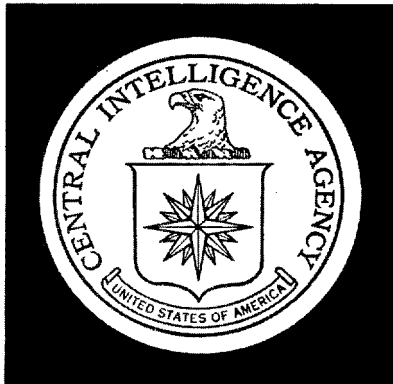


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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

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C O N T E N T S

(Information as of noon EST, 2 February 1967)

Far East

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<p>Hanoi is emphasizing a new formulation on its willingness to talk with the US without suggesting any change in its basic four-point demands for a peaceful settlement. In South Vietnam, Chief of State Thieu sounds more and more like a candidate for the presidency as the Constituent Assembly debates the proposed constitutional division of power between the executive and the legislature. Although there were no significant Viet Cong attacks this week, US Marines operating in the northern coastal provinces fought a series of sharp engagements with enemy troops.</p>	
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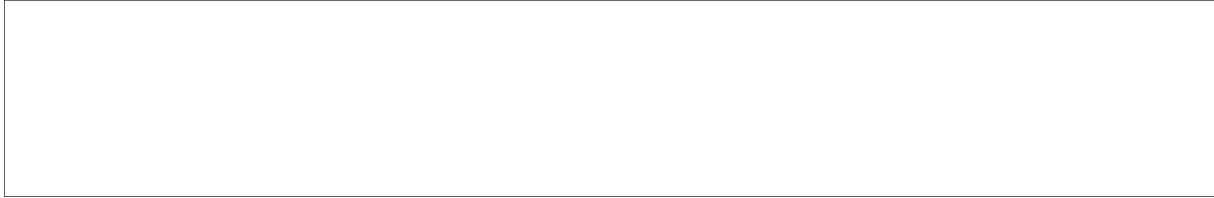
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THE WEEK IN PERSPECTIVE

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FRENCH GAULLISTS MAY LOSE GROUND IN MARCH ELECTIONS

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Dissension in the government camp and voter indecision are tempering somewhat the Gaullists' anticipation of a sweeping victory in the legislative elections on 5 March.



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EAST GERMANS REACT STRONGLY TO BONN'S EAST EUROPE DEMARCHE

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Bonn's now accelerating efforts to establish diplomatic relations with Eastern European countries have elicited an angry response from East Germany.

MOSCOW PUTTING NEW PRESSURE ON INTELLECTUALS

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Presumably in preparation for the Writers Congress scheduled to begin on 22 May, Soviet authorities are intensifying pressures on the liberal intellectual community to conform to conventional Soviet standards of expression.

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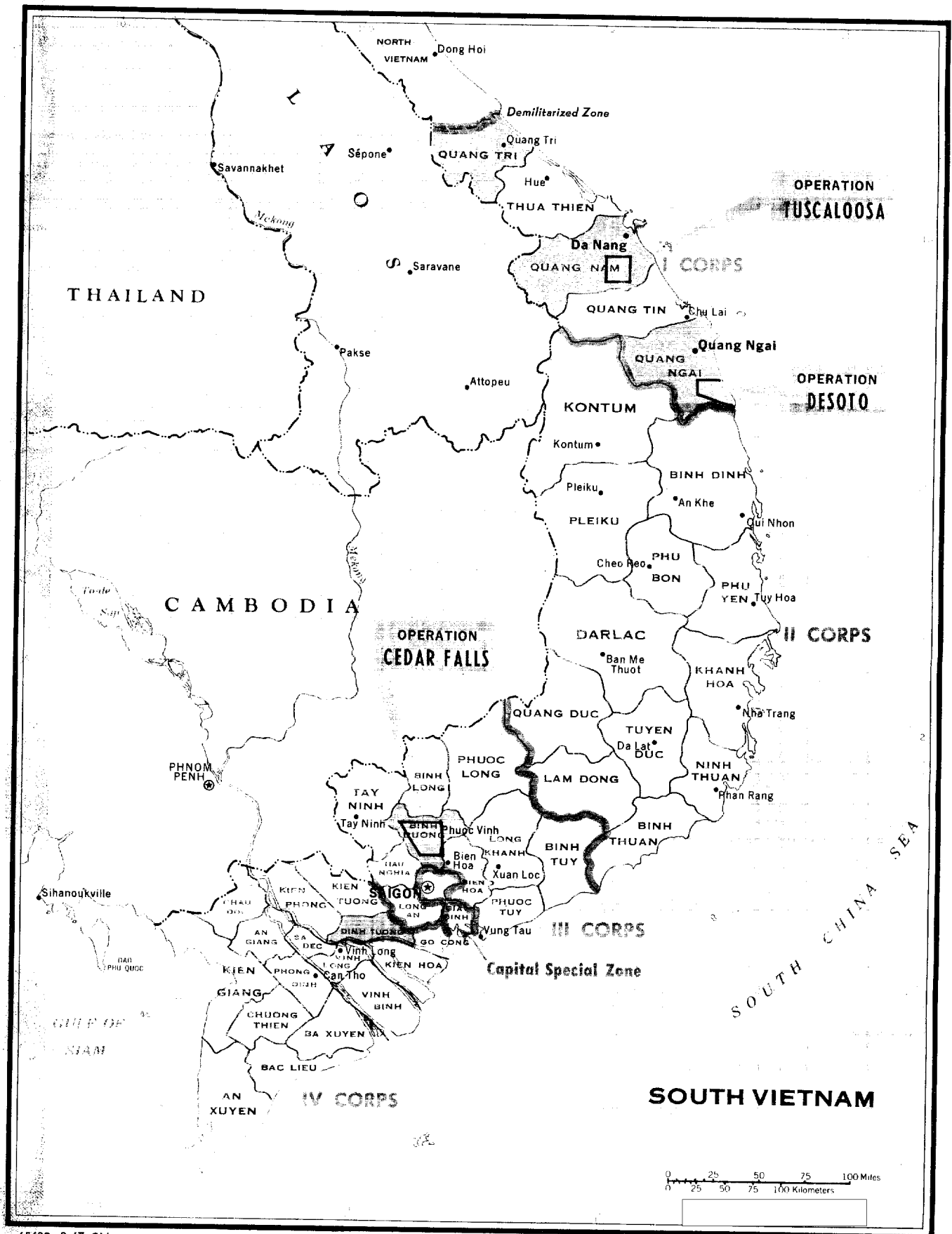
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- NO PROGRESS IN NIGERIA 24
Feuding regional leaders are little closer to an eventual settlement despite their meeting in Ghana last month. Prospects for agreement are further jeopardized by new pressures from minority tribes for the creation of new Nigerian states.

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VIETNAM

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Hanoi is pushing the line that it might be willing to hold talks with the United States if the air strikes against North Vietnam were stopped unconditionally.

