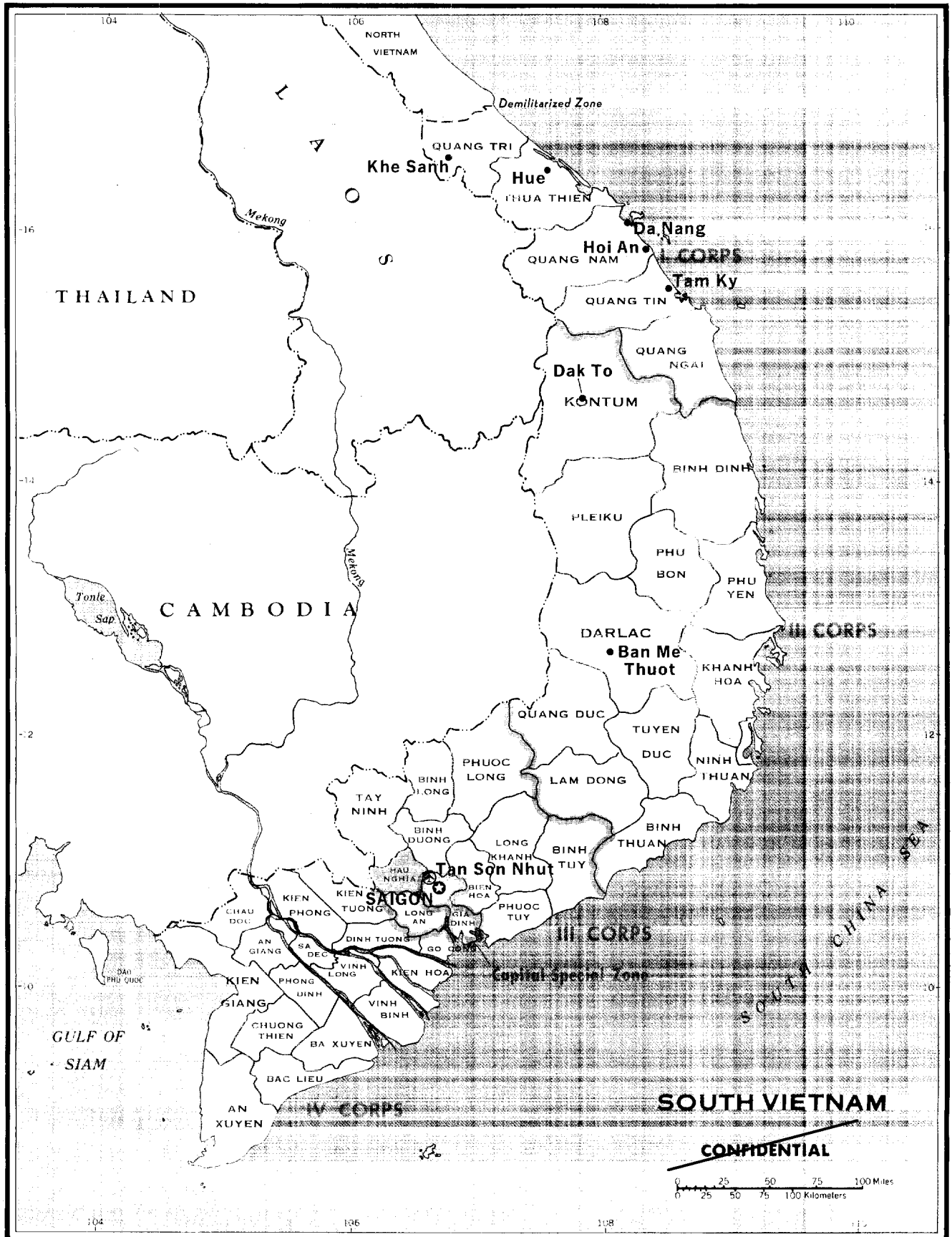


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Mauritius: Ties with Moscow and Peking (Page 13)

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22 Mar 68 CENTRAL INTELLIGENCE BULLETIN Map

~~TOP SECRET~~*Vietnam:

South Vietnam: The tempo of military activity picked up slightly on 21-22 March.

