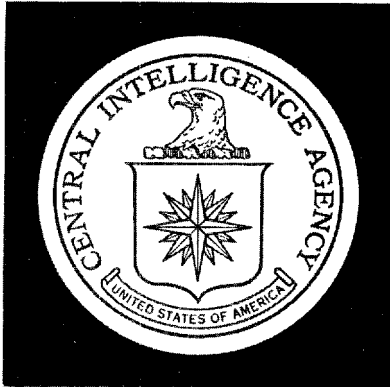


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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

State Dept. review completed

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49

1 September 1967
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C O N T E N T S

(Information as of noon EDT, 31 August 1967)

Far East

	<u>Page</u>
THE WEEK IN PERSPECTIVE	1
VIETNAM	3
Thieu and Ky are the expected winners as the South Vietnamese presidential campaign draws to a close. Throughout the week, Communist military units sharply accelerated terrorism and harassment in an apparent effort to discourage participation in the elections. In Hanoi, evacuation measures have been stepped up in the wake of recent air strikes near the city.	
CURBS ON VIOLENCE DIVIDE CHINESE LEADERS	6
There is evidence of new measures designed to bring the Cultural Revolution under tighter control, but violence and disorder continue throughout China, suggesting that top leaders in Peking remain deeply divided over the need for ongoing purge efforts.	
HONG KONG CRISIS EASES SLIGHTLY	8
The situation in Hong Kong has eased slightly, despite continuing terrorist incidents in the colony and clashes between police and Chinese diplomats in London.	
BURMESE GOVERNMENT HARASSED BY RICE SHORTAGES	9
The Ne Win regime faces serious difficulties during the next few months as a result of rice shortages and skyrocketing prices. Reports of unrest in Burmese villages are increasing.	
NORTH KOREANS CONTINUE DMZ INCIDENTS	10
North Korean forces are keeping up the pressure along the Demilitarized Zone (DMZ) in an apparent effort to discourage South Korea from sending additional troops to South Vietnam. UN command forces have suffered more than 50 casualties in the past week.	

SECRET

SECRET

Europe

THE WEEK IN PERSPECTIVE

11

25X6

NONPROLIFERATION TREATY: THE NEXT PHASE

14

With parallel US and Soviet drafts on the table at Geneva, efforts to overcome the remaining obstacles to a treaty are under way.

25X1

MOSCOW PAYS FOR SOVIET TROOPS IN EAST EUROPE

15

Recent research on the balance-of-payments deficits in Soviet accounts since the late 1950s indicates that Moscow reimburses its allies for most if not all costs of maintaining Soviet troops in Eastern Europe.

Middle East - Africa

THE WEEK IN PERSPECTIVE

17

NASIR QUASHES COUP ON EVE OF ARAB SUMMIT

18

A planned coup d'etat against Nasir was reportedly quashed last weekend, but in spite of this the Egyptian President has left Cairo to attend the Arab summit conference in Khartoum, where some press reports say he and King Husayn are advocating a moderate approach to the impasse between the Arab states and Israel. Soviet military aid deliveries continued near their prehostility level.

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SECRET

- BIAFRAN PUSH INTO NIGERIA'S WESTERN STATE CONTAINED 19
[redacted] the federal
government will soon regain the initiative by launch-
ing a major counteroffensive. Both sides continue
to receive new supplies of arms, but the federal
government is receiving decidedly greater quantities.
- TENSIONS REMAIN HIGH IN THE CONGO (KINSHASA) 21
The prospects for a negotiated settlement with the
mercenaries have brightened somewhat but tensions
remain high in Katanga, where many Europeans are
preparing to evacuate.
- BELGIAN RELATIONS WITH CONGO DETERIORATE FURTHER 22
Increasingly frustrated over the lack of progress
in negotiations with the Congolese, Brussels this
week decided not to send back to the Congo the
technical aid personnel who are presently vacation-
ing in Belgium.
- POLITICAL UNREST RISES IN MALI AND GUINEA 22
The leaders of Mali and Guinea, highly nervous about
maintaining the elan--if not the basic stability--
of their "revolutionary" regimes, once again believe
they are acutely vulnerable to "imperialist plots."
- Western Hemisphere
- THE WEEK IN PERSPECTIVE 25
- DEBRAY TRIAL TO OPEN IN BOLIVIA 26
The trial, scheduled to begin on 7 or 8 September,
is attracting considerable attention from Communist
and leftist intellectuals abroad. Debray's defense
more than likely will include propaganda allegations
of "interference" in Bolivian affairs.
- VENEZUELAN URBAN TERRORIST ORGANIZATION DECIMATED 27
Venezuelan police last week killed or captured eight
members of the urban terrorist arm of the Douglas
Bravo guerrilla movement, including a Cuban Army
sergeant whose involvement will add substance to
Venezuela's case against Castro.
- GUYANA'S OPPOSITION PARTY MOVES CLOSER TO COMMUNISM 28
Party leader Cheddi Jagan, determined to create a
Communist organization, has ousted moderates from
top offices and installed a virtual rubber stamp
leadership group.

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FAR EAST

Violence dominated the scene in a number of areas of the Far East during the past week.

As South Vietnam's presidential candidates swung into their final lap, Viet Cong terrorist action aimed at disrupting the election made its anticipated upsurge. Can Tho, the delta's largest city, was the target of one of the most severe intimidatory attacks, with over 200 civilian casualties recorded. Communist units also launched major attacks on other population centers and allied military installations.

Violence continues to spread in Communist China as well, and there seems little prospect of success for Peking's efforts to halt it. Proclamations and pleas designed to exert a moderating influence on warring factions may, as in the past, be misinterpreted or ignored by local authorities.



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China's border with Hong Kong, as well as the situation in the colony itself, have been relatively quiet in recent days. Terrorist acts in Hong Kong are likely to continue, however, in response to continued British pressure against local Communists, including the recent conviction of three Communist newsmen for sedition.

Along another sensitive border, armed incidents flared again as North Korea maintained its pressure on the South. The past week was a painful one for UN forces, with over 50 casualties--about a third American--inflicted by harassing fire and land mines.