The hint was dropped this week in language which stopped short of a specific commitment to talk. Foreign Minister Nguyen Duy Trinh told newsmen on 28 January that if the US "really wants talks, it must first halt unconditionally the bombing raids and all other acts of war against the DRV." In an earlier press conference last month, Mai Van Bo, head of the North Vietnamese delegation in Paris, had hinted at the same approach.

This marks the first effort by official Hanoi spokesmen, in a systematic and consistent manner, to separate specific North Vietnamese demands for "talks" with the US from their more extensive four-point demands for a peaceful settlement.

There is no evidence to suggest that the North Vietnamese have changed these basic demands for a peaceful settlement. Their newest formulation, however, hinting at a willingness to "talk," appears at a minimum to be an effort to extricate themselves from their hard-line position on a peaceful solution.

South Vietnamese Politics

Preparations for South Vietnam's future constitutional government are becoming an increasingly important issue in current politics.

One of the major problems is for the military to agree on a candidate for president. Chief of State Thieu has not committed himself as a candidate either publicly or privately, but increasingly is giving the impression that he may seek the presidency. While Premier Ky was conducting a successful tour of Australia and New Zealand last week, General Thieu was making a widely publicized visit to the delta provinces, speaking to a variety of civilian and military groups and doling out welfare funds and land titles. Early this week, he held a major reception for the press in Saigon, and his remarks suggested a strong effort to identify

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himself with the potentially popular campaign issues of peace and anticorruption, and thus a bid to become the military's candidate.

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In view of the steady progress being made, it does not appear that the current resentment of the assemblymen will reach serious proportions. Their relations with government leaders, however, may have further ups and downs as the constitution is formulated.

Operation CEDAR FALLS

A 20-day multibattalion allied sweep, Operation CEDAR FALLS, whose objective was to deny a major sanctuary to the Viet Cong in Binh Duong Province north of Saigon, was brought to a close last week. At times it included as many as 25 US and ARVN battalions.

Miles of tunnels, caves, and bunkers laboriously dug by the guerrillas over the past 20 years were explored and systematically destroyed. In addition, more than 6,000 civilian inhabitants were relocated to areas under government control. Six hundred weapons and nearly 400,000 pages of documents were seized as well as a record amount of rice--more than 3,700 tons--enough to feed over 10,000 combat troops for a full year. Communist losses included 720 killed, 210 captured, and 512 suspects apprehended. American

Meanwhile, the Constituent Assembly is beginning to decide on the division of power between the executive and legislative branches of the future government. The assembly's working draft, prepared by one of its subcommittees, is weighted in favor of a relatively powerful legislature. However, the military leaders of the present government, who appear to be adopting the viewpoint of potential executives, have made it clear that they desire a more nearly even division of authority.

Recent public criticism of the assembly's draft along these lines has irritated some of the assembly delegates, since they suspect that the government instigated it.

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casualties for this operation-- the largest of the Vietnam war-- totaled 72 killed and 377 wounded.

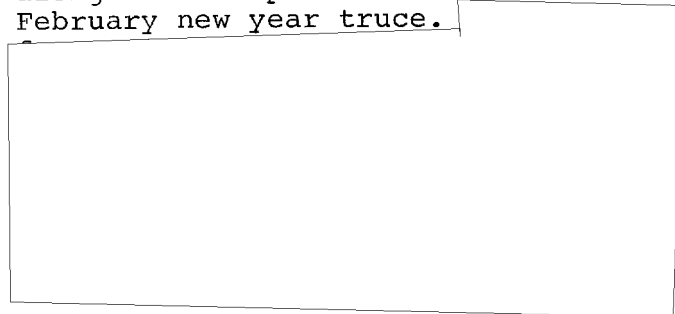
Other Ground Action

Otherwise, a series of sharp engagements between allied and Communist forces in the central and northern coastal provinces highlighted the past week's military activity in South Vietnam.

Heavy fighting erupted on 26 January between three US Marine companies and a Viet Cong/North Vietnamese Army (NVA) force estimated at battalion size during Operation TUSCALOOSA 20 miles southwest of Da Nang in Quang Nam Province. In Quang Ngai Province, on 30 January, battalion-strength US Marine elements participating in search-and-destroy Operation DESOTO encountered stiff resistance from an enemy force entrenched in strong defensive positions 25 miles south of Quang Ngai city.

With the exception of abortive attacks on 28 January against two South Vietnamese paramilitary outposts in the delta province of Dinh Tuong no significant Communist military initiatives occurred last week.

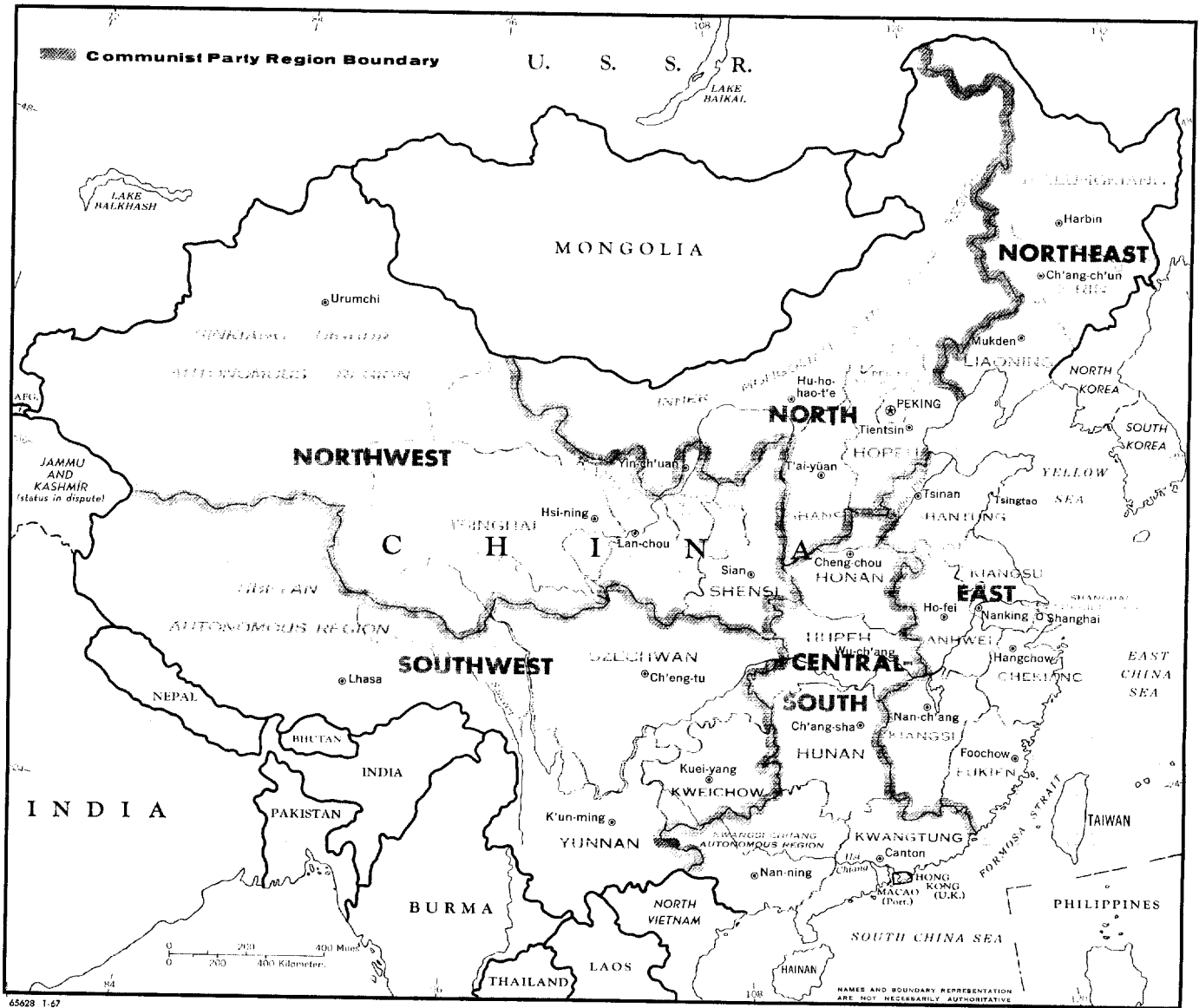
There continued to be indications, however, of a concerted enemy effort to resupply and reinforce NVA units operating in the area of northern Quang Tri Province and the Demilitarized Zone (DMZ). Troop sightings, coupled with recently intensified enemy reconnaissance and harassment of allied forces, may foreshadow large-scale offensive activity against allied positions along the DMZ prior to the 8-12 February new year truce.



