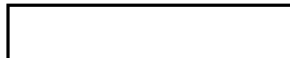
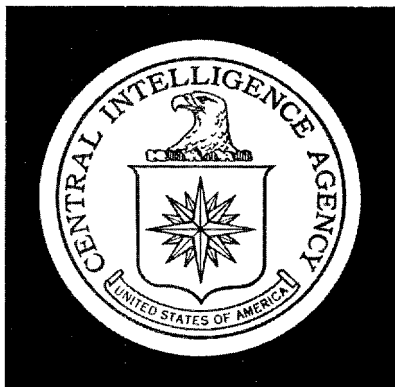


Secret



25X1

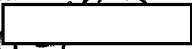


DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

Secret

48

ARCHIVAL RECORD
PLEASE RETURN TO
AGENCY ARCHIVES, 

27 October 1967
No. 0313/67

25X1

25X1

AGENCY ARCHIVES, 

25X1

Approved For Release 2005/01/05 : CIA-RDP79-00927A006100030001-3

Approved For Release 2005/01/05 : CIA-RDP79-00927A006100030001-3

SECRET

C O N T E N T S

(Information as of noon EDT, 26 October 1967)

Far East

	<u>Page</u>
THE WEEK IN PERSPECTIVE	1
VIETNAM	2
Strikes against Phuc Yen air base caused extensive damage and should further reduce North Vietnam's fighter capabilities. Hanoi's massive propaganda in support of antiwar demonstrations in the US suggests that it believes such protests are an important but not determining influence on US policy.	
PEKING MODERATES CONTINUE TO PUSH TOWARD NORMALCY	6
The drive by central authorities to restore normal conditions continues to meet some resistance from militant Red Guards, although order has been re-established in much of the country. The moderating trend continues to be reflected in foreign policy as well.	
INSURGENT ACTIVITY IN THAILAND	8
Communist insurgency has increased in several areas which had been relatively free from such activity in the past.	
KOREAN DMZ INCIDENTS	10
The rate of North Korean incidents along the Demilitarized Zone (DMZ) has declined in recent weeks, but this relative lull may be short-lived.	

Europe

THE WEEK IN PERSPECTIVE	11
JONAH RIDES THE SOVIET NUCLEAR-POWERED ICEBREAKER LENIN	12
The world's first nuclear-powered surface ship has been plagued by technological problems since it began operating in 1960.	



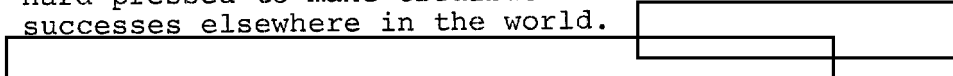
SECRET

25X1

SECRET

USSR CELEBRATES GOLDEN ANNIVERSARY OF BOLSHEVIK REVOLUTION

The jubilee celebrations in Moscow, Leningrad, and the capitals of the 14 Republics will play up the achievements of the last five decades as evidence of the effectiveness of Communist rule. The stress is expected to be on domestic affairs, historic attainments and national goals, with plaudits to the military establishment and to space accomplishments. The average Soviet citizen is approaching the celebration with some degree of cynicism inasmuch as improvements for him have been spotty. In the light of recent events abroad, the Soviet leaders will be hard pressed to make credible claims of Communist successes elsewhere in the world.



25X1

25X1

CZECHOSLOVAK PARTY LEADERS INDECISIVE ON ECONOMIC REFORM

13

Economic reform continues to be a source of dispute within the regime because of its potentially weakening effect on the authority of the party and on the personal power of party officials.

Middle East - Africa

THE WEEK IN PERSPECTIVE

15

MIDDLE EAST TENSIONS HEIGHTEN

16

The destruction caused by Israeli shelling of the two refineries at Suez was a major blow to the Egyptian economy, but may not be enough to satisfy the desire for revenge. Israel may strike against units of the Egyptian Navy responsible for sinking the destroyer Eilat. The United Nations adopted a compromise resolution condemning all cease-fire violations and demanding that both sides prohibit further military activities.

POLITICAL INSTABILITY STILL BESETS DAHOMEY

19

Disputes have erupted between President Soglo's military government and the army's watchdog committee, and the long-standing quarrel between Soglo and the army chief of staff has intensified.

SECRET

SECRET

NIGERIAN ARMY KEEPS UP THE PRESSURE ON BIAFRA 20
Action in the Nigerian civil war slowed somewhat last week, and federal officials again tried to allay Ibo fears of being massacred. Peace talks have so far failed to materialize.