In Hau Nghia Province, US and South Vietnamese forces engaged a battalion of the 272nd Viet Cong Regiment in a seven-hour encounter and reported killing 142 of the enemy. Allied forces also fought Communist troops near Ban Me Thuot and in the I Corps coastal area between Hoi An and Tam Ky. Enemy rockets and mortars hit several allied airfields, including Tan Son Nhut, but casualties and damage were relatively light.

Communist forces now appear to be pulling back slightly from several areas in South Vietnam which had been indicated as primary attack objectives.

A partial withdrawal, or at least a lessening of interest, has been noted in the Khe Sanh, Hue, and Da Nang areas in I Corps and near Dak To and Ban Me Thuot in II Corps. Certain enemy main force units also appear to be moving away from Saigon.

These movements are probably selective and of a temporary nature since there is a continuing sense of urgency in the message activity of high level Communist echelons. Moreover, the enemy forces which have withdrawn to more secure areas are still in positions from which strikes could be launched against strategic allied positions with a minimum of preparation.

The apparent pullback could be an attempt by the enemy to evade the widespread sweeps which allied forces have launched since the Tet offensive. The Communists could also be regrouping and resupplying their forces prior to launching the next phase of the winter-spring campaign.

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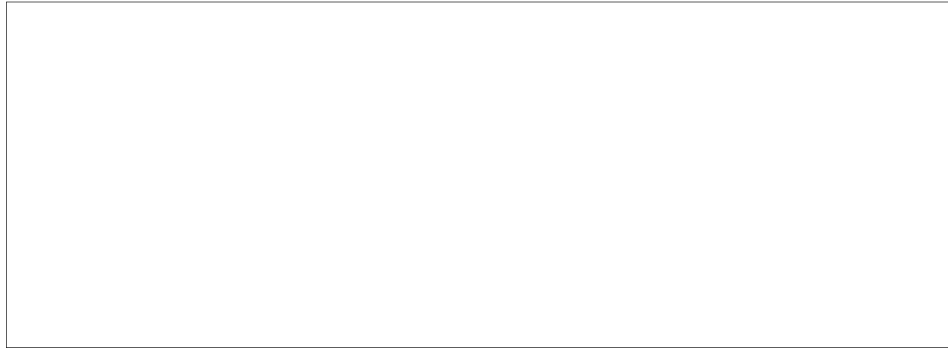
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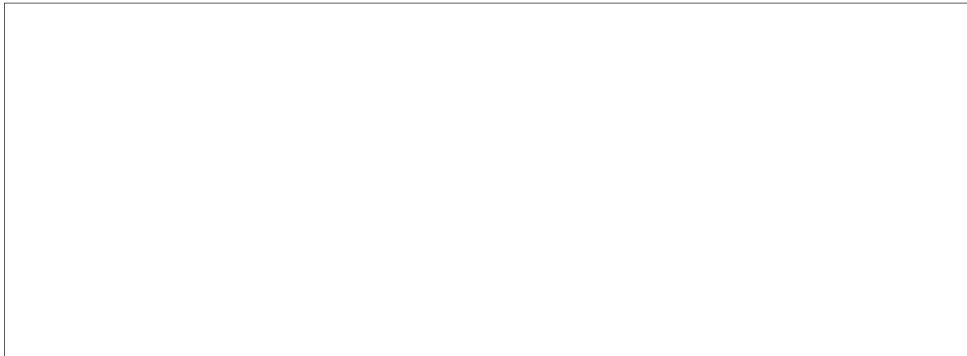
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North Vietnam: There are more signs that a substantial number of infiltration groups are en route to South Vietnam.

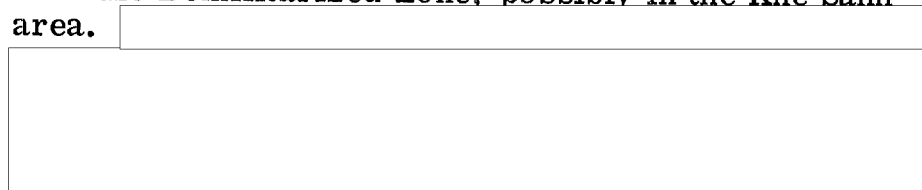


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North Vietnamese AN-2 aircraft are apparently preparing for flight operations within the next few days near the Demilitarized Zone, possibly in the Khe Sanh area.



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*Israel-Jordan: Israeli troops have withdrawn from Jordanian territory and the border is quiet after the most serious military operations since the June war.