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COMMUNIST CHINA

Additional signs have been noted during the past week that the Chinese Communist leaders around Mao Tse-tung are not entirely sure of their control over the armed forces. These signs include attacks on additional military leaders, [redacted] regular army units have responded only "lukewarmly" to the 23 January directive ordering the army to begin backing Mao's supporters,

Attacks on Military Leaders

Numerous military leaders and officials responsible for maintaining political control over the military have recently come under heavy poster attack. Many are said to be implicated in a deep plot hatched in February last year to overthrow Mao and Lin Piao. Since these men had seemed to be in good standing through December, and in some cases mid-January, charges dating back 12 months are implausible. It is possible, however, that Mao and Lin suspect these men of having engaged in conspiratorial activities recently, and are merely back dating the charges.

The recent targets include Ho Lung, a member of the Military Affairs Committee, Peking's top military body; the octogenarian Chu Teh, who commanded Mao's troops during the civil war; Liu Chih-chien, who headed the army purge group until his dismissal

on 11 January; Yang Yung, the commander and political commissar of the Peking Military Region; and military commanders and commissars in west and east China and in all service branches.

Red Guard posters and newspapers, most of which probably reflect the views of individuals or groups in the top leadership, indicate considerable confusion, if not division, over which military officials are to be attacked and on what grounds. These problems had apparently led to the reorganization of the army's Cultural Revolution Group on 11 January, but within a few days posters were reporting that Mao's wife and other leading figures were harshly attacking several members of the new 18-man group. Even the head of the group and two of his deputies have come in for criticism.

The treatment of one of these deputies--the army's top political commissar, Hsiao Hua--is another sign that alignments at the top may be shifting almost from day to day. Hsiao had seemed to be one of Lin Piao's strongest supporters and was hosting an Albanian delegation in mid-January. Despite this, an intense campaign was mounted against him, through posters and placards mounted on army trucks, from 19 to 21 January. Hsiao was said to have been denounced by Chen Po-ta, the leading "cultural revolution" official, and Yang Yung. Posters stated that Hsiao's home was raided on 19

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25X1 January and that he was paraded through the streets. [redacted]

[redacted]

After Hsiao's apparent reprieve, one of his strongest attackers, Peking Military Region commander Yang Yung, was then strongly denounced in turn. According to posters seen in Peking on 31 January, Hsu Hsiang-chien, head of the new army purge group, and Chen Po-ta said on 22 January that Yang was as bad as Peng Tehuai, the defense minister dismissed in disgrace in 1959 for leading an "antiparty" group. On 24 January a poster signed by an artillery unit then criticized Hsu for his 22 January statement, calling it a "blunder" that served Mao's enemies.

Treatment of Political Victims

25X1 High-level political targets of the "cultural revolution" have been treated much more harshly in recent weeks than before. [redacted] it has become commonplace to see victims paraded in trucks for public humiliation in the streets of Peking and Shanghai.

Red Guard newspapers and posters have identified some of the victims: politburo member Ho Lung, navy political commissar Su Chen-hua, several important labor

union officials, the ministers of agriculture and railroads, and even the glamorous Madame Chen Yi. Photographs of early victims of the "cultural revolution," such as Peking mayor Peng Chen and army chief of staff Lo Jui-ching, suggest they have been brutally treated by their Red Guard jailers.

Half a dozen or so former leaders are said to have committed or attempted to commit suicide. These include party general secretary Teng Hsiao-ping [redacted] and Lo Jui-ching. They may indeed be dead or seriously injured, but probably as a result of Red Guard manhandling. 25X1

The Provincial Situation

Maoist propaganda media have been reporting since 24 January that pro-Mao "revolutionaries" have successfully seized political control in province after province. There are, however, good reasons to be skeptical about these claims. Peking radio itself only acknowledges that seizures have taken place in Shansi, Kweichow, and Heilungkiang provinces and in the cities of Shanghai and Tsingtao (but not Shantung Province). Peking has ignored claims made by provincial radio stations that "revolutionaries" have seized party committees in Shensi, Kwangsi, Kiangsi, and Anhwei provinces.

Reports that strong opposition remains in most of these areas suggests that a "seizure"

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claim does not mean "revolutionaries" are in control, merely that a sharp struggle has begun. After the take-over claimed in Anhwei on 25 January, for example, the provincial radio broadcast an appeal to "army veterans" throughout the province not to form opposition groups such as a "Red Guard Army" but to return to their posts. According to posters seen in Peking, Anhwei "revolutionaries" appealed to the Military Affairs Committee on 27 January to dispatch regular military units to help them.

Announcements of most provincial take-overs either claim or imply that local party leaders have been removed in disgrace. In the latest seizure, however, reported by Peking to have taken place in the northeast province of Heilungkiang on 31 January, party leaders apparently are being left in place. The first secretaries

of the Northeast Bureau and of Heilungkiang Province are praised as "revolutionary" leaders, implying that leaders in Peking have made a deal with them. This may be a tactic aimed at isolating and weakening strongholds of resistance elsewhere in China.

A Red Flag editorial broadcast on 30 January again exhorted Mao's supporters to unite and stop fighting each other; a theme stressed in several recent provincial broadcasts. The Red Flag editorial charged that many "revolutionaries" were immature and guilty of such faults as "departmentalism, small group mentality, decentralization, extreme democratization, freedomism, subjectivism, and individualism." These statements indicate that Mao's forces are divided and in conflict, not only in the top echelons, but also at lower levels.