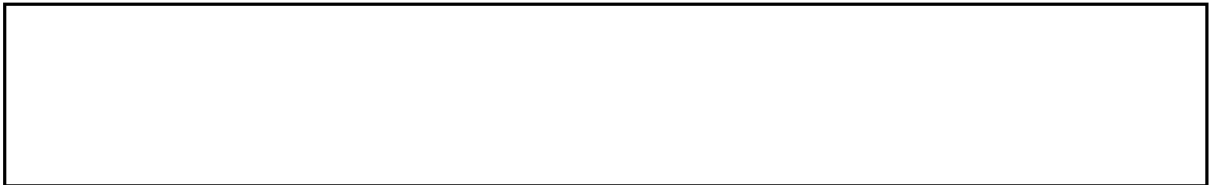
INDIA BUYS MORE SOVIET MILITARY AIRCRAFT 22
Indian officials have agreed to purchase 127 SU-7 fighter-bombers and 12 trainers from the USSR, which is now the leading supplier of arms to India.

Western Hemisphere

THE WEEK IN PERSPECTIVE 23

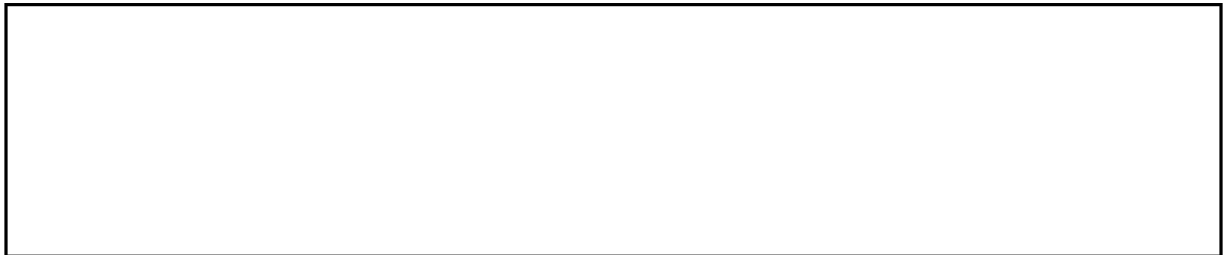
GUYANESE-VENEZUELAN BORDER DISPUTE FLARES AGAIN 24
The Guyanese have become alarmed by reports that Venezuela plans to turn a disputed border island into a military base and they may bring the whole issue before the UN.

25X6



ARIAS SEES HIS ELECTION PROSPECTS IN PANAMA IMPROVED 26
Arnulfo Arias, twice elected president and twice ousted for authoritarian excesses, expects support in next May's presidential election from several parties now in the government coalition.

25X1



SECRET

PERONISM A DECLINING THREAT IN ARGENTINA

27

The failure of last week's Peronist demonstrations to draw much support from even the die-hard leadership of the Peronist movement is a manifestation of the internal squabbling that has almost destroyed the movement as a threat to Argentine security.

CHILEAN LEFTISTS CONTINUE SQUABBING

28

Disagreements within and among the leftist parties is becoming increasingly evident as debate continues about the efficacy of revolutionary armed struggle in Chile. This disunity has so far prevented effective exploitation of President Frei's troubles with his own party.

SECRET

SECRET

FAR EAST

South Vietnamese leaders are completing preparations for the inauguration of the new government on 31 October. President-elect Thieu will use the occasion to outline the new government's programs in the next few months. Although he has been stalling on the matter, Thieu will probably appoint Nguyen Van Loc--a protégé of Vice President - elect Ky--as prime minister. Thieu also plans to move ahead quickly in presenting his government's position on peace negotiations. The exact steps in this process, however, are still indefinite.

North Vietnamese spokesmen, meanwhile, are adhering inflexibly to their demand for an unconditional cessation of the bombing as the price for negotiations. Hanoi welcomed the antiwar demonstrations in the US last weekend, but it is unlikely that Hanoi believes these actions will have significant effect on US policy.

The drive to restore normal conditions in China is encountering some resistance from militant Red Guard groups and there are continuing signs of tension and differences within the top leadership. The moderates led by Chou En-lai, however, appear able and determined to resist pressures to retreat from their present course. Their efforts to rebuild the party and administrative structure were reflected in a People's Daily editorial stressing the key role of regular party cadres in forming "provisional organs of authority" now being established in a number of provinces.

