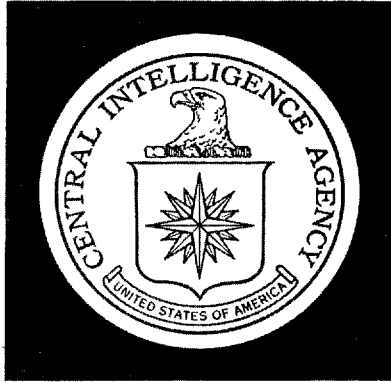


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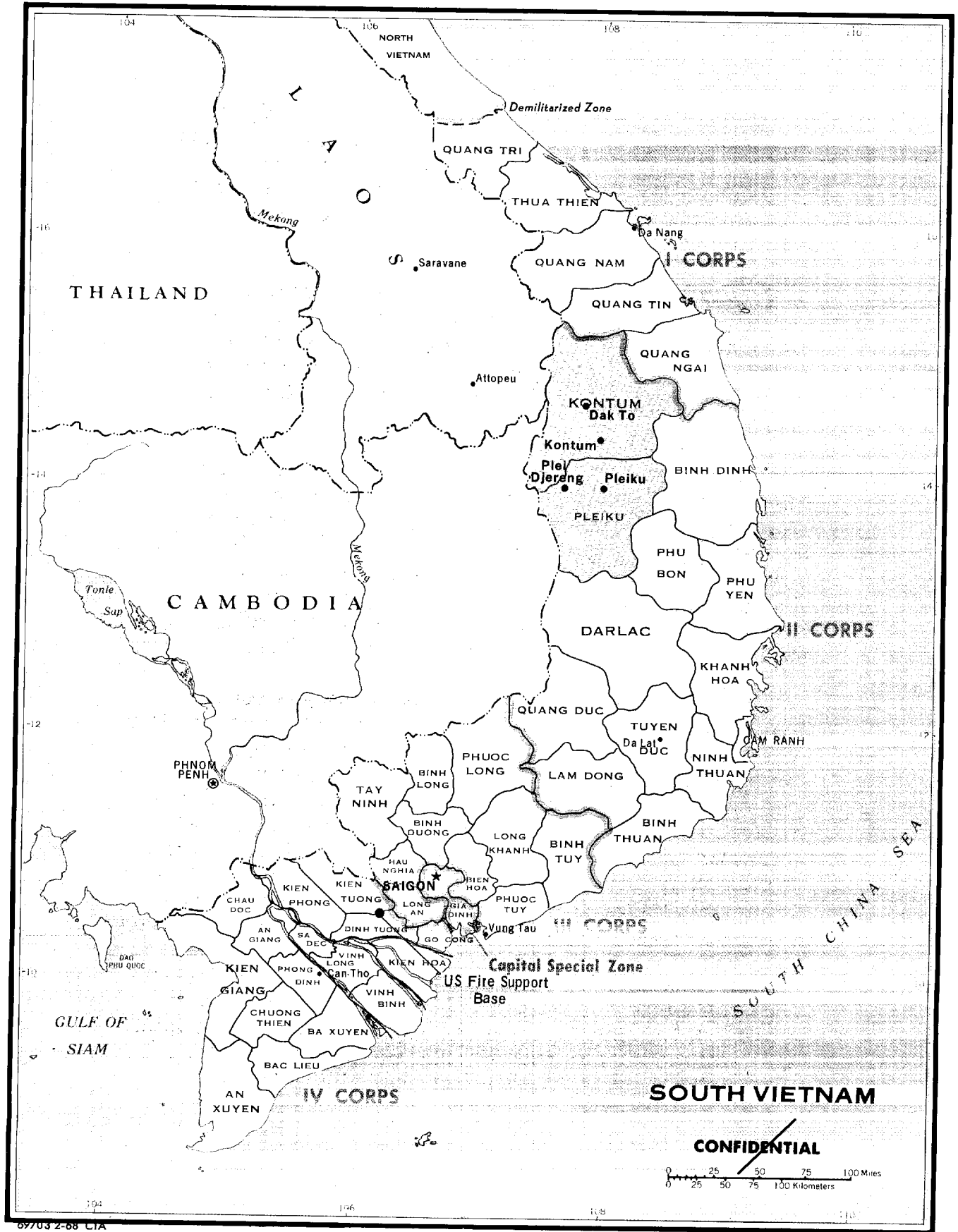
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*South Vietnam: Enemy activity has dropped to its lowest level since the Tet offensive began on 30 January, but the threat to a number of urban areas continues. In Saigon, the Viet Cong have reportedly told residents of Cholon that they will launch a new attack in that district on 27 February.