In relatively quiet Burma, there is growing popular unrest over rice shortages as the economy slides downward more rapidly. This has already resulted in one severe clash between demonstrators and security forces. With no relief in sight before the year-end rice harvest, there is the prospect of further civil disturbances, bringing with them a significant, if not decisive, erosion of popular support for the government.

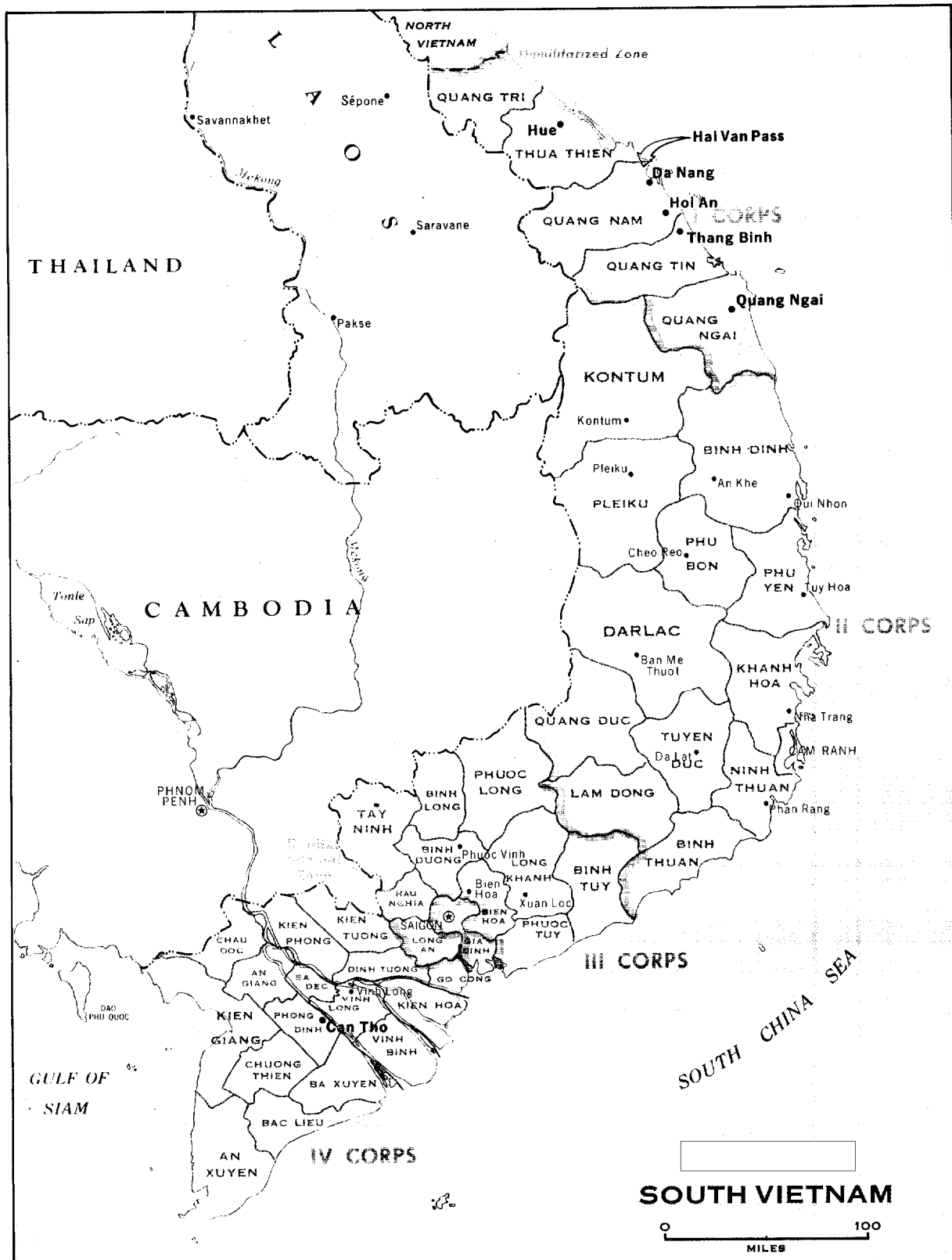


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VIETNAM

Official campaigning for South Vietnam's presidential and senatorial elections will terminate at noon on 2 September. The turnout at the next day's elections may run as high as 80 percent of the 5.8 million carried on voter rolls--a percentage roughly comparable to the Constituent Assembly election last year. The government is taking elaborate precautions to ensure that polling places and access routes will be open to the voters in the face of a growing Viet Cong effort to discredit and disrupt the elections.

Civilian presidential candidates have continued to charge that the Thieu-Ky military slate is applying pressure tactics against their campaign workers and is resorting to fraud and trickery to ensure a government victory. Few allegations of pressure have been substantiated, and most evidence points to relatively clean elections even though scattered irregularities may well be uncovered. It is not unlikely, however, that in the event of a Thieu-Ky victory, the civilian candidates will endeavor to delay the final certification of the results by raising formal charges of fraud.

Thieu and Ky are generally expected to win the contest. They have predicted publicly that their ticket may garner 35 to 40 percent of the total

vote. Among the ten other competing tickets--all civilians--Tran Van Huong and Phan Khac Suu will probably come in second and third, respectively.

The militant, antigovernment faction of the Buddhist church, led by Thich Tri Quang, remains uncommitted to any particular civilian presidential candidate.

In any event, the militants have probably delayed too long to become a seriously disruptive factor in the elections or to cause any substantial swing away from Thieu and Ky.

General Thieu, in what appears to have been in part a shrewd political ploy to quiet critics of the military ticket, told the press that he planned to fire up to 50 military officers, including several generals, for corruption and inefficiency. Most of the dismissals, however, probably will not occur until after the election.

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Military Harassment Stepped Up

Communist forces during the past week sharply accelerated the pace of their military and terrorist campaign in an effort to undermine popular confidence and block participation in the elections.

Attacks were launched against major population centers and allied military installations throughout South Vietnam. In what was probably the most spectacular and damaging enemy action, Viet Cong guerrillas fired mortars on Can Tho, the capital of Phong Dinh Province and the largest city in the Mekong Delta, causing almost 250 civilian casualties.