Thailand's insurgency problem appears to be undergoing significant changes. While government forces are concentrating their suppression operations in the main insurgent area in the northeast, the Communists have increased their activities in other areas which have been relatively quiet in the past. The insurgents, moreover, are trying to move into new areas in the northeast where the government's presence is limited.

25X1

SECRET

VIETNAM

North Vietnam's Air Strength

Strikes against Phuc Yen Air Base on 24 and 25 October should further degrade North Vietnam's fighter capabilities. Extensive damage to facilities at the field and probable casualties among technical personnel may require at least a temporary shift of North Vietnam's remaining MIGs to Hanoi/Gia Lam, the only major air base left untouched.

The chief obstacle for North Vietnam in continued large-scale fighter operations is the threat of attacks on its air bases. Runways and revetments can be repaired in relatively short order, but electronic equipment, fuel and ordnance facilities and trained personnel are not easily replaced. Hanoi may decide that maintaining a fighter threat--which has only accounted for four percent of all US air losses--is not worth the effort.

Hanoi's View of Peace Moves

North Vietnam has been turning out a steady stream of propaganda in support of the current antiwar demonstrations in the US. The tone of the commentary was set on 20 October by Premier Pham Van Dong who called the American demonstrations part of the "common struggle" by the Vietnamese people against "US aggression" in Vietnam. He termed the

protesters "comrades in arms" with the Vietnamese.

Hanoi's statements, though plentiful, have not been phrased to suggest that the North Vietnamese are changing their basic assessment of the effectiveness of such protests. The evidence indicates strongly that the Vietnamese Communists still regard antiwar sentiment in the US as an important, but not a determining, influence on American policy. US strategy in Vietnam, Hanoi apparently estimates, will continue to be primarily shaped by the military and political situation within South Vietnam.

The pro-Communist journalist Wilfred Burchett, used by the North Vietnamese last January to publicize their formula of "talks in return for a bombing halt," returned from Hanoi this week claiming that the DRV's position on negotiations had not changed. According to Burchett, the leadership is still confident it can ultimately wear down the US. Like some other Communist spokesmen in recent weeks, Burchett drew a distinction between talks which would follow a bombing halt and be used to clarify the objectives of both sides, and negotiations which would involve the actual terms of a settlement.

SECRET

Several DRV officials abroad have recently made it clear that the Hanoi leadership now is taking the position that once talks are entered into they should be limited to the discussion of issues between North Vietnam and the US or to "prediscussions" in which the agenda and the participants in negotiations would be established. In essence the Hanoi leaders appear to be saying that they will demand US agreement to North Vietnam's four points as the agenda or basis for settlement before actual negotiations can begin.

Political Developments

The lower house of the bicameral National Assembly was elected on 22 October--the final electoral process to establish a constitutional government in South Vietnam. The voter turnout of about 73 percent of the 5.8 million electorate was, as expected, lower than in the September presidential race. The election drew only light opposition from the Viet Cong.

The new lower house appears evenly divided in terms of religious and regional backgrounds. Of the 137 deputies, 32 were born in North Vietnam, while the balance are from the South, including 44 from the central Vietnam provinces of I and II Corps. By religious affiliation, 35 are Catholics and 46 are from the majority Buddhist sect. The Catholics will probably wield political influence beyond their

numbers because of their effective discipline.

The lower house is a more broadly based body than the Senate because representation is by constituency rather than at large. Local issues and reputations were paramount factors in the house election, consequently future political alignments and attitudes toward the national government within the lower house are difficult to assess and may take some time to develop. A strong progovernment bloc may emerge from among the 34 active or retired military officers and 47 active or retired civil servants who were elected.