Accurate figures are not available but casualties appear to be fairly substantial on both sides. Israel claims to have killed 150 "saboteurs" and inflicted substantial losses on regular Jordanian Army units. Tel Aviv admits to 21 killed and 70 wounded, but these figures may be low, as helicopter traffic carrying wounded troops to Jerusalem's largest hospital during the fighting was "brisk." The Israelis have admitted the loss of one aircraft and several armored vehicles.

Apart from the Jordanians, Arab reaction to the Israeli attack was rather subdued. The Iraqi and Saudi military forces stationed in Jordan apparently did not engage in the fray. [REDACTED]

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[REDACTED] a 20-minute Egyptian-Israeli artillery duel across the Suez Canal took place during the afternoon of the fighting. Damascus radio played martial music.

King Husayn's call for an Arab summit conference has been accepted by Egypt, Iraq, Sudan, Yemen and Lebanon. Although no date has been set, it will probably be convened soon. [REDACTED]

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[REDACTED] Nasir's acceptance of the call for a summit meeting reflected his increasing pessimism over chances for a peaceful settlement to the current impasse with Israel. "Attempts for a political solution... have so far brought no result," the published text quoted Nasir as saying, so "it is now necessary that we prepare the field to achieve victory through a joint Arab effort."

Soviet Defense Minister Grechko is currently in Iraq, and the Israeli attack may tempt Jordan to invite

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him to visit Amman. Moscow's reaction will be to cite the Israeli attack as the prime cause of the Jar-ring mission's failure, and use it to buttress its of-fers of military aid to Jordan. Izvestia noted yester-day that Jordan was attacked only 12 hours after Jar-ring left Amman, and that Israel has steadfastly re-fused to implement the Security Council's November resolution. Soviet news media have automatically added that responsibility for the clash must be "shared by Tel Aviv's American and British patrons."

In the UN, Jordan has urged the Security Council to invoke Chapter 7 of the UN Charter to end the Is-raeli attacks. This provides for punitive measures such as economic sanctions and even the use of force. Although the council is more pro-Arab than last year and sentiment is running against Israel in the case of these attacks, it is unlikely that the council would take such punitive action. However, the council may con-demn all breaches of the cease-fire from any side and demand strict implementation of past UN resolutions.

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*Czechoslovakia: President Novotny has said he is ready to throw in the towel.

On 22 March the presidium of the party central committee announced that in agreement with his request Comrade Novotny will be released from the function of president of the republic ostensibly because of his health. Following this powerful push, Novotny will probably attend to the formalities very soon. Josef Smrkovsky, a leading exponent of "democratization," is most frequently mentioned in Prague as Novotny's successor.

According to a Prague newspaper, he told official visitors on 20 March that "he would always abide by decisions of the Communist Party and that now, at the age of 63, he no longer has any personal ambitions." Novotny apparently believes that to delay his resignation any longer would cause serious disruption. He was quoted as saying, "all that matters to me is the party itself."

The timing of Novotny's resignation seems to have been affected by the visits to Moscow on 19 March of Deputy Premier Cernik, who is Czechoslovakia's top economic planner, and of Major General Egyd Pepich, chief of the Army Main Political Administration. Both are Dubcek's men, and Cernik may eventually become premier.

Presumably both went to the USSR to discuss with Soviet government and military leaders forthcoming changes in the regime's hierarchy [redacted]

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Cernik may also have had an additional mission, to sound out the Russians on the possibility of a loan to tide Czechoslovakia over its economic difficulties. He conferred with his Soviet counterpart Baibakov, and with Premier Kosygin, then went home on 20 March. Pepich stayed on until the following day for conferences with military leaders.

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The Soviet response to Cernik's visit was cool, suggesting that Moscow still intends to keep its options open. Press coverage of his talk with Baibakov makes no mention of any understanding, while the coverage of his visit to Kosygin says merely that a "friendly discussion" took place. If indeed Cernik asked for credits, he was probably put off. [REDACTED]

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*Because of the shortage of time for preparation of this item, the analytic interpretation presented here has been produced by the Central Intelligence Agency without the participation of the Bureau of Intelligence and Research, Department of State or of the Defense Intelligence Agency, Department of Defense.