The biggest concentration of Communist pre-election military activity, however, was centered in the five northernmost provinces that comprise South Vietnam's I Corps area. Quang Nam Province was particularly hard hit. Enemy units on 26 August attacked and temporarily overran the provincial capital, Hoi An, and seven nearby military outposts, including a South Vietnamese Army (ARVN) district headquarters. South Vietnamese defenders and civilians sustained casualties of nearly 200 killed or wounded.

Later in the week, another ARVN district headquarters at Thang Binh, near the Quang Nam - Quang Tin province border, was hit by mortars and ground assault

troops. South Vietnamese losses were again heavy--206 killed, wounded, or missing, more than half of whom were civilians.

The US Marine airstrip at Marble Mountain, three miles south-east of Da Nang, was shelled by 140-mm. barrage rockets on 27 August. Some 12 helicopters were damaged or destroyed.

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Between 25 and 29 August, Viet Cong demolition teams destroyed or damaged 14 bridges in the Da Nang area, closing the strategically important Hai Van Pass.

Other significant enemy actions this week included a heavy mortar attack on the provincial capital of Quang Ngai, followed by a major ground penetration into the city during which almost 1,500 prisoners--most of them political cadres--were released from a POW compound. In addition, three heavy mortar attacks occurred on 29 August against US and ARVN positions near the Thua Thien provincial capital of Hue.

In what may be the opening round of a new period of heavy combat in the Demilitarized Zone (DMZ) area, North Vietnamese forces have resumed mortar, rocket, and artillery bombardments of US Marine bases in northeastern Quang Tri Province.

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Hanoi Stepping Up Evacuation

In the wake of mid-August air strikes on transportation and power networks in the Hanoi area, North Vietnam has ordered additional civilian evacuation of the capital. [redacted]

[redacted] local Hanoi authorities on 25 August told all residents who were not directly involved in defense or defense support to leave the city. By 30 August, [redacted] the order was being "strictly observed."

Workers in small industrial and handicraft cooperatives were ordered to move out immediately, and even those in state-operated enterprises were to begin evacuation. Labor unions and managers in state-owned companies were made responsible for the evacuation of worker families. Local Hanoi authorities reportedly have increased public dining facilities to accommodate the

workers whose families have been moved out.

[redacted] many government ministries, including foreign affairs and defense, had already moved part of their staffs out of the city, leaving only skeleton administrations behind. There is as yet no report that foreign embassies have been ordered to evacuate, although missions have been told in the past that they could move north of Hanoi if they wished. The public appearances of high-level party leaders have diminished in recent months, suggesting that some of them may have taken up residence outside Hanoi.

Evacuation measures taken in Hanoi in 1966 are estimated to have reduced the city's prewar population of over a million to less than 700,000. Current measures are apparently designed to reduce the population even further, probably well below the half-million mark. [redacted]

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CURBS ON VIOLENCE DIVIDE CHINESE LEADERS

There is evidence of new measures designed to bring the Cultural Revolution under tighter control, but violence and disorder continue throughout China. This suggests that top leaders in Peking remain deeply divided over the need for ongoing purge efforts and that the Maoists are reluctant to halt the destructive activities of the "revolutionary" Red Guards.

Leaders in Peking may be having second thoughts about the wholesale arming of "revolutionary" civilians, which apparently has been taking place in recent weeks.

a directive was issued on about 25 August instructing warring factions in Canton to surrender weapons to the local authorities. Radiobroadcasts from several other provinces attribute the directive to Mao, and indicate that the directive was nationwide in scope. Madame Mao said in late July that "rebels" must be armed, and poster reports have stated that rifles were being furnished to two elite Red Guard groups in Peking and to "revolutionary masses" in at least one province in mid-August. Such groups, however, will probably resist any attempt to disarm them.

The directive, presumably intended to bolster Maoist strength, could lead to further conflict. Local authorities have often

twisted such directives to justify arming their own groups.

killing and fighting continue in Canton, despite wide publication of the directive. This could well be the case in other provinces.

In early August posters put up in Peking were claiming that Kiangsi was one of several provinces where serious armed struggles were taking place.

A 30 August radiobroadcast from Kiangsi revealed that the central committee had replaced the commander and the political commissar of the Kiangsi Military District and appointed a provisional government for the province. Both the new commander and the new political commissar have been serving in the Tsinan MR.

Recent Peking broadcasts have returned to an old conciliatory line that most party bureaucrats are politically reliable. Editorials in People's Daily on 18 and 25 August urged "revolutionaries" to make bold use of party cadres. The editorials stated that even cadres who have committed serious mistakes are to be welcomed and supported. This theme was replayed

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in a broadcast on 25 August from Heilungkiang--a province where four former party and government bureaucrats have re-emerged in responsible positions just in the past month.

This gesture toward the party followed indications of new efforts to curb the Red Guards that

began to appear on 18 August--the first anniversary of the tumultuous founding of the movement which was celebrated in surprisingly low key. A People's Daily article on 23 August underscored the "return to study" theme which had been brought up again at the anniversary for the first time in many weeks.

COMMUNIST CHINA



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The article noted that many students and "young Red Guard fighters" were reluctant to stay at school and "always want to break out"--a phenomenon that should be corrected "immediately." It declared that in the present situation, Red Guards should not travel about to "exchange experience" and urged the guards to "pick up pens" instead of "knives and spears."

On 26 August, People's Daily replayed a Shanghai Red Guard newspaper editorial calling for an end to the practice of staging parades in vehicles. Posters observed in Peking on 29 August stated that a key Red Guard leader, the witch-like Nieh Yuan-tzu who authored the first big-character poster and was one of Mao's favorites, had been criticized by Mao because she is not a "genuine Marxist."

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HONG KONG CRISIS EASES SLIGHTLY

The situation in Hong Kong has eased slightly, despite continuing terrorist incidents in the colony. The border has remained relatively quiet since 26 August, and British authorities see indications of increased Chinese Army control of the border situation as a "hopeful sign."

Ignoring Communist threats of retaliation, the British sentenced three Communist newsmen to three years in prison for sedition. To date there has been no direct Communist response in the colony, although Communist propaganda sheets are calling for the assassination of selected anti-Communist Chinese leaders.