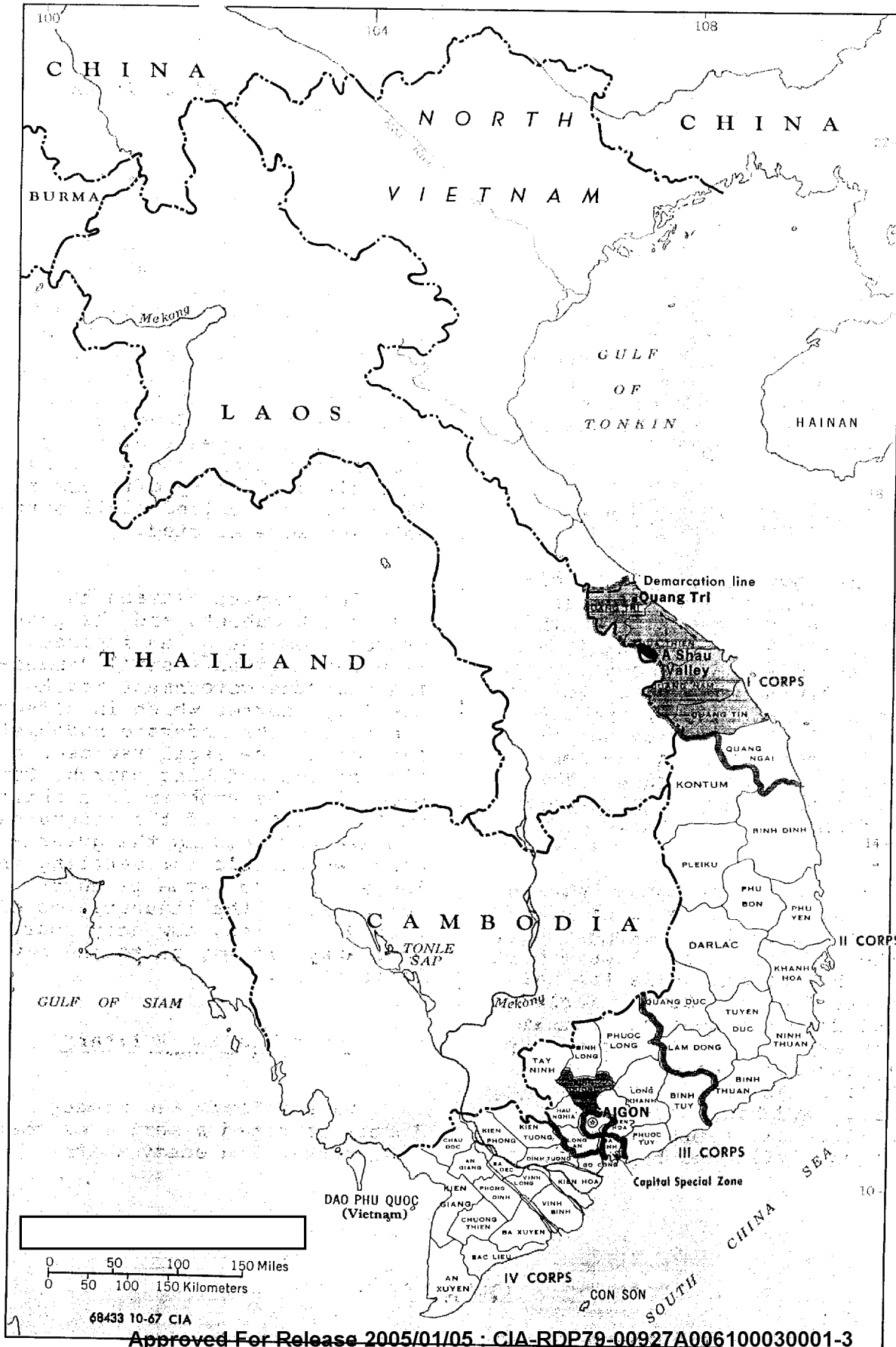
The dispute between the militant Buddhists and the government remains at an impasse, with the militants still demanding that the government revoke the July charter which in effect recognizes the moderate Buddhist faction as the legal representative of the Buddhist church. Complicating the problem is a shift in the attitude of the moderates, who are now holding the government responsible for settling the issue. If the issue is unresolved after the inauguration of President Thieu, now only four days away, it may go to the new legislature.

South Vietnam Military

US and South Vietnamese forces reported a series of sharp encounters with enemy units

SECRET

SECRET



25X1

68433 10-67 CIA

SECRET

SECRET

throughout the country this week as allied sweep operations continued to penetrate Communist-held areas. On two occasions, the enemy made large-scale attacks on allied units which may have been patrolling near sensitive base areas.

South Vietnamese Army (ARVN) troops reported killing nearly 200 enemy soldiers last weekend in a 15-hour battle some nine miles east of Quang Tri city. An enemy battalion, probably subordinate to the North Vietnamese Army's (NVA) 5th Regiment, made an early morning attack against two ARVN battalions bivouacked near the coast. ARVN losses were light.

US Army operation in the Quang Nam - Quang Tin province border area resulted in numerous skirmishes throughout the week

with enemy forces identified as elements of the NVA 2nd Division. This division has been hit hard since US Army troops were introduced into the area several months ago. There is, however, evidence that Hanoi is continuing to send reinforcements to the division via infiltration routes extending eastward from the A Chau valley area, apparently in the belief that the 2nd, even with reduced offensive capability, can still tie down substantial numbers of allied forces.