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Poland: Gomulka's efforts to calm the factional struggles in the party apparently have not succeeded.

The equivocal reception of Gomulka's speech on 19 March by at least some in the audience of party activists suggests that his attempt to project a middle-of-the-road image may not have satisfied either the party's hard-liners or its moderates. Indeed, there are now some signs of differences between Gomulka and other top party leaders.

The politburo reportedly is, or will soon be, in session to map out the party's future course, and there are rumors that a central committee plenum will be convened in the next few weeks. The intervening period is likely to be one of intensified factional maneuvering.

Meanwhile, the majority of Warsaw students apparently did not participate in the 48-hour sit-in strike which began on 21 March. Most of them stayed home, defying stern warnings by university authorities threatening "serious consequences," including expulsion, to those who did not resume their studies.

There are reportedly signs of weariness among the students, and there may be some indecision over what course to take in the wake of Gomulka's speech. While most students are resentful that Gomulka failed to address himself to their demands, they are said to have been relieved that his tone was milder than they expected. [REDACTED]

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Burma: The Communist Party of Burma (White Flag) has called upon its members to mount a terrorist campaign on 28 March.

[REDACTED]

[REDACTED] The campaign, set to begin on the 20th anniversary of the party's going underground, may be partly in response to an increased government offensive begun early this year. In addition, the White Flags may hope to exploit popular resentment over the Burmese Government's recent restrictions on rural rice sales.

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Although terrorist activity probably would be restricted to rural areas of southern Burma--where most of the approximately 4,000 White Flag Communists are located--isolated acts could also be directed against Rangoon. The White Flags have increased their activity and perhaps their strength during the past year, but they are still hampered by inadequate logistics, poor coordination, and ideological divisions.

It is unlikely that the White Flags, or any other insurgent group in Burma, can sustain an ambitious campaign against the government. The government is aware of the Communist order and is conducting military sweeps designed to forestall any significant upsurge of terrorism.

[REDACTED]

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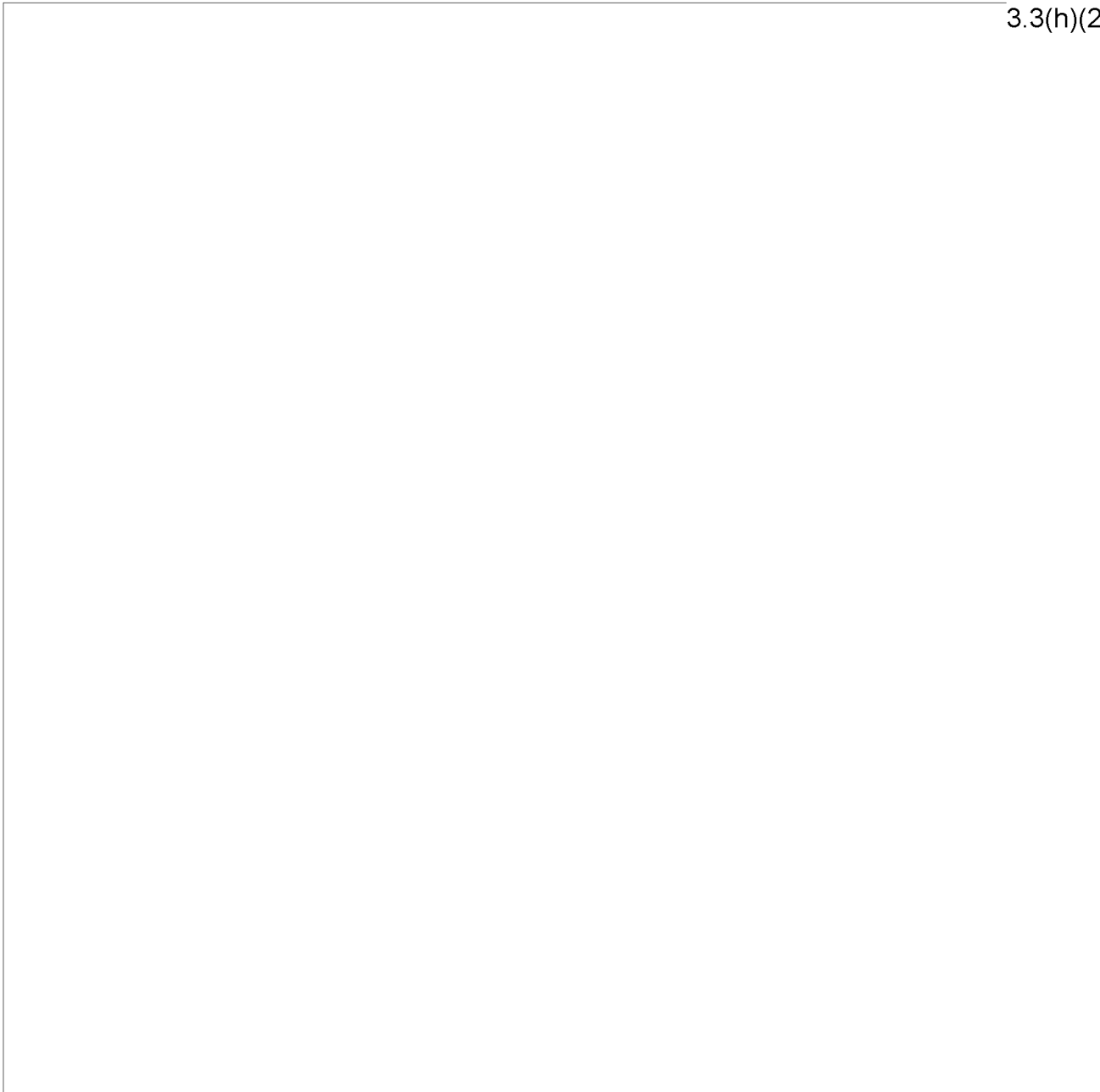
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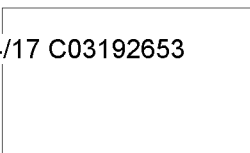
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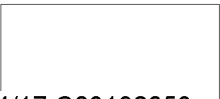