On 25 February, an enemy battalion assaulted a US artillery fire support base in the delta province of Dinh Tuong and succeeded in breaching the base's defenses. After a fierce two-hour fight, the enemy was repulsed. US forces suffered 19 killed and 43 wounded; the Communists lost 94 dead.

[redacted] enemy attacks in the Kontum-Pleiku area may be imminent. Since the middle of February, several units subordinate to the B-3 Front and some elements of the front headquarters have moved from the tri-border region into Kontum and Pleiku province. In addition, extensive resupply, recruitment and reconnaissance activities have been conducted by the Front's subordinates.

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In western Kontum, [redacted] impending enemy forays against Dak To and the destruction of a bridge--possibly along Route 512--to restrict allied ground movement and hamper the reinforcement of Dak To. Moreover, [redacted]

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In Pleiku, [redacted] extensive enemy reconnaissance of the Le Thanh and Plei Djereng areas. According to intercepted messages, the enemy was making preparations for attacks on 26 February in the Le Thanh area. [redacted]

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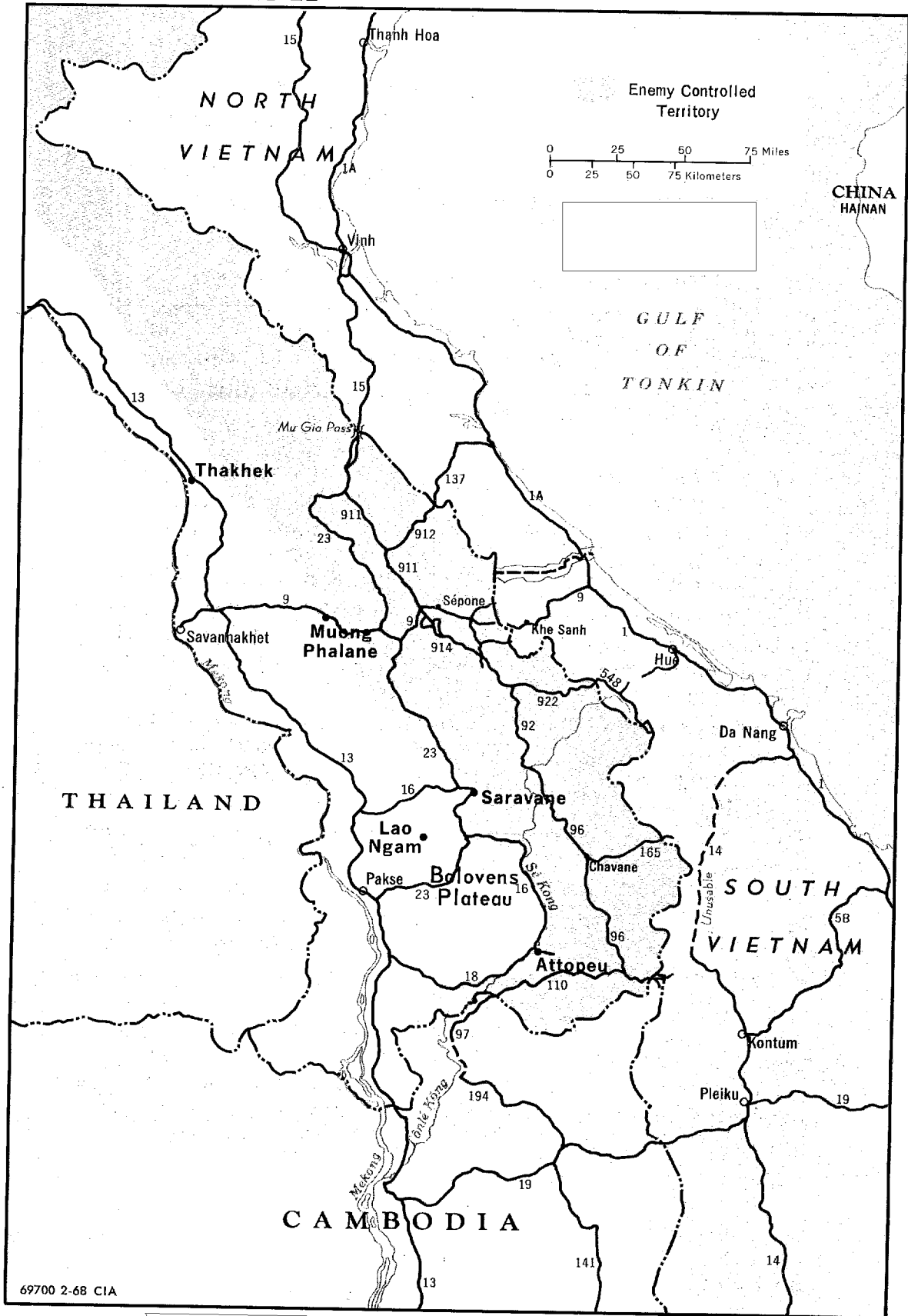
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*Laos: Communist forces are maintaining pressure in the Bolovens Plateau area.