A battalion of the 272nd Regiment, Viet Cong 9th Light Infantry Division, attacked a South Vietnamese Civilian Irregular Defense Corps unit some 29 miles north of Saigon in Binh Duong Province early in the week. The attackers were repulsed after several hours of fighting, leaving nearly 100 bodies behind. Friendly losses were light.

25X1

* * *

SECRET

SECRET

PEKING MODERATES CONTINUE TO PUSH TOWARD NORMALCY

The drive by central authorities to restore normal conditions throughout China entered its eighth week with no sign of abatement. It has continued to encounter some resistance from militant Red Guard elements, the major losers in the current situation. The army is enforcing Peking's orders, but as yet has been unable to eliminate tension and suspicion between the militants and more conservative, locally oriented Red Guard groups.

A People's Daily editorial of 25 October reproduced a nationwide directive ordering the immediate opening of all schools from primary grades through university. The aim of the directive is to get Red Guards off the streets and into classrooms. It is not known how widely the order is being obeyed. The directive itself is the first on educational matters published in the national press since the summer of 1966.

In a related development, a People's Daily editorial on 21 October stressed the key role of regular party cadres in setting up the "provisional organs of authority" now being formed in a number of provinces. The editorial stated that the cadres should form the "backbone and core" of these bodies and quoted a 30-year-old dictum of Mao's on the importance of building a strong Communist Party. The

stress on the role of the cadres elaborates a theme that has been prominent for the past month. The emphasis on the central importance of the party itself, however, introduces a line that has been conspicuously absent from regime propaganda for more than a year.

Although order has been re-established in much of the country, some unrest continues.

A Shanghai radiobroadcast on 19 October reported that numbers of peasants had entered the city and "engaged in struggles by force," presumably with Red Guard elements.

A broadcast from Hunan blamed the unrest there on "ultra-leftist" elements who have called the drive toward moderation a "revisionist" movement. The broadcast linked these elements with the proscribed "May 16 corps" in Peking--a group that has been branded "ultra-leftist" for its attacks on Chou En-lai and other leaders.

The army has apparently dealt with these and other recent disturbances quickly and firmly.

Red Guards have been allowed to put up wall posters in Peking again, but these posters seem largely confined to attacks on disgraced "leftists."

SECRET

SECRET

Peking has made an effort to paper over differences within the central leadership, but variations in emphasis by major spokesmen have recently been evident, which probably reflect basic disagreement on key issues. Such moderates as Chou En-lai have stressed the importance of increasing production and re-establishing firm administrative machinery, while such militants as Kang Sheng have been emphasizing the "great achievements" of the Cultural Revolution.

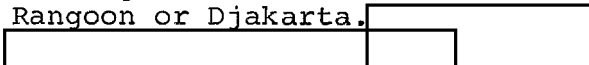
Militant Maoist leaders may attempt to seize upon the unhappiness of the extremist Red Gaurds in order to revive the momentum of the Cultural Revolution. Nevertheless, there is no sign that the moderate sponsors of Peking's current policies are under great pressure to retreat from the current line.

The moderating trend continues to be reflected in foreign policy as well. Living condi-

tions for the diplomatic community in Peking have improved somewhat, and the Chinese have apparently instructed local employees of the embassies to adopt a more friendly manner. Although the Chinese continue to hold some diplomatic "hostages," the two remaining Kenyan diplomats in Peking were finally given permission to leave the country and arrived in Nairobi on 15 October.

Similarly, the Chinese yielded to demands of London dock workers and removed propaganda banners from a Chinese freighter in order to get the cargo unloaded, a sharp departure from China's stubborn defiance in earlier such incidents.

Although relations with Burma and Indonesia remain at low ebb, Peking has continued to avoid diplomatic responses which would give further offense to Rangoon or Djakarta.



25X1
25X1

* * *

SECRET

INSURGENT ACTIVITY IN THAILAND

Communist insurgency has increased in several areas which had been relatively free from such activity in the past.