The colony's supply situation has also improved. Truck shipments of food across the

border have resumed after an interval of two weeks, and recent heavy rains have given Hong Kong enough water to survive the forthcoming dry season even if the Communists do not resume water deliveries on the scheduled date of 1 October.

Peking is apparently giving vent to its frustrations over the impasse in Hong Kong by provoking new clashes with the British elsewhere. On 29 August, personnel from the Chinese Embassy in London attacked bystanders, including police, for allegedly insulting Maoist thought. The Chinese followed this up by delivering to the British chargé in Peking a protest accusing London of provoking the incident, and have once again begun demonstrations outside the British Embassy.

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BURMESE GOVERNMENT HARASSED BY RICE SHORTAGES

The Ne Win regime faces serious difficulties during the next few months as a result of rice shortages and skyrocketing prices. Reports of unrest in Burmese villages are increasing.

The most serious violent incident to date occurred in the port of Akyab in west Burma on 13 August when a mob of about 5,000 looted government rice stocks and attacked government installations. Burmese security forces opened fire on the demonstrators, killing 22 and wounding 45. In other widely scattered incidents, government rice shipments have been looted, and angry crowds have forced government officials and private traders to sell their rice holdings at official prices.

There is no evidence of a direct Communist hand in these disorders, although both Peking and local Communists are seeking to exploit the situation by focusing popular attention upon Burma's deteriorating economy.

The current difficulties in rice stem from the unrealistically

low prices the government has been paying to farmers. This has held down production and encouraged hoarding. The measures the government has taken to cope with the problem thus far have been inadequate. A 15-percent reduction in rice exports and a partial decontrol of the internal rice trade in June came too late to have much impact. Prices on privately sold rice remain prohibitively expensive for the average consumer and although rice sold by the government is more attractively priced, the ration has been cut.

The rice squeeze has already cost General Ne Win much of the popular support that he picked up earlier this summer by his tough stand against Peking and the local Chinese. Although Ne Win will probably weather the present crisis, the longer term outlook remains uncertain and his popular support may be further eroded if the forceful measures employed by security forces at Akyab are repeated elsewhere in Burma.

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NORTH KOREANS CONTINUE DMZ INCIDENTS

North Korean forces are keeping up the pressure along the Demilitarized Zone (DMZ). The tempo of incidents increased in October 1966 and has continued at a high level through this summer.

On 28 August the North Koreans launched attacks south of the western boundary of the zone, leaving one American dead and 14 wounded. There were also 14 South Korean casualties--two killed and 12 wounded. The action began when elements of a US engineer unit were attacked by an unknown number of North Koreans using automatic weapons. The first of two rescue parties from the 2nd Infantry Division was ambushed, and a vehicle from the second party detonated a mine. The next day two more US vehicles struck land mines in the same area, killing three and wounding three.

On 27 August the North Koreans used grenades against a

South Korean Army checkpoint near the eastern DMZ boundary, killing six and wounding ten. Following the attack the South Korean forces fired mortars and 105-mm. howitzers at the suspected North Korean withdrawal route. No North Korean casualties were reported in any of the incidents.

The number of clashes along the DMZ is likely to continue at a high level and could possibly grow even greater. These North Korean actions may be designed in part to discourage South Korea from sending more troops to South Vietnam. The Communists, well aware the South Koreans are chafing under US restraints against retaliation, may also hope to place a strain on relations between Washington and Seoul. There is no evidence, however, of a North Korean military build-up or of impending North Korean plans for a major military action.

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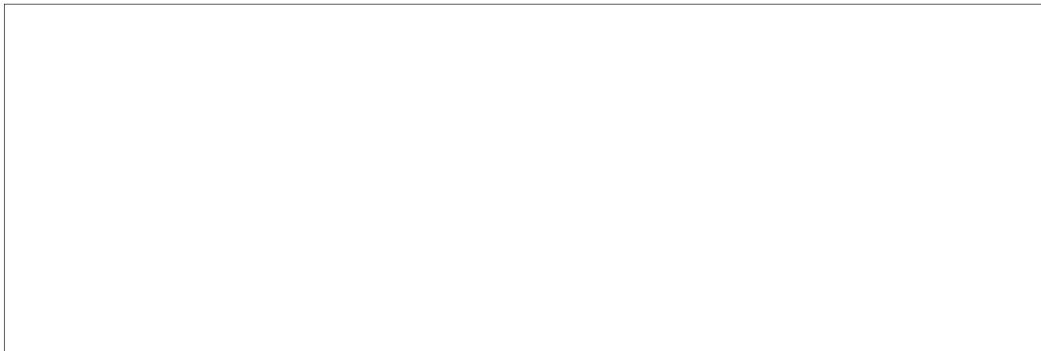
Political activity in Europe began picking up as the traditional August vacation period neared its end.



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Ministers of the major industrialized nations reached a milestone agreement in London last weekend on a contingency plan for the creation of international monetary reserves to supplement gold, sterling, and the dollar. The plan gives a key role to the International Monetary Fund. The Common Market countries will have greater collective voting power in the new scheme than they have previously had in the fund's operations.

The Belgian Government, lacking adequate security guarantees from Kinshasa for Belgian personnel assigned to the Congo, has decided not to send back those who are spending the summer in Belgium (see article on page 22). This means that 1,200 teachers will not return for the new school year. As a result, many of the Belgians still in the Congo under private auspices may decide to leave. They have regarded the Belgian schools as a symbol of Brussels' continuing involvement and protection.



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NONPROLIFERATION TREATY: THE NEXT PHASE

The US and the USSR have introduced parallel drafts of a nonproliferation treaty (NPT) at Geneva, but there are still problems to be worked out between them. The Soviets have begun the search for compromises on these differences and for ways in which they, together with the US, can get around the remaining objections of the nonnuclear states.

Ambassador Roshchin, head of the Soviet delegation, has indicated that Moscow is willing to consider a compromise on the key question of safeguards--the subject of Article III, which was left blank in the draft submitted to the disarmament conference last week. He told the US delegate that the Soviet version of Article III--calling only for the International Atomic Energy Agency (IAEA) to verify compliance with the treaty--could be altered to help overcome objections raised by members of EURATOM, which operates the safeguards system of the Common Market countries.