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PEKING MOUNTS NEW ANTI-SOVIET CAMPAIGN

The Chinese Communists reacting to recent Soviet attempts to ridicule the "cultural Revolution," have mounted an intensified campaign of their own against the USSR.

The Chinese on 25 January deliberately provoked an incident in Moscow in which Chinese students attempting to lay a wreath on Lenin's tomb grew rowdy and were removed by Soviet police. This brought forth allegations of Soviet brutality from Peking.

Employing the harshest language ever directed against the USSR, the Chinese berated Soviet leaders for "fascist atrocities" and for the first time claimed that a "blood debt" had been incurred. They then began round-the-clock demonstrations at the Soviet Embassy in Peking which have placed it under a state of virtual siege for more than a week.

Moscow came back with a counterblast of bitter diplomatic protests and vituperative propaganda.

All this has brought Sino-Soviet relations to their lowest point yet. The Chinese, however, apparently see little need to

temper their provocative actions and are willing to risk a break in diplomatic relations.

The Soviets in turn are probably reluctant to bear the onus for a break and to surrender the last vestige of their political presence in China and thereby complicate their efforts to aid North Vietnam. Nevertheless, the Soviets may be preparing to reduce their Peking embassy staff and may expel some Chinese diplomats from the USSR in retaliation.

Chinese students have also demonstrated against Soviet embassies in other capitals, and Peking now is attempting to convey the impression that there is a popular groundswell of anti-Soviet feeling within China. Chinese broadcasts, both domestic and international, report protest rallies in more than a dozen major cities.

The intensified campaign against the Soviet leaders probably reflects Chinese sensitivity to mounting Soviet ridicule of the "cultural revolution" and concern over Soviet meddling in remote frontier areas, particularly with the ethnic minorities in Sinkiang. In an effort to stir latent unrest the Soviets late last month sharply

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increased inflammatory Uighur-language broadcasts directed at minorities in this area and apparently moved their transmitters closer to the frontier. They also began publishing lurid accounts of alleged Chinese persecution of central Asian minorities and for the first time since 1964 began jamming Chinese broadcasts to the USSR.

Fragmentary information about recent developments in

Sinkiang suggest there is open and vigorous opposition to Maoist forces. The regular troops in the province--some 40,000 strong--have apparently been reluctant to move against dissidents. It is not clear to what extent the Soviets would be able or willing to exploit this situation but the leadership in Peking is probably worried over the possibility of foreign support for local elements opposing central authority.

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SINO-PORTUGUESE AGREEMENT ON MACAO

The Sino-Portuguese dispute concerning Macao has been settled, at least temporarily, by an agreement signed on 29 January. In the face of renewed Chinese Communist pressure, the Portuguese accepted full responsibility for the December riots in Macao in language dictated by the Chinese. Portuguese acceptance of related demands for the elimination of all Chinese Nationalist activities in Macao has handed Peking virtually de facto control over the colony.

For the moment, Peking will probably be satisfied with the Portuguese acknowledgment of its dominant role in respect to Chinese citizens of Macao. However, the incident has made it clear that any Portuguese procrastina-

tion in implementing the agreement will be met with renewed pressure. Moreover, Portugal's inability in this instance to resist Chinese pressure makes it clear that Peking can at any time score cheap and easy political victories at Portugal's expense.

The Nationalist Chinese have shown their unhappiness at the outcome by formally protesting Portugal's acceptance of the Chinese demands that persons crossing into Macao be sent back to Communist China and that the Nationalist refugee center in the colony be closed. Taipei has also withdrawn its charge from Lisbon, but is unlikely to go so far as to break diplomatic relations.

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EUROPE

The North Atlantic Council this week began consideration of the draft nuclear nonproliferation treaty to be presented to the Eighteen-Nation Disarmament Committee in Geneva on 21 February. The Bonn cabinet has endorsed the draft in principle, but reservations about it persist in some West German quarters. Other Allies also harbor doubts, but it is unclear how far they will push objections.

Bonn is following up its success in achieving diplomatic relations with Rumania by moving quickly to negotiate similar agreements with Hungary and Bulgaria, both of which appear willing to establish formal ties. East German and Soviet reaction is discussed on page 16.

President Podgorny's eight-day official visit to Italy--another step in Moscow's campaign to "normalize" relations with countries of Western Europe--skirted political issues and emphasized Soviet-Italian economic exchanges. The general tone was bland, but Podgorny seems to have made headway in increasing Italian willingness to accept Moscow as a partner in trade and as a respectable interested party in European affairs.

The Soviet leaders' consultations this week with Yugoslav President Tito in Moscow concerned bilateral relations and "topical international problems," according to the brief communiqué. The discussions probably included detailed, wide-ranging briefings for Tito on Moscow's assessment of recent developments in the Sino-Soviet conflict, but there are indications that the consultants failed to come to a meeting of minds on the major points discussed.

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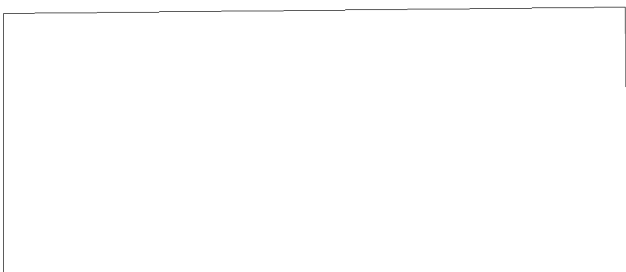
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FRENCH GAULLISTS MAY LOSE GROUND IN MARCH ELECTIONS

The official Gaullist party, the Union for the New Republic (UNR), and its allies will probably retain a majority in France's 5 March legislative elections, but the Gaullists are privately expressing fears of losing some ground.



the Gaullists--who had been heartened by earlier soundings indicating strong support for the institutions of the Republic--have in fact not yet convinced the French voter that they are the best guardians of these institutions.

Moreover, the government forces, which have ridiculed the "divided and undisciplined" opposition, are now confronted with cracks in the facade of Gaullist unity. A dissident Gaullist group is planning to run its own candidates in the election, and Valery Giscard d'Estaing has publicly highlighted differences between the UNR and his normally Gaullist-allied Independent Republicans. De Gaulle has shown his irritation by indicating that there would be no place in his new cabinet for anyone who is not an "unconditional" Gaullist. At present, three Independent Repub-

licans hold ministerial posts, and Giscard himself was finance minister until early 1966.

In a further move to bring Giscard into line, the UNR is studying ways to prevent the formation of a separate Independent Republican group in the next National Assembly. This could be done by altering the assembly's rules to increase the number of seats a parliamentary group must have to receive the official recognition which entitles them to committee representation. Such proposals suggest an awareness on the part of the UNR that, even if it wins a majority in the election, the next assembly probably will be less responsive to De Gaulle's dictates than the last.

The opposition parties continue to attack the government on inadequate housing and rising unemployment, but so far no central campaign issue has attracted wide public attention. The failure of Francois Mitterrand's Federation of the Left to reach agreement with the small Unified Socialist Party on a joint candidate means that leftist candidates will be competing in some constituencies, but the Federation's slate will in any case be represented in all but 30 or 40 of the 487 constituencies. Democratic Center leader Jean Lecanuet's decision not to run himself may discourage support for Center candidates.