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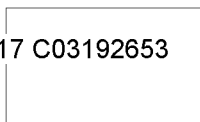
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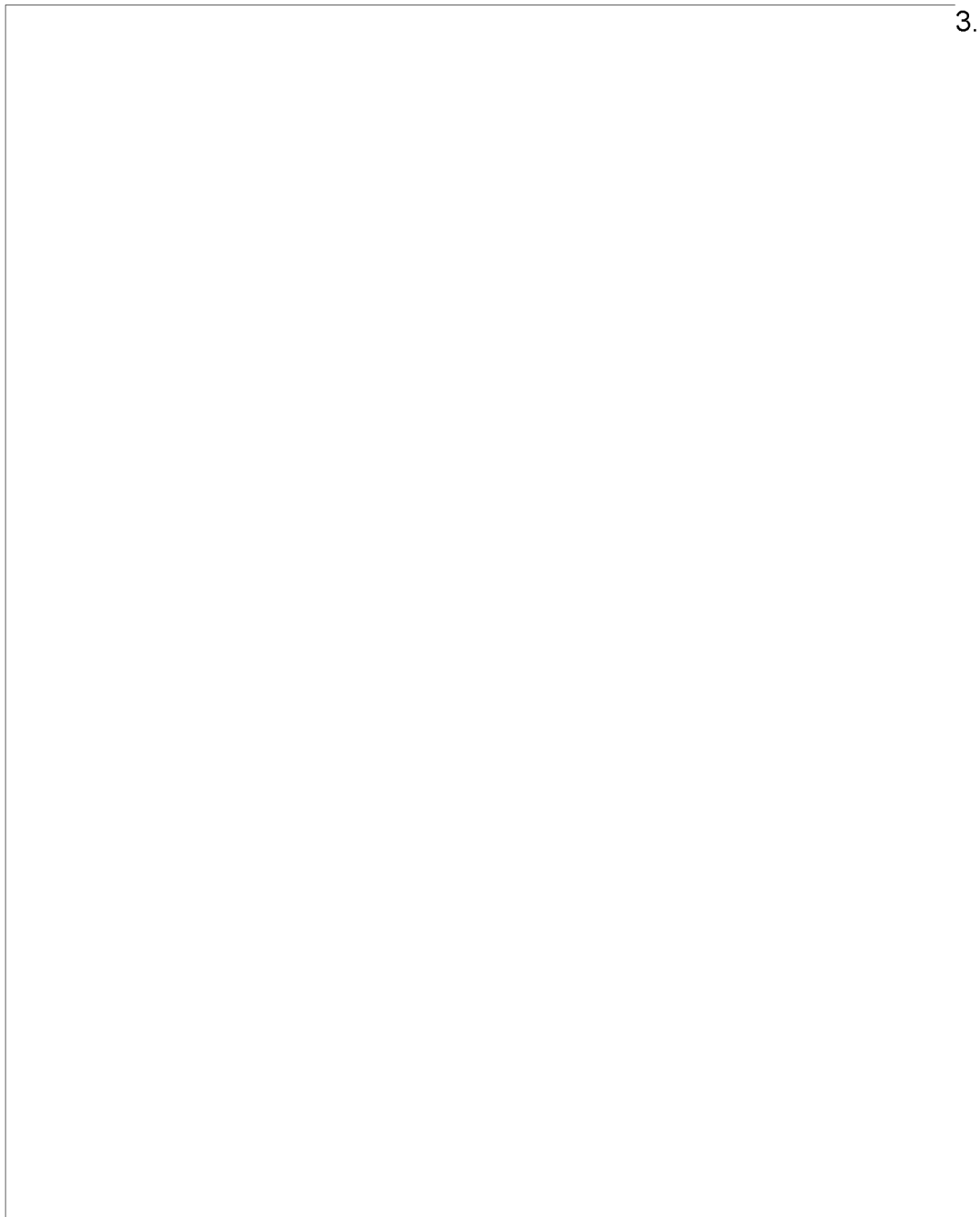
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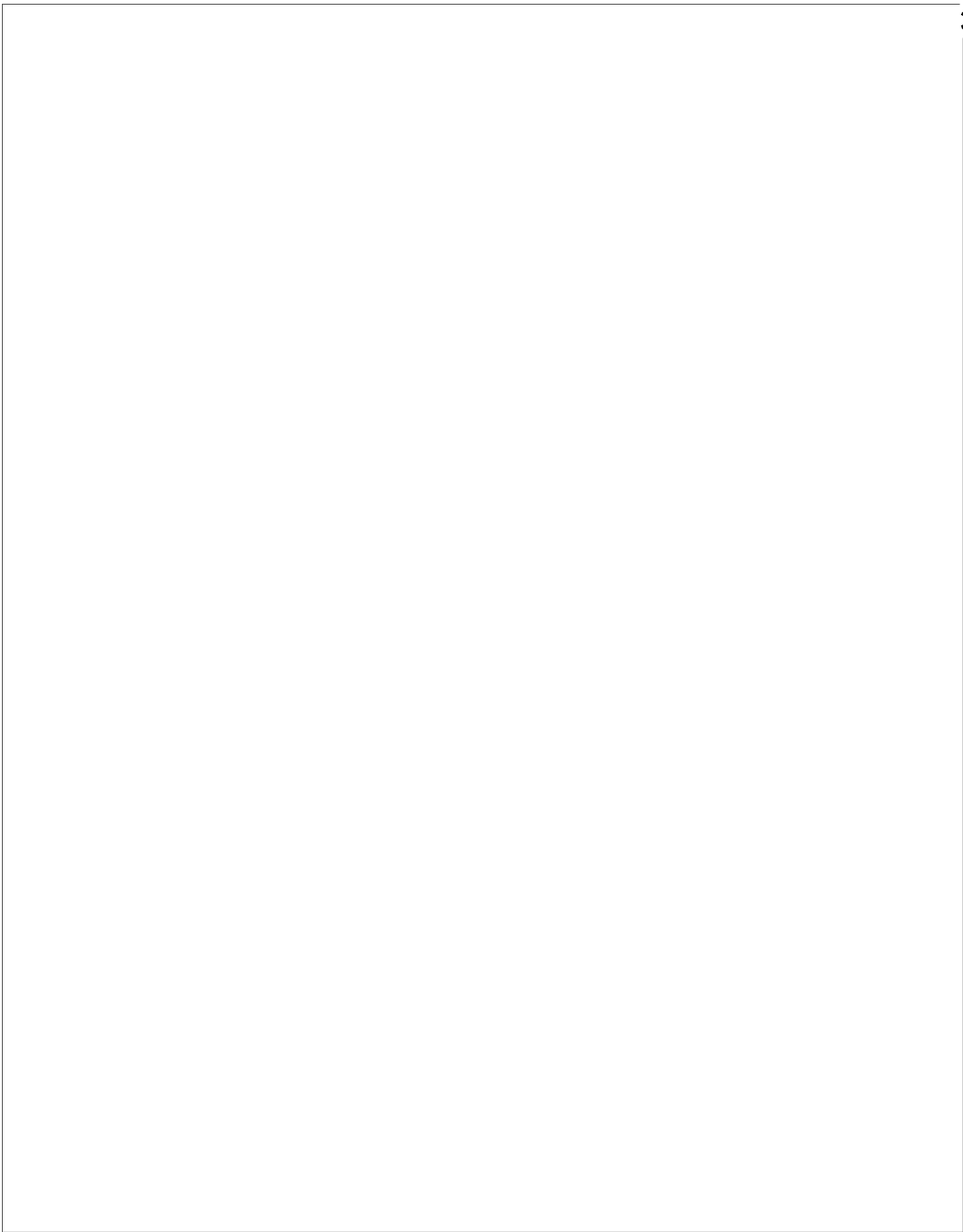
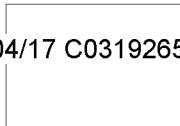
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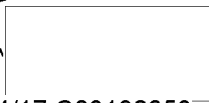