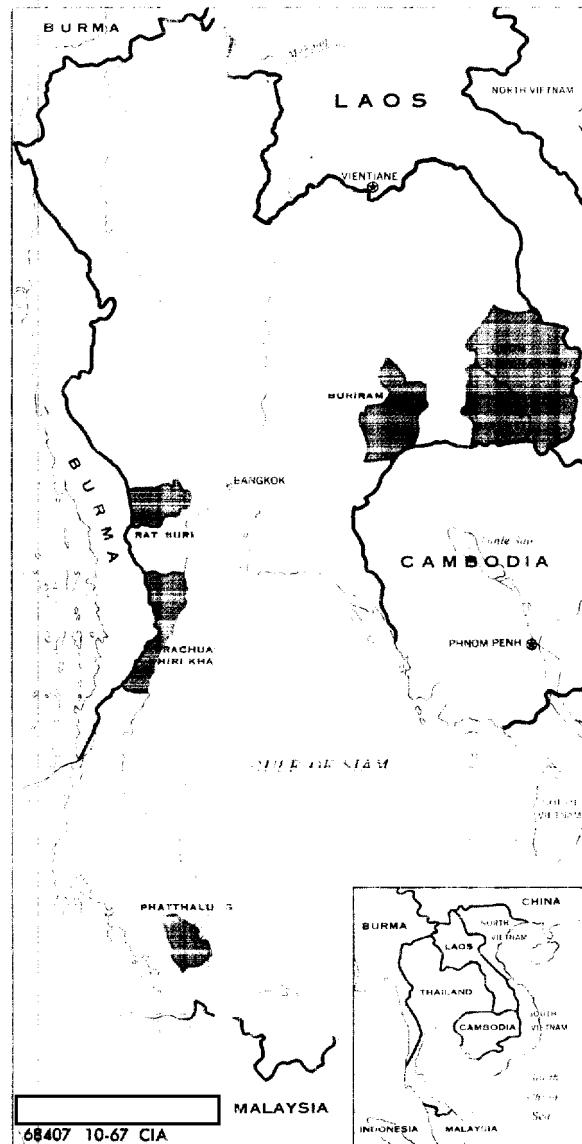
In late September, a 10-man police patrol was wiped out in Prachuap Khiri Khan Province in Thailand's mid-south area. This was the second ambush by insurgents in the province in as many months, and represented the most successful known Communist attack against a government unit thus far in Thailand.

The security of the attack and the perfunctory response of security elements in the province drew a sharp reaction in Bangkok. Martial law was imposed. The army, which has been trying to gain a stronger hand in the control and conduct of anti-insurgent operations, used the attack as a pretext to take over direction of counterinsurgency in the west-central and part of the mid-south areas.

The ambush in Prachuap Khiri Khan, together with a less successful attack in Rat Buri Province just west of Bangkok, and the first armed propaganda meeting in Phatthalung Province, underline a limited but potentially serious resurgence of Communist activity in the west-central and mid-south regions. Communist front organizations have been

recruiting members in the two areas for many years. Armed insurgent groups, totaling as many as 600-700 guerrillas, have been organized and have been attempting

THAILAND - Areas of Insurgent Activity



25X1

SECRET

to establish bases in remote jungle and mountainous areas.

Although a clear trend has not yet been established the recent increased activity in the mid-south may be the forerunner of a new concerted Communist drive there. Despite continuing setbacks and only limited progress over the years, the Communists have long viewed the neglected and isolated mid-south region as fertile ground for dissident movements.

The Communists may believe that, by increasing their operations in the mid-south and the north, they can take advantage of the government's preoccupation with the northeast. They may also calculate that intensifying their activity in these areas may divert some government pressure from the hard-pressed insurgents in the northeast.

The latest compilation of insurgent incidents suggests that the Communists are still reacting defensively to the government's increased security presence in the northeast. The number of Communist-initiated incidents, assassinations, and armed propaganda meetings, have changed little from the over-all pattern established during the past year.

A flurry of activity in Buriram and Sisaket provinces in September indicates that the Communists are continuing to move into new northeastern areas where the government's presence is limited. The assassination of three civilian development officials in Buriram last week

[redacted] suggest that the Communists may soon turn to more widespread use of terrorism. [redacted]

25X1
25X1
25X1

* * *

SECRET

SECRET

KOREAN DMZ INCIDENTS

The rate of North Korean incidents along the Demilitarized Zone (DMZ) has declined in recent weeks, but this relative lull may be short-lived.

Aside from the shelling last week of a South Korean guard post--the first Communist use of heavy mortars and recoilless rifles in the DMZ since the armistice--there has been a noticeable drop in the intensity of Communist harassing activity.

Between 1 September and 22 October 46 firing incidents occurred, compared with a monthly average of about 78 during June, July, and August. This decrease contrasts with last autumn when Pyongyang took advantage of the favorable conditions before the onset of winter to launch its campaign of harassment against the UN forces. During the harshest winter months there is usually a marked drop in all activity along the DMZ.