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EAST GERMANS REACT STRONGLY TO BONN'S EAST EUROPE DEMARCHE

The now accelerated efforts by the new Kiesinger-Brandt government in Bonn to establish diplomatic relations with Eastern European countries has elicited an angry response from East Germany.

An East German Foreign Ministry statement of 25 January pointedly reminded its Eastern European allies that they concurred in last July's Warsaw Pact communiqué demanding West German recognition of East Germany. The implication here is that such recognition should be a precondition to Eastern European recognition of Bonn. The next day East Germany's leading party daily specifically criticized France for withholding recognition.

In the face of Eastern European receptivity to West German overtures, the East German domestic "line" on the German question has also hardened. The Ulbricht regime now insists on recognition from Bonn as the price for concluding any further arrangements with East Germany. Propaganda media are ignoring German reunification and confederation plans, and carrying declarations from "average East Germans" that their "Socialist" state can never merge with "capitalist-militarist" West Germany.

The East Germans have long lobbied in Eastern Europe against relations with Bonn, and in the past month have sent a high-level Foreign Ministry delega-

tion to Warsaw and Prague, the Eastern European capitals least receptive to Bonn, to make sure they continue to protect East German interests.

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The Soviet reaction to West German initiatives in Eastern Europe has been mixed. Although Moscow supports its East German client, it has also encouraged Eastern European contacts with Western Europe and, in any event, cannot do much to prevent establishment of relations with West Germany. Soviet notes to the US, UK, and France last week warning of the alleged revival of Nazism in West Germany, were a weak sop to the East Germans. Nor will the East Germans be mollified by the probability that this theme will dominate a Warsaw Pact foreign ministers meeting reportedly scheduled for East Berlin later this month.

In the meantime, East Germany may be stepping up efforts to win recognition from states in the noncommitted world.

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MOSCOW PUTTING NEW PRESSURE ON INTELLECTUALS

Soviet authorities are intensifying pressures on the liberal intellectual community in what appears to be a tidying up operation in preparation for the often-postponed Writers Congress now scheduled to open on 22 May.

Chief target of the present campaign is the magazine Novy Mir, long the rallying point for reformist intellectuals and the one publication where they can count on editorial support. Its chief editor is poet Aleksandr Tvardovsky whose prestige is based less on the literary merits of his own verses than on his courageous drive for official tolerance of new ideas.

The magazine's contents this year have been fairly thin stuff in comparison with the ferment of the Khrushchev years. Since mid-January, however,

conservatives in the regime's cultural apparatus are determined to bring Novy Mir to heel by removing one or more of the editors on whom Tvardovsky depends for day-to-day management. Tvardovsky reportedly has threatened to resign if this is done.

A major Pravda editorial of 27 January, the first on cultural policy in over a year, accused Novy Mir of distorting "truth" and of stubbornly defending "erroneous positions" and attacked one of its influential editors, V. Lakshin. In an effort to give an impression of compromise and balance, it praised Tvardovsky's own poetry and criticized--in somewhat milder terms--the extremely conservative magazine Oktyabr.

The aim of the editorial, however, was clearly to put pressure on Tvardovsky. Tvardovsky has withstood similar regime pressure before and may survive the current episode. However, the authorities may decide to purge Novy Mir's editorial board without his compliance, in which case they would risk a new wave of protests from Soviet and foreign intellectuals such as followed the trial last year of writers Andrey Sinyavsky and Yuly Daniel.

In the same week in which plans for new moves against Novy Mir were reported, the regime arrested five young intellectuals in Moscow. They will probably be charged with

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collecting protests against the Sinyavsky-Daniel trial, and with editing a new underground magazine--Phoenix 1966. The magazine reportedly carried a warning that protest writings will continue to appear, and an article allegedly written by the late Hungarian economist Eugene Varga expressing views said to have much in common with the works of Yugoslav dissident Milovan Djilas. A copy of the US Constitution and a draft of a new Soviet constitution apparently written by one of the group were reportedly confis-

cated. A demonstration against the arrests by some 50 sympathizers in Moscow on 22 January was quickly broken up by police, who arrested two of the demonstrators.

The authorities also abruptly closed an exhibit by 12 young nonconformist artists in Moscow on 22 January and called a meeting of Artists Union and Ministry of Culture officials to denounce such deviations from "socialist realism."

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MIDDLE EAST - AFRICA

Attention in India is focused on the elections which begin on 15 February. Another Congress Party majority in the national parliament seems assured, but speculation centers on how much smaller it will be and on the state governments' Congress may lose to the opposition parties through its own factionalism. This will determine the degree of postelection infighting among Congress leaders and possibly Mrs. Gandhi's future as prime minister.

Certain Middle Eastern leaders are nervously eyeing the national confrontations in the area any of which could take a turn for the worse at any time. The question of Makarios' Czech arms continues to haunt the Cypriot-Greek-Turkish relationship. The Israelis and the Syrians are at least talking, but there is no real promise of accommodation between them and the Israelis still are discovering mines planted by Syrian-supported terrorists. Egypt's Nasir, although he has spoken lately of the need to reduce tensions in the area, remains in basic conflict with more conservative Arab leaders. Last week, fearing a renewal of Saudi-supported Yemeni-royalist campaigning, he sent Egyptian bombers over the Saudi border, as a deterrent. This could backfire, however, should King Faysal feel himself under sufficient pressure to respond.