The towns of Attopeu and Saravane came under attack yesterday following two days of heavy enemy pressure on government outposts. The regional government commander considers Attopeu untenable due to the unavailability of adequate reinforcements and intends to withdraw if the situation deteriorates further.

The Lao Ngam area is quiet after government forces there beat back Communist attackers, apparently inflicting heavy casualties on the enemy.

The Communists are also stepping up their activity in the northern panhandle. They have again overrun government positions at Muong Phalane, which they had briefly occupied last December. The Communists have recently strengthened positions long held near Thakhek on the Mekong. There is no indication, however, that they intend to conduct major attacks in this area, although they may increase their harassment activity. [REDACTED]

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Burma: The Ne Win regime's current political and economic difficulties may be aggravated by another poor year for the government-controlled rice trade.

Despite an expected increase in the rice harvest by over one million tons, purchases by the government rice monopoly are running at a rate even lower than last year. This shortfall stems from a number of factors, including unrealistically low official prices, a shortage of consumer goods for the peasants to buy with the proceeds, intimidation by the insurgents, and diversion to more lucrative black market channels.

Unless this trend is reversed, Burma's rice exports--vital for essential consumer imports--may not even reach last year's 500,000 tons, the lowest since World War II. Cheap government rice for urban domestic consumption could also be in extremely short supply, raising the possibility of another round of rioting and looting which troubled the regime last year.

Burma's diverse and disunited insurgent groups are in no position to exploit these difficulties to achieve a major breakthrough. Popular disgruntlement over the rice situation could, however, improve the climate for modest insurgent gains. [REDACTED]

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Panama: The political crisis over control of the three-man electoral tribunal appears to have eased.

The Supreme Court still has not announced its decision to fire two pro-Arias tribunal judges so that pro-Samudio alternates could take over. With the court scheduled to go on a month's vacation during March, it is unlikely that further action will be taken until after 1 April. In the meantime, moderates on both sides may be able to work out a compromise which will permit the presidential elections to be held on 12 May.

Arias continues to temper threats with conciliatory gestures. During a speech on 23 February he said he would seek to impeach or overthrow Robles if necessary, but asked his followers to respect the national guard and cautioned against attacks on the Supreme Court.

Although passions could again be easily aroused, the likelihood of major disturbances in the immediate future has diminished. The guard is still on full alert and probably will be able to deal with any partisan clashes that might break out during the pre-Lenten carnival observances. [REDACTED]

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Czechoslovakia: Conservative elements appear to be resisting new party First Secretary Dubcek's plans for wide-ranging changes.

Former party boss Novotny's speech on 23 February, commemorating 20 years of Communist rule in Czechoslovakia, clearly implied that he believes Dubcek's proposed political "action program" goes too far in reducing the power of the Communist Party. Novotny may therefore intend to lead an effort to water down the "democratizing" aspects of the program.

The "power struggle between progressive and conservative forces," forecast by Dubcek in his keynote address on the anniversary, seems to be crystalizing fairly rapidly. On 24 February the chief of the Defense Ministry's political administration publicly condemned certain units of the armed forces for trying to interfere in Novotny's behalf during the crucial days before his overthrow. This statement probably succeeded in heading off reported planned pro-Novotny demonstrations in Prague yesterday.

A Czechoslovak party central committee plenum is scheduled for mid-March. At this time the fate of the "action program" and of some party leaders could be decided. A clear-cut political victory will probably not be won, however, by either the conservative or liberal factions. [REDACTED]

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