The decline of activity may be related to the upcoming annual UN debate of the Korean question. Moscow is again pressing the General Assembly to abolish the UN Command in South Korea and may have urged the North Koreans to cut back on their harassing activities at this time. Pyongyang may have ordered a cutback in harassing activity to assess its tactics following the heavy activity of the spring and summer months.

The drop in incidents is likely to be temporary. There has been no letup in North Korean charges that the continued presence of US forces in Korea is a threat to the peace. On 18 October Pyongyang published a memorandum alleging US preparations to renew hostilities. The thrust of the charges suggests that Pyongyang intends to maintain a high level of tension in Korea, while placing the onus on the US.

25X1

* * *

SECRET

SECRET

EUROPE

The scenario for the USSR's 50th anniversary celebrations has begun to unfold [redacted]

[redacted] In conjunction with the festivities, the Soviet party is evidently organizing a program of political discussions with foreign Communist delegations. Moscow reportedly intends to convene the visitors in regional groupings for working sessions, although there probably will be general meetings of all the "fraternal" parties as well, at least for form's sake.

The Latin Americans may come in for special attention. Moscow eulogized Che Guevara on the news of his death, but there were signs that it will use this event to underscore to the Latins the futility of Castro-Guevara revolutionary tactics.

Moscow's public reaction to the new flare-up in the Middle East has been stoutly pro-Egyptian. After seeking UN Security Council condemnation of Israel, however, the USSR voted for the resolution obliquely condemning both parties, which accords with the Soviet interest in maintaining the cease-fire.

Soviet propaganda, as expected, played last weekend's protests over the US role in Vietnam fairly heavily. Elsewhere in Eastern Europe, the protests were reported without comment.

In Western Europe, sizable crowds turned out for the protests. The Amsterdam march attracted more than 15,000. In West Berlin some 10,000 turned out for the largest anti-American demonstration ever to take place there. Smaller, but equally militant, crowds demonstrated in London and Stockholm.

A sharp division between France and its five partners in the European Communities over British membership was evident at this week's Council meeting in Luxembourg. Although Couve de Murville rejected the notion that France was "vetoing" negotiations with the British, he maintained that France considered a UK balance-of-payments equilibrium and elimination of sterling's international currency role as "necessary preconditions" to negotiations.

[redacted]

SECRET

SECRET

JONAH RIDES THE SOVIET NUCLEAR-POWERED ICEBREAKER LENIN

The USSR's showpiece ship-- the nuclear-powered ice breaker Lenin--probably is going into a shipyard for major overhaul.

25X1



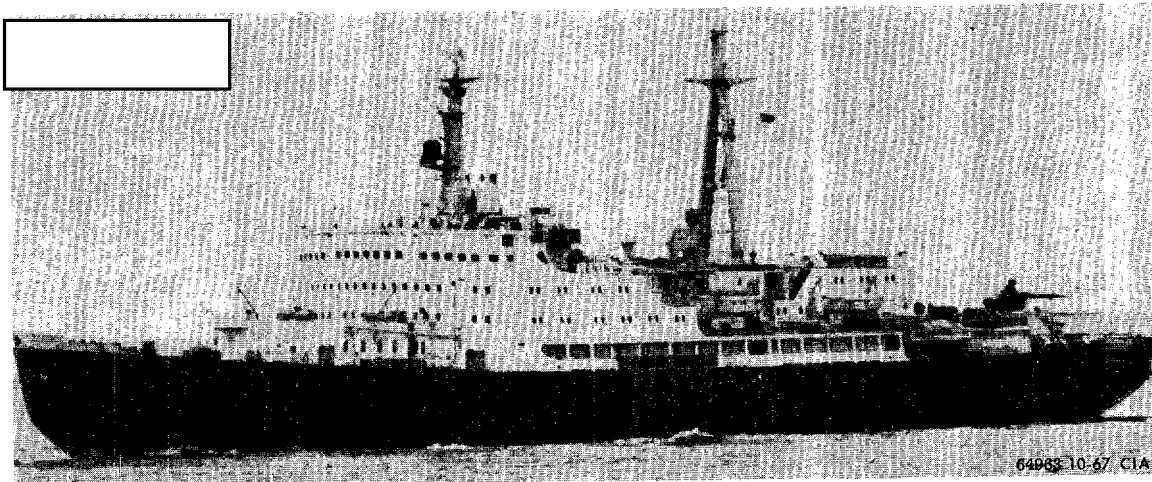
The highly publicized Lenin-- the world's first surface ship with nuclear propulsion--has been plagued with technological difficulties since it began operating in 1960.