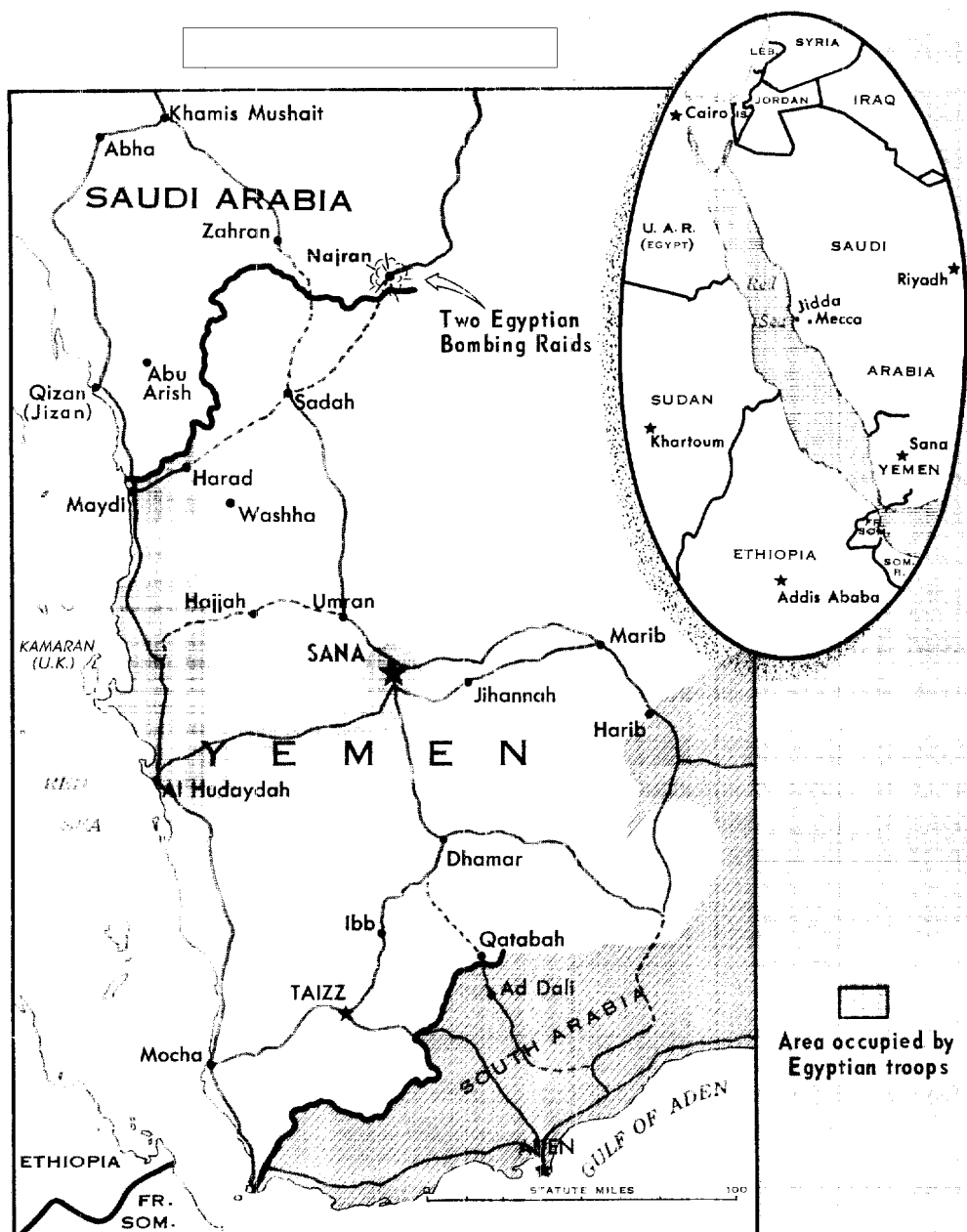
Stalemate prevails too in major African problems. Some observers think they are seeing signs of Rhodesian accommodation with London in several recent moves toward internal relaxation but this seems overly optimistic. Congo's Mobutu and Union Miniere are still at loggerheads over the fate of the vital copper industry, and the Congolese economy is fast running downhill and out of foreign exchange. Meanwhile, Tshombé sees in this renewed hope for an early comeback.

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EGYPT BOMBS SAUDI ARABIAN TOWN

Egyptian planes bombed the Saudi Arabian border town of Najran twice last week in what was probably an effort to deter the Saudis from unleashing the royalists for a renewed campaign in Yemen. The net result, however, will most likely be increased internal pressure on King Faysal to retaliate.

Faysal has been able to keep the royalist tribes in check for over a year by withholding arms and threatening to withdraw subsidies of food and money. The Egyptians meanwhile have evacuated large areas of northern and eastern Yemen and concentrated around the capital of Sana and on the northern coastal plain, as well as along the road joining the two. While the uneasy truce has been broken by only sporadic incidents on the ground, Egyptian reaction to royalist encroachment on the evacuated areas has taken the form of vicious air attacks on royalist strongholds.

In recent months there have been reports of the use of gas bombs in the Egyptian air raids. The most brutal of these was flown early in January against a town in northern Yemen, not far from the Saudi border, where some 200 people were reported to have died of gas. Saudi Arabia publicized this bombing and took a group of Western newsmen to visit the scene, apparently convincing most of them that gas, perhaps phosgene, had actually been used. On its return through

Najran on 27 January this group was caught on the ground by the Egyptian planes and filmed the first raid. A second raid that night brought casualties to eight killed for the day.

It seems clear that the bombing was no accident of navigation, as were some previous raids, but rather a deliberate attempt to intimidate the Saudi Government. The first raid on the 27th was carried out by nine IL-28s accompanied by four MIGs, and only the failure of half of the bombs limited the casualties. The raid had been preceded by Egyptian warnings in the form of harmless time bomb explosions in recent weeks in the cities of Saudi Arabia.

Faysal and the royalists seem certain to gain from the world-wide publicity given the Egyptian raids, which may encourage Faysal to believe that he has more international support in his quarrel with Nasir than he will in fact receive.

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ISRAEL AND SYRIA MEET AGAIN ON DEMILITARIZED ZONE DISPUTE

Israel and Syria met on 29 January and again 2 February to continue their discussions, in the presence of local UN officials, ostensibly on their dispute over farming activities in the demilitarized zone along their common frontier. The fact that they were meeting at all continued to nourish the slim hopes of UN officials for some sort of accommodation, but there was little evidence that either side was prepared to alter its position sufficiently to facilitate a settlement.

At the 29 January meeting of the armistice commission, Syria called for the withdrawal from the zone of Israeli military personnel and equipment, and for the re-entry of Arab inhabitants. The Syrians did not address themselves to the farming issue as such, which the Israelis had insisted should be the only subject on the agenda.

The Israelis, in a departure from their previous position,

had indicated at the 25 January meeting that they would formally recognize a line demarcating the limits of cultivation in one of the most sensitive parts of the zone. At the same time, however, they advocated the maintenance of the status quo "as of 1961" for that area, a proposal which would deny Arab access to it.

A brief session on 2 February failed to result in any progress, and was adjourned for a week. Israel charged that Syria had again gone beyond the farming issue in raising the question of the zone's political status.

The Israelis claim that on 27 January they found another terrorist mine on a road near the border. Israel views incidents of this type, which are not on the agenda of current Israeli-Syrian meetings as a more serious issue than the farming dispute.

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PROSPECTS FOR CONGO - UNION MINIERE AGREEMENT DETERIORATE

Mutually antagonistic moves in the past week by the Congolese Government and Union Miniere sharply reduced the prospects for an agreement between the two.

Early in the week President Mobutu announced prematurely the

formation of a consortium, involving Belgian and French interests and the two companies mining copper in Zambia, to mine and market the Congo's copper. It soon became apparent that despite euphoric Congolese statements, the consortium would not move into the

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Congo until the Congolese had reached at least a measure of agreement with Union Miniere. Moreover, the fact that Mobutu has secretly been dickering with the consortium has angered the Belgian Government, which believes Mobutu has undercut the strenuous efforts it has made, at some domestic political risk to get Union Miniere negotiating again.