Roshchin said the provision could note that the IAEA can negotiate agreements "bilaterally or multilaterally." Such a formulation could accommodate EURATOM in fact if not in name, and

clear the way for a compromise--probably one in which the two institutions would work out the inspection problem between them.

The question of security assurances to nonnuclear countries is another hurdle still to be gotten over. After the US-Soviet draft was tabled, Roshchin told the US it was essential for Moscow and Washington to reach agreement quickly on this and the safeguards question so that the NPT could be more easily defended at the UN General Assembly. The Russians see eye-to-eye with the US on the desirability of confining consideration of the draft to the Geneva forum until a text--a complete one, if possible--can be put before the General Assembly, probably in October.

The Soviets have also indicated that they will go along with Washington's wish to make separate statements on security for nonnuclear states, rather than writing these assurances into the treaty. Before the treaty is signed, however, objections from several quarters must be overcome.

Moscow's delay in tabling the treaty draft, apparently the result of Rumanian foot-dragging,

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indicates that approval of a final text by the USSR's allies will not in every case be automatic. As self-appointed spokesman for the nonaligned states, India is giving the draft treaty a cool reception and promises to take an especially hard look at the security guarantees. On the Western side, West Germany and Italy object to the proposed unlimited duration of the treaty and to the amendments provision, which gives a veto power to the

IAEA board of governors--of which they are not permanent members.

Moscow is least likely to give ground on these latter two points. The Russians are obsessed with preventing West German access to nuclear weapons, and do not want to limit the NPT's duration nor give the signatories the right to reject amendments. [REDACTED]

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MOSCOW PAYS FOR SOVIET TROOPS IN EAST EUROPE

Recent research on the balance-of-payments deficits in Soviet accounts since the late 1950s indicates that Moscow reimburses its allies for most if not all costs of maintaining Soviet troops in Eastern Europe.

The substantial deficits in bilateral accounts with East Germany, Poland, and Hungary are proportional to the number of Soviet troops billeted there. There is no similar imbalance in accounts with Rumania, Czechoslovakia, and Bulgaria, where no Soviet troops are stationed. This strongly suggests that any contribution by

the Eastern European countries toward the upkeep of Soviet troops is small and in no case an economic burden.

Against this background, Rumania's grievances toward the Warsaw Pact take on an overwhelmingly political hue. The purported Rumanian memorandum to other pact members, published by the French Communist Party newspaper L'Humanité in May 1966, complained about the expenses that arose from the maintenance of foreign troops on the territory of pact countries. Rumania was reported to have argued that the country from

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which the troops came should pay such expenses and that any country wanting foreign troops on its territory should sign a bilateral agreement to that effect. This argument now appears to have been for purely political effect, since the situation it decried had probably long since ceased to exist.

The balance-of-payments deficits in Soviet accounts with Poland, Hungary, and East Germany showed up in the late 1950s, immediately after Moscow had signed new agreements covering the status of Soviet troops in these countries. If, as the evidence indicates, Moscow has been footing the bill since then, it is presumably in accordance with these agreements.

[Redacted]

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Moscow has never responded publicly to Rumanian innuendoes that the Soviet Union takes financial advantage of its allies, no doubt so as not to accentuate its differences with Rumania and because of a traditional penchant for secrecy in defense matters.

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MIDDLE EAST - AFRICA

The Middle East and African countries are currently engaging in "summitry."

The Arab summit opened in Khartoum on 29 August without the presence of militant presidents Boumediene of Algeria or Atassi of Syria. The adoption of an oil embargo or other economic sanctions against the West by the Arabs at the summit is unlikely. Egyptian President Nasir and King Faysal of Saudi Arabia have reached at least initial agreement on the broad terms for a Yemen settlement. Nasir, prior to his departure for Khartoum, broke up a planned coup by arresting the former chief of the armed forces and other high-ranking officers, but his action will not fully quell the troubles in his regime.

Elsewhere in the Middle East, British efforts to contrive an interim arrangement before pulling out of South Arabia at the end of the year are running into increasing difficulty. Early this week, the acting head of the Federal Supreme Council--presumably with British backing--asked the South Arabian Army to take over the administration of the federation. Such a move would have enabled the British to depart without leaving utter chaos in their wake. The army, however, has refused unless stiff conditions--unacceptable to the British--are met.

About 30 of the 38 members of the Organization of African Unity are planning to attend the preliminary foreign ministers' meeting in Kinshasa, Congo, opening on 4 September. Attendance by heads of states at the follow-up summit meeting planned for 11 September is likely to be even less representative: there is widespread lack of enthusiasm for the meetings as well as concern over the security situation in the Congo. President Mobutu has been pushing for the meeting in Kinshasa largely to get a show of African endorsement for his regime.

The meetings are not expected to deal with Africa's other current trouble spot, Nigeria, because the federal government at Lagos insists the fighting is an internal problem.

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NASIR QUASHES COUP ON EVE OF ARAB SUMMIT

A planned coup d'etat against Nasir was reportedly quashed last weekend, but in spite of this the Egyptian President has left Cairo to attend the Arab summit conference in Khartoum.

Egyptian Coup

A scheme to depose President Nasir is said to have been broken up on the night of 25 August with the arrest of former first vice president and deputy supreme commander of the Egyptian armed forces, Abdul Hakim Amir, and some 150 of his military collaborators.

Amir was reportedly very popular among the military, and his arrest could spark further opposition from that quarter. Such opposition would probably take some time to become effectively organized, however, because the military leadership at present appears decimated and badly demoralized.

Arab Summit

Nasir, apparently confident that the immediate threat to his position has been put down, is presently in Khartoum participating in the current sessions of the Arab summit conference. King Husayn of Jordan has privately expressed optimism that a moderate consensus on Arab actions in the aftermath of the war will be arrived at by the Arab heads of state, but the split between the moderates and the radicals appears to be as wide as ever.

The Syrian delegation to the summit, led by Foreign Minister Makhus, reportedly did not participate in the opening sessions and appeared to be contemplating flying back to Damascus before the conference ended. Algeria's intransigent stance, meanwhile, was emphasized on 30 August by its nationalization of the Esso and Mobil distributing companies in Algeria.