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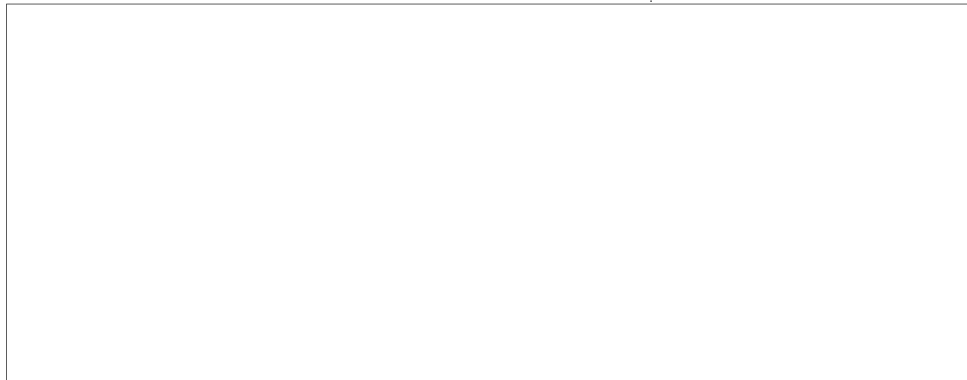
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Panama: The legislature will probably attempt to convict and remove President Robles for electoral malfeasance by 24 or 25 March.