In the Katanga mining region itself, Union Miniere, whose intention to disengage from the Congo is becoming increasingly clear, has been moving its European personnel out as fast as space is available on regular Sabena flights. In so doing it

has incurred the wrath of both Mobutu and the local authorities in Katanga. The Katangans, apparently with approval from officials in Kinshasa, on 30 January prevented the departure of nearly 50 company employees and dependents. Mobutu countermanded the order the next day, but irritation remains on both sides. Also on 30 January, Mobutu threatened to stop Sabena flights to Katanga and to move against Societe Generale, Union Miniere's parent company, if Union Miniere's "provocations" resulted in a massive departure of European mining technicians. These moves have further alienated Union Miniere and added to the Belgian Government's irritation. 25X1

MOROCCAN KING TO VISIT THE UNITED STATES

King Hassan II of Morocco arrives in Washington on 9 February for two days of talks as part of an informal ten-day visit. Hassan regards these meetings as further proof that he is indeed a "modern" monarch, fully independent of France, and with important friends in both East and West.

Since the Moroccan-Algerian border clash in 1963 and particularly after Morocco's relations with France deteriorated sharply

in late 1965, Hassan has sought to bring his country out of its isolation. Consequently, he has grown closer to the United States, and last October he made a long-delayed state visit to Moscow to stifle domestic criticism that he was abandoning a policy of non-alignment. In Moscow he received promises of \$42 million in long-term credits and technical assistance 25X1

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The US has been engaged in a five-year program to equip and train five modern company-size mobile strike forces for Morocco. It has also furnished transport aircraft and last fall began delivery of a squadron of F-5 jet fighters. Hassan, however, views the continued flow of Soviet arms into Algeria as a major threat and most certainly will press for more modern defensive weapons.

The King also is almost certain to renew his request that the US urge Spain to discuss Morocco's claims to Spanish Sahara and that Washington put pressure on US firms to prevent

investment in Spanish development of Saharan phosphate deposits. For their part, the Spanish, who fear that Morocco intends to invade Spanish Sahara, will eye the King's visit with considerable concern.

Another Moroccan concern is long-term agricultural development. Faced with almost certain drought this season, on top of a drought which reduced Moroccan cereal production by about 50 percent last year, Hassan's party is likely to seek agricultural assistance over and above existing economic aid. It may also stress Morocco's need to continue trade with Cuba.

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NO PROGRESS IN NIGERIA

The meeting of Nigeria's feuding leaders at Aburi, Ghana, early last month has so far not led to any meaningful progress in the complex Nigerian crisis. Instead, bad feeling is building up again between Lt. Col. Gowon, the northerner now heading the federal government, and Lt. Col. Ojukwu, the recalcitrant military governor of the Eastern Region.

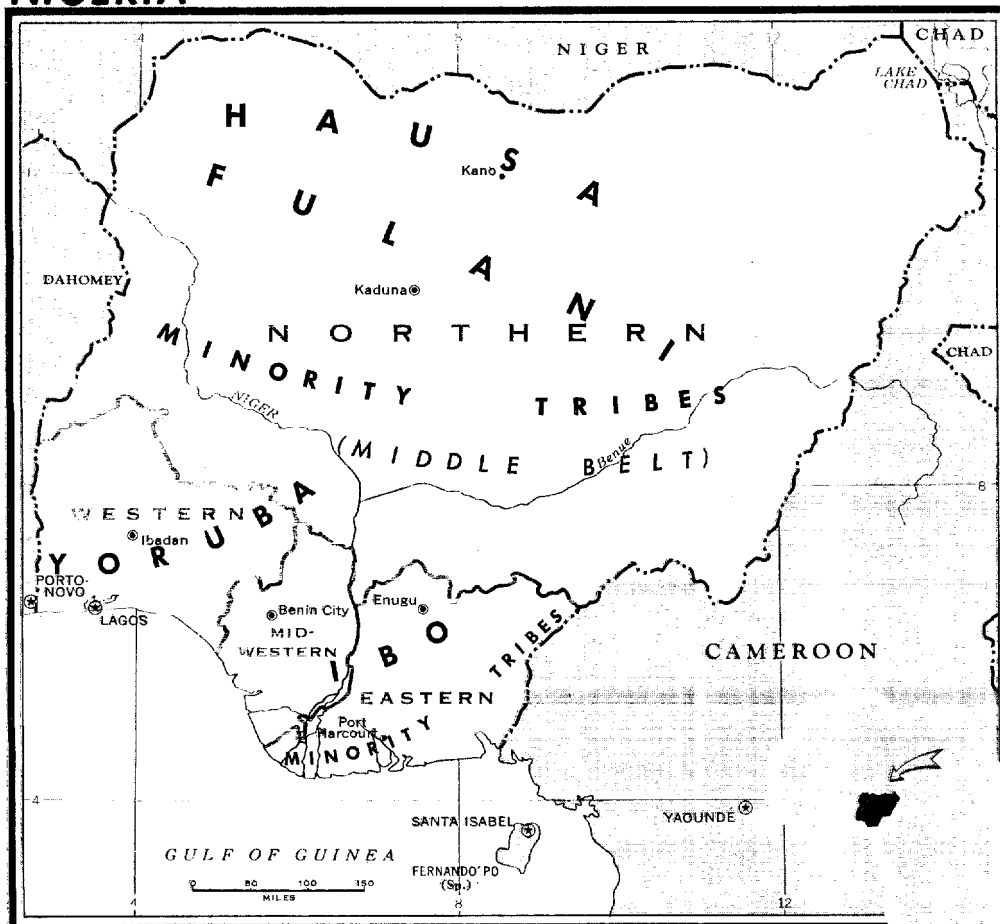
Meetings of regional legal and military specialists have

been held, as called for at Aburi. The legal experts even reached some agreement in their review of federal decrees issued since the January 1966 coup. Their military counterparts, however, soon bogged down over Eastern insistence on what would amount to separate regional armies with only a liaison staff and a token commander in chief at the national level. Such a structure is clearly unacceptable to Gowon who maintains that at Aburi all parties agreed to a unified army.

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A projected meeting of regional financial experts and the promised reconvening of the long-adjourned constitutional conference apparently have been deferred until after the Supreme Military Council meets again. With mutual recriminations again flying among the top leaders, it will be difficult to bring them all together any time soon especially as their mutual distrust hinders agreement on a meeting site inside Nigeria.

Prospects for a settlement preserving Nigeria's unity are further jeopardized by new pressures from minority tribal elements to divide the present four regions into a larger number of states. This drive, which Ojukwu strongly opposes, is centered in the assortment of smaller tribes--some Christian, some Muslim, many pagan--dwelling in the so-called Middle Belt of the large Northern Region. Long subject to the North's majority Hausa-Fulani grouping, these Middle Belters have been in the ascendancy in the North and at Lagos since last July. Their

influence rests ultimately on the numerous Middle Belt tribesmen among the army's rank and file.

Middle Belt spokesmen appeared firmly in the driver's seat at the latest meeting of Northern "Leaders of Thought," held in Kaduna on 25 and 26 January with activist representatives of Eastern minorities on hand. It ended with a call for a Nigeria of 11 to 13 states, including six or seven in the North and two or three in the East.

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Late last week Gowon--himself a Christian from a Middle Belt tribe--yielded to these pressures to the extent of again calling publicly, as he had last November, for the creation of additional states. However, there are no indications that he is prepared to force this explosive issue now.