Nasir's position is the key factor. Some reports suggest that he has joined Husayn in supporting a "political solution" with Israel.

The Khartoum meetings have led to at least initial agreement between King Faysal of Saudi Arabia and Nasir on the broad outlines for an end to the Yemen conflict. A similar agreement in 1965 failed, however, and a number of thorny issues are yet to be resolved.

Soviet Military Aid

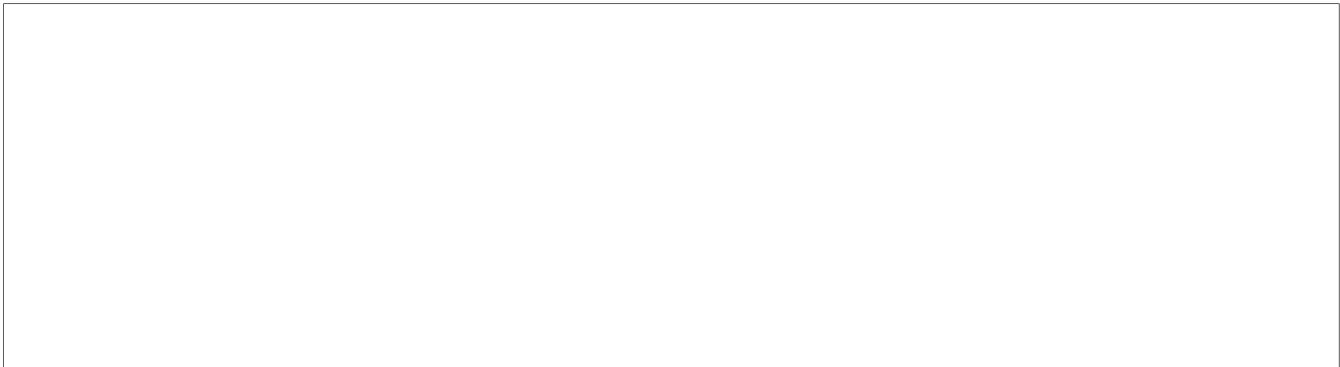
Soviet military aid deliveries to the Middle East continue at about the prehostility level.

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BIAFRAN PUSH INTO NIGERIA'S WESTERN STATE CONTAINED

Federal military forces appear to have contained secessionist Biafra's thrust along all major routes into the West, although some minor infiltration by Biafran troops is continuing.



the main federal thrust will come out of the north into the Biafra-occupied Mid-Western State, with the objective of moving south of the town of Auchi to cut the main road between Benin and the Niger River. Some light skirmishing near Auchi is now under way. Lagos reportedly has 3,000-4,000 men and a number of armored cars available for this

ambitious operation, but the discipline of many newly recruited troops is questionable. The federal military may also be planning a new seaborne assault along the coast of Biafra or the Mid-West State.

Federal leader Gowon has established an inner circle of civilian and military advisers who reportedly will meet daily on the war situation. Although the move does not reduce Gowon's authority, the civilian leaders may prove troublesome once they are fully aware of the many federal military deficiencies. Nevertheless, Gowon probably hopes that the deeper involvement of these individuals especially Yoruba leader Awolowo, will solidify their political commitment to the federal regime.

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The Nigerian Air Force has encountered problems in getting its recently acquired jet aircraft operational

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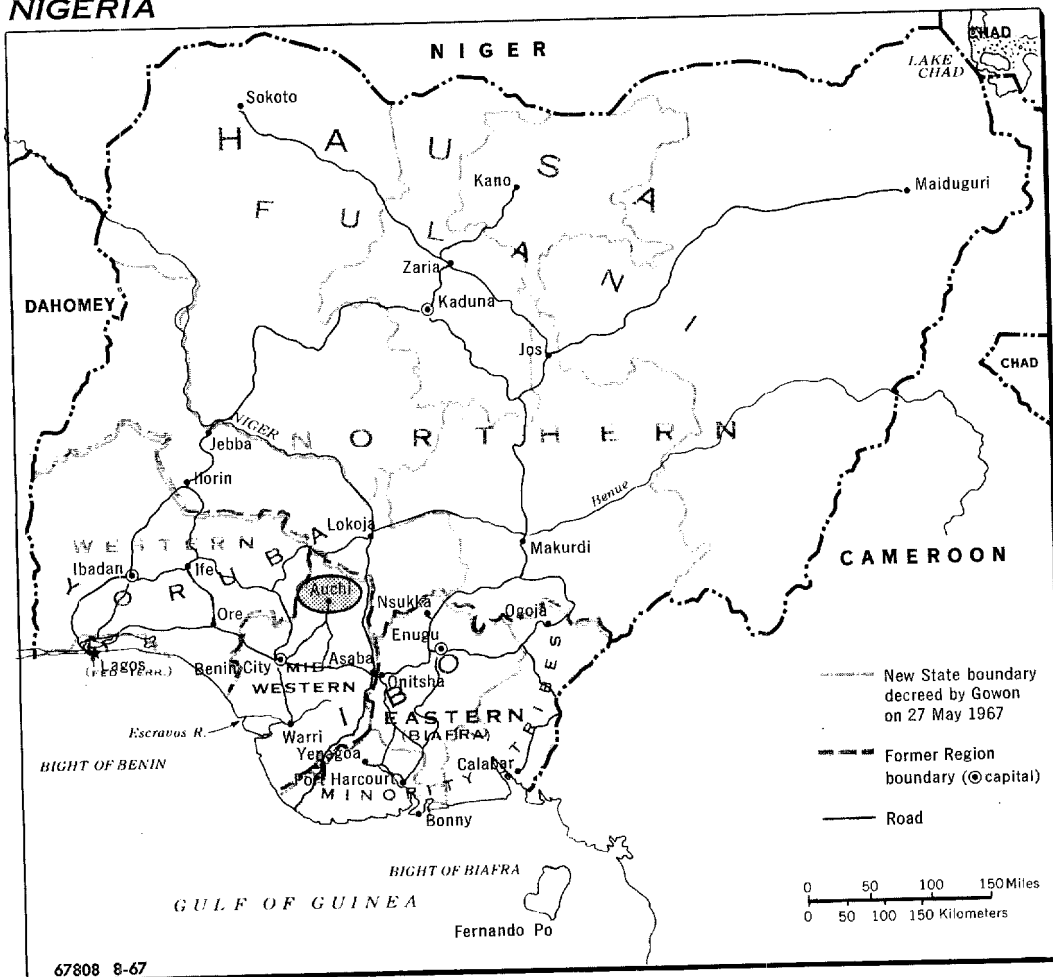
Both sides continue to receive new supplies of arms, but the federal government is receiving decidedly greater quantities.