Arnulfo Arias' National Union is making an all-out effort to mass its supporters in Panama City during the trial. As soon as Robles is sentenced, the Arias-controlled assembly plans to swear in First Vice President Max Delvalle, an Arias man, as chief executive. Delvalle is already choosing his cabinet, in which he intends to include the father-in-law of National Guard Commandant Vallarino.

National Union secretary general Nicosia told the US Embassy that "everything depends on Vallarino's reaction." Nicosia said that his party expects him to do everything possible to hinder its activities. In that case, Nicosia added, the party will be forced to rely on the reaction of the masses.



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A rally for government presidential candidate David Samudio is scheduled for today, and Vallarino's handling of the crowds will be closely watched by the Arias forces. Nicosia affirms that while they have avoided criticizing the guard or any confrontation with it up to this point, they will not tolerate partisan activity by Vallarino.

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NOTES



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Mauritius: The government, in office only since independence on 12 March, has announced that it will establish relations with both the Soviet Union and Communist China. Although Prime Minister Rangoolam was probably inclined to recognize Communist China in any event, he presumably was influenced by a Chinese offer of economic aid, including an immediate and badly needed shipment of 10,000 tons of rice. Moscow has been quietly penetrating the island's youth and labor organizations for several years, and Peking has sought to cultivate a variety of elements, including the local Chinese community.



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NATIONAL INTELLIGENCE ESTIMATE

The United States Intelligence Board on 21 March 1968 approved the following national intelligence estimates:

SNIE 58-68 "Communist Intentions in Laos"

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NIE 93-68 "Brazil"

[redacted]

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