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WESTERN HEMISPHERE

Pre-election unrest and campaigning continued to hold the spotlight in a number of Latin American countries last week.

Nicaragua is still under virtual martial law, although the situation has eased somewhat in Managua after the recent violence. General Somoza, the sure-fire winner of the 5 February presidential election, staged a large rally in the capital on 29 January which came off peacefully and helped restore the enthusiasm of his Liberal Party backers.

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All signs point to a bitter campaign in Jamaica leading up to parliamentary elections on 21 February. One scuffle with police has already occurred, and more serious altercations are likely as election day approaches. The election itself will be very close.

On 7 May, Paraguayan voters will elect delegates to a convention to revise the 1940 constitution so that President Stroessner can be legally re-elected next year. An outcome favorable to the authoritarian president is assured, although an erstwhile illegal opposition party will probably take part. Chilean voters are preparing to choose new municipal governments in April, and the results may indicate what effect President Frei's fight with the Senate over his US trip plans has had on the strength of his Christian Democratic Party.

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NICARAGUA TENSE AS ELECTION CAMPAIGN ENDS

Nicaragua is tense as it approaches the 5 February general elections. In the aftermath of recent violence, the country, for all practical purposes, now is under martial law, and the government remains determined to hold elections on schedule.

General Anastasio Somoza of the government's Nationalist Liberal Party (PLN)--the almost certain victor--wrapped up his campaign with a large rally in Managua on 29 January. No violence marred the occasion, but the national guard has not relaxed its vigilance. Ground and air patrols continue to watch the capital and surrounding area, and cars entering Managua are being searched for arms.

A number of persons involved in the riots of 22 and 23 January have been arrested--and some released after questioning.

[redacted] Pedro Joaquin Chamorro, another UNO leader and owner of the daily newspaper La Prensa, was arrested on 25 January and his newspaper was closed for inciting violence. Formal censorship has not been imposed, but publishers and radio

station owners are aware that they are treading on thin ice. The result is that the usually unbridled opposition press has been effectively silenced.

Neither side in this contest can shrug off blame for the recent violence.

[redacted] the government had angered the opposition by inflating the voter registration rolls in favor of General Somoza, although he probably could have won a free election. Newspaper owners, whose publications normally enjoy freedom of expression bordering on license, demonstrated during this episode how they tend to forget the damage their own power can cause--and probably has caused--and are now angered by restrictions placed on them.

There are few moderating influences. Important among those that do exist are the caution shown by the national guard in its efforts to keep bloodshed to a minimum during recent outbreaks, and the restraining influence cooler heads in the UNO may be able to exercise on Agüero.

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CLOSE VOTE LIKELY IN JAMAICA'S GENERAL ELECTIONS

Voting is expected to be extremely close in the general elections scheduled to be held in Jamaica on 21 February. Local elections last June suggested that the ruling and opposition parties are more evenly matched than ever.

At a large Jamaica Labor Party (JLP) rally last week, Acting Prime Minister Sangster expressed the hope that the results would be an appropriate present for retiring Prime Minister Alexander Bustamante, the party's leader. The prime minister, who will be 84 this month, has been ailing for some time, but had stubbornly refused to relinquish much of the decision making.

The dramatic effect of this unexpected announcement of Bustamante's coming retirement was marred at the end of the rally by a rock fight, beating of opposition Peoples' National Party (PNP) hecklers, and assaults on policemen. Several persons were injured--including Minister of Development and Welfare Seaga. More violence can be expected as the campaign heats up. Police and defense forces should be able to contain disorders expected in the urban areas, particularly Kingston and environs.

Although Bustamante has not yet named a successor, he is known to have favored Minister Without Portfolio Hugh Shearer, the leader of the Bustamante Industrial Trade Union (BITU). Shearer's chances seem slim, however, since both he and BITU are thought to be currently unpopular in the country.

Sangster, on the other hand, improved his prospects in November when he defeated a bid by Minister of Trade and Industry Robert Lightbourne to replace him as first deputy leader of the party.

The opposition's campaign will be led by 73-year-old Norman Manley, who founded the Peoples' National Party in 1938 and still dominates it

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VENEZUELAN GOVERNMENT FACES INTERNAL INSTABILITY

Subsurface tension within the Venezuelan military and between military groups and civilian government leaders seems to be increasing. Close civilian-military cooperation during the mid-December crackdown on Communists did not eliminate long-standing, low-key discontent, especially among officers in the middle and junior grades.

Military discontent is centered on three principal complaints. First, the lack of strong, professionally competent leadership from the top has created divisions within the military for which the minister of defense and the Leoni administration are blamed. Secondly, the military accuse the governing Democratic Action (AD) Party of giving promotions and choice assignments to military officers for political reasons rather than for professional ability. Finally, there is feeling among some of the military that the government has not been firm enough in combating Castro-inspired insurgency, which they see as a steadily worsening threat.

Urban terrorism has not been a problem since the mid-December

crackdown, but rural guerrilla units are active in several widely separated areas. In some of these areas the peasants apparently are becoming more sympathetic toward the guerrillas. There is also reason to fear that the guerrilla units now operating are better armed, better trained, better led, and in general more professional than earlier groups. The general lack of success in counter-guerrilla operations is thus increasingly frustrating to some military commanders.

In Venezuela the threat of a coup is tempered by such stabilizing factors as a prosperous economy and a reasonably enlightened group of civilian politicians dedicated to the principle of constitutional government. However, unless President Leoni is able to regain the confidence of the military soon, it is likely that the situation will continue to worsen. If this happens a relatively small catalyst could set in process an attempt at a military take-over. This is not an immediate threat, but the discontent within the military presents, over the longer term, a potentially explosive situation.

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SOVIET DIPLOMACY IN CHILE SHOWS RESULTS

Moscow's present policy of sticking to accepted diplomatic practices in dealing with Chile has begun to show results. With this soft-sell approach the Soviet presence there has been growing steadily and gaining Chilean acceptance since the renewal of relations in November 1964. In the process, Moscow has caused some embarrassment for the local Communist party and considerable chagrin in Cuba.

On 13 January Chile and the USSR signed \$57 million worth of trade and aid agreements

The Soviet ambassador has by all accounts done a good job of polishing the Soviet image. Many Soviet cultural events come to Santiago and the larger provincial towns, and Soviet scientists are helping develop an observatory.

The USSR seems ready to continue its present efforts to improve relations with Chile, despite a vociferous outcry from Castro who has often called Frei a pseudorevolutionary. When the trade and aid agreements were signed, Havana radio accused the USSR of "making common cause with one of the Cuban revolution's bitterest enemies."

The Frei government probably hopes dealings with the USSR will help to offset what many Chileans believe is overdependence on the US. It gives Frei a strong issue to use against the PCCh, and at the same time fulfills his goal of expanding Chile's diplomatic horizons. The US Embassy in Santiago points out that the US policy of "building bridges" to the East may have encouraged the Chileans to adopt a similar approach.

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