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Northern military leaders may be making preparations to protect northern interests in case the federation fragments further.

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NIGERIA



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[redacted] The north-
erners probably believe they
must make some contingency plans
in the event the Yorubas in the
Western State join with Biafra
and the Mid-West in a southern
alliance against the northern-
dominated central government.
Gowon is aware of some of this
free-wheeling by northern offi-
cers but probably does not be-
lieve it to be serious.

Yoruba political leaders,
meanwhile, seem to be increas-
ingly concerned over the intensi-
fication of the war. A number
of key leaders of the main Yoruba
political group reportedly dis-

agreed sharply with Awolowo's
strong support of the federal
government at a meeting in Iba-
dan on 27 August.

[redacted]

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Nigerian news media, busi-
nessmen, and labor officials
continue to attack the US for
its statement disapproving the
Soviet arms delivery to the
Lagos government. Gowon re-
portedly is under pressure from
various groups to permit demon-
strations against the US.

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TENSIONS REMAIN HIGH IN THE CONGO (KINSHASA)

Although the prospects for
a negotiated settlement with the
mercenaries have brightened some-
what since Mobutu's complete re-
jection of the idea late last
week, tensions remain high in Ka-
tanga Province.

Mobutu, on 24 August, stated
that negotiations had failed and
that a Congolese military victory
was the only face-saving solution
to the mercenary problem. He
probably has few illusions,
however, regarding the capability
of the Congolese Army to defeat
the mercenaries or to force
their surrender, and has since
backed down a bit. His latest
suggestion is that if mercenary
leader Schramme were to "dis-
appear," negotiations could be
arranged with the rest of the
mercenaries. In any case, Mobutu
is now primarily interested in
hosting the coming OAU summit

meeting and has said that he will
take no further action until
after that conference.

Tensions remain high in
Katanga Province following fur-
ther Belgian deaths there and
elsewhere in the country at the
hands of the Congolese Army. To
complicate matters still more,
hostilities have developed be-
tween two military units sta-
tioned in the province. Mobutu
has finally agreed to replace
the hated and feared Governor
Manzikala, and has also ordered
the least disciplined unit out
of downtown Lubumbashi (formerly
Elisabethville) and into barracks
about 75 miles away. Mobutu's
gestures may be too little and
too late, however, for most
consulate staffs in the area
are preparing their citizens for
possible evacuation.

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BELGIAN RELATIONS WITH CONGO DETERIORATE FURTHER

The Belgian Government this week decided not to send back to the Congo its technical aid personnel who are spending the summer in Belgium.

Brussels had notified the Congolese in late July that future technical aid would depend on adequate security guarantees for Belgian personnel. The Congolese Government was preoccupied with the mercenary problem, however, and negotiations on guarantees and other conditions never proceeded far. The sacking of the Belgian Embassy in Kinshasa on 14 August, more atrocities in the eastern Congo, and Mobutu's proclivity to blame Brussels for the mercenary problem have all added to the Belgians' sense of frustration.

Brussels' decision means that some 1,200 Belgian teachers

will not return to the Congo for the new school year. As a result, most if not all the Belgians in the Congo under private auspices may decide to leave. They regard the Belgian schools--to which most send their children--as a symbol of Brussels' continuing involvement and protection. The Belgian ambassador estimates only about 20,000 Belgians remained in the Congo as of last week.

The Belgian ambassador has been instructed to renew contacts with Mobutu on future technical aid. Even in the unlikely event these contacts should immediately prove fruitful, however, Brussels will insist on a period of calm before encouraging its personnel to return to the Congo.

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POLITICAL UNREST RISES IN MALI AND GUINEA

The leaders of Mali and Guinea, highly nervous about maintaining the elan--if not the basic stability--of their "revolutionary" regimes, once again believe they are acutely vulnerable to "imperialist" plots.

The Malian regime underwent a sudden and drastic shake-up on

21 August, when President Modibo Keita announced the dissolution of the politbureau of Mali's single party and the transfer of its powers to the National Committee for the Defense of the Revolution (CNDR). Twelve of the 18 members of the politbureau were dropped completely from positions of power. The directing

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committees of all local party branches were also abolished. These party groups, which gave representation to the conservative countryside, lost influence, and the appointment of five new members greatly intensified the CNDR's leftist cast. Keita stated that the shake-up was necessitated by an increase in the "international threat from imperialism."

The 12-man CNDR--which now has virtually full powers--was originally created as a security measure in March 1966 when military coups appeared to threaten radical African regimes. As modified, it constitutes a coalition of the youth, labor, and military groups that have been agitating for several months for a resurgence of revolutionary zeal, complaining of corruption and foot-



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dragging in both party and government. These groups have made extravagant pledges of loyalty to Keita

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Senegal's current forced repatriation of about 5,000 Guineans as well as the anticipated visit to Dakar of De Gaulle's chief agent for African affairs are additional upsetting factors.

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Things are even more tense in neighboring Guinea, where a congress of the ruling party is scheduled for late September. The domestic issues are similar--economic stagnation, corruption among government and party officials, and a diminishing interest in revolutionary fervor on the part of the masses. President Sekou Touré has long been dissatisfied with the Guinean politbureau, but previous party congresses have blocked his efforts at reform. The Malian solution may be viewed by some Guinean leaders as a way out of their own dilemma.

Underlying the internal tension in both Mali and Guinea is the question of choosing between France and Communist China as a model and a prime source of economic aid. Mali signed new financial accords with France last March, and Keita has reiterated since the shake-up that Bamako intends to abide by their terms. Nevertheless, a number of Malians, led by those recently elevated to key positions, oppose close ties with France and continue to look toward Peking.

Meanwhile, Touré remains preoccupied with the idea that the French are out to bring him down and that the pro-French regimes in Ivory Coast and Senegal are cooperating with Paris. Ivory Coast's continuing detention of Guinea's foreign minister is causing Conakry increasing international embarrassment as the OAU summit and the UN General Assembly approach.

In Guinea, the existing ties are with China, but many Guineans are nostalgic for the more prosperous days under the French. Several recently completed Chinese aid projects, among them a "People's Palace" to be used as a new party headquarters, are to be dedicated next month. This will give the proponents of Chinese aid an opportunity for considerable fanfare at a crucial political moment.

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WESTERN HEMISPHERE

Guerrilla activity, actual and threatened, dominated the news in several Latin American countries during the past week.

Much of the comment evolved from the publicity emanating from the conference of the Latin American Solidarity Organization (LASO) in Havana and from speculation about the reports that will be brought back by the LASO delegates--many of whom visited Moscow on their circuitous way home.

In Guatemala, the newly reorganized Communist Rebel Armed Forces took on security forces in a series of gun battles in the capital city. The Nicaraguan National Guard has found evidence of an armed band north of Managua, but earlier press reports of a major clash seem to have been exaggerated.

Colombian guerrillas, although reportedly planning to intensify their activity, are still avoiding any significant confrontation with the army. Bolivian authorities preparing the public trial of French Communist Jules Regis Debray fear a guerrilla attack may disrupt the trial and are considering shifting it to a city outside the guerrillas' usual area of operations.

In Venezuela, the capture of a Cuban Army sergeant among the urban terrorists inspired several prominent citizens to issue press statements calling for paramilitary action against Cuba--including the infiltration of anti-Castro guerrillas onto the island.

A more realistic action by Venezuela is the proposal to condemn Cuba at the Meeting of Foreign Ministers of the Organization of American States (OAS) which will convene on 22 September. The Venezuelan foreign minister probably will review the OAS discussion in his speech to the United Nations General Assembly after 24 September. The major problem will remain, however, of what--short of military action--the OAS can do to curb Castro.

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DEBRAY TRIAL TO OPEN IN BOLIVIA

The public trial of celebrated French Communist Jules Regis Debray has been deferred until 7 or 8 September in order to give the Bolivian Government more time to prepare its case.

Debray, an expert on guerrilla warfare and a close associate of Fidel Castro, was apprehended by Bolivian authorities last April. He is charged with rebellion, murder, assault, and robbery, and if convicted, could be sentenced to as much as 30 years in prison.

The Debray trial has attracted considerable attention abroad, where he has become somewhat of a cause celebre among leftist intellectuals, particularly in France. Foreign Communist propaganda has successfully exploited Debray's imprisonment, winning considerable sympathy for him. Once the trial begins, Havana can be expected to use it to propagandize against US policies in Latin America and around the world. Moreover, Debray's defense will more than likely include propaganda allegations of US "interference" in Bolivian affairs.

The secret preliminary hearings for the trial are being held in Camiri, a small town close to the area in which the guerrillas have been active since last March.

The guerrillas have little prospect of success, but if they could spring Debray the Bolivian Army's prestige would be dealt a crippling blow. In any case, if the decision is made to transfer the trial, the guerrillas will have won a psychological victory by demonstrating again the army's inability to control the situation in the guerrilla zone.

Except for a skirmish on 26 August, there has been a general lull in guerrilla activity over the past two weeks.

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VENEZUELAN URBAN TERRORIST ORGANIZATION DECIMATED

Venezuelan police scored a significant victory over urban terrorists last week by killing or capturing eight members of the Strategic Sabotage Command (CES), the urban terrorist arm of Douglas Bravo's Armed Forces of National Liberation.

In three separate raids beginning on 11 August, the police killed four top terrorists, three of whom were platoon leaders and one who is believed responsible for the assassination last March of the brother of the Venezuelan foreign minister. Among those captured is Adolfo Meinhardt Lares, the CES commander in chief. A Cuban Army sergeant who entered Venezuela clandestinely with 12 to 14 other guerrillas in July 1966 was also taken prisoner. Police confiscated a substantial quantity of weapons and materiel, in addition to some \$20,000 of the \$100,000 taken by the CES in a bank robbery the day before.

The CES was organized by Bravo in July 1966 shortly after he broke with the pro-Soviet Communist Party. Its objectives are the assassination of Venezuelan military personnel; the theft of arms, explosives, medical equipment, and supplies; bank

robbery; sabotage of military installations; and "spectacular military actions"--presumably attacks on military garrisons.

The CES is responsible for a good deal of the urban terrorism that has plagued Caracas for over a year.

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[REDACTED]. Last week's police actions have hurt it badly, but approximately 30 members are still at large and can conduct sporadic acts of violence on a small scale.

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The capture of the Cuban Army sergeant will add substance to Venezuela's case against Castro intervention that will be presented to the Meeting of Foreign Ministers of the Organization of American States beginning on 22 September. Although Venezuela has plenty of evidence and the support of most Latin American countries, there is little enthusiasm for the meeting since many believe there are no meaningful sanctions that can be applied to Havana at this time.

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GUYANA'S OPPOSITION PARTY MOVES CLOSER TO COMMUNISM

Cheddi Jagan, the leader of Guyana's opposition People's Progressive Party (PPP), has moved his party closer to becoming a Communist organization.

At the party's annual congress on 26 and 27 August, Jagan engineered the election of a large majority of his personal supporters to top leadership posts. In creating a virtual rubber-stamp leadership group, Jagan allowed a few moderates whom he does not control to retain executive offices. This bow to the moderate wing allows Jagan to take advantage of its administrative expertise for a while longer, but he is still determined to turn the PPP into a Communist organization and get rid of all his opponents.

Several defeated moderates are members of the National Assembly. They are deeply resentful of Jagan's high-handed tactics, and boycotted assembly sessions in a public protest. Even if some of them bolt the party, however, it is doubtful that they could take an appreciable number of followers with them or cause any mass disaffection.

The PPP is a racially based East Indian party whose members idolize Jagan as their champion without regard to his ideological beliefs. Without the moderates' influence the PPP will become more radical and doctrinaire--possibly on occasion slighting Guyanese political issues in favor of international Communist themes. [REDACTED]

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