The Lenin was seen in a dry dock in the Murmansk area in the summer of 1966 and since that time has been in a small naval base on the Kola Peninsula. The Soviets probably have found they cannot repair the ship without moving it to a major repair facility. The only shipyard in the Northern Fleet area capable of handling both major structural and reactor problems is the Severodvinsk yard in the White Sea.



25X1

25X1



25X1

The nuclear powered icebreaker LENIN in April 1960.

SECRET

SECRET

CZECHOSLOVAK PARTY LEADERS INDECISIVE ON ECONOMIC REFORM

Czechoslovakia's economic reform continues to be a source of dispute within the regime because of its potentially weakening effect on the authority of the party and on the personal power of party officials. If the reform is to proceed beyond its present stage of temporization with little more than palliatives for the economy, it will have to be accompanied by some political changes.

Liberals in the leadership accept the idea that political and social democratization paralleling the economic reform are necessary if basic economic change is to be accomplished. Conservatives are opposed to any further reform. They believe the political and social liberalization since 1963 has already gone too far. Party and government functionaries in general are opposed because they fear for their jobs, since one aspect

of any genuine economic reform is reorganizing and streamlining the bureaucracy.

The majority of the leadership, including party boss Novotny, recognizes the need to advance with some form of reform. They can see no way to do so, however, without developing an open split in the party and without ultimately jeopardizing their own authority.

The party central committee is scheduled to meet soon, probably in November, to discuss the political aspects of the reform. This session will shed some light on the regime's short-run intentions concerning the economic reform, but it is not likely to come to grips with the key issue of how political and social liberalization can be worked out without reducing the party's absolute authority.

25X1

25X1

* * *

SECRET

MIDDLE EAST - AFRICA

Tensions heightened in the area this week when several perennial problems flared up.

The shelling of the refineries at Suez--a devastating blow to the Egyptian economy--may not satisfy the Israeli desire to avenge the sinking of the destroyer Eilat. Some observers in Israel believe that the real counterblow will be delayed until the Egyptians' guard is down.

In Greece, a national holiday on 28 October opens the possibility of some sort of leftist-inspired demonstration [redacted]

[redacted] a cabinet reshuffle involving some new civilian ministers may be in the offing. Meanwhile, the junta has retired an additional 200 army officers in its efforts to remove dissident elements from the armed forces.

In Yemen, the position of the present republican government under Sallal remains shaky, but the release of other Yemeni republican leaders from exile in Cairo offers some hope of a more representative government being formed. Meanwhile, the Egyptian troop evacuation appears to be proceeding on schedule, hampered only by a dispute over courtesy flags flown by Saudi ships participating in moving troops and equipment.

The mercenaries remain at Bukavu in Congo (Kinshasa). Press interviews with mercenary leader Schramme give the impression that he has reneged on his earlier agreement to leave. Meanwhile, the International Red Cross, which is in charge of evacuation plans, has run into several bottlenecks, partly due to its own cumbersome bureaucracy.

The Nigerian civil war continues, but the action has slowed down somewhat. Federal troops spent much of last week consolidating their positions and have begun two new advances toward the Ibo heartland. [redacted]

SECRET

MIDDLE EAST TENSIONS HEIGHTEN

The shelling of the Egyptian refineries at Suez on 24 October may not satisfy the Israeli desire to avenge the sinking of the destroyer Eilat. Some observers in Israel believe that the real counterblow will not come until the Egyptians have dropped their guard.

In addition to other strikes at targets of economic significance the Israelis may also hit at units of the Egyptian Navy responsible for the sinking of the Eilat, and at their supporting installations.

The Israeli shelling of the two refineries at Suez caused "extensive if not total" damage, a major blow to the Egyptian economy. The entire production facility, capable of turning out 140,000 barrels per day, is out of commission, at least temporarily. All capacity to produce bottled gas used for cooking and heating in many Egyptian homes has been destroyed. In addition, up to half the country's oil storage capacity has been destroyed or damaged, along with the contents of the tanks.

Rebuilding the refineries could take as long as two years

from the start of construction. Because petroleum products provide about two thirds of Egypt's total energy requirements, a large share of the remaining industrial production may be curtailed for at least several months as a direct result of an oil shortage.

In order to maintain its present level of production, Egypt would have to import about \$5 million of refined products per month. Damage to the domestic pipeline terminal at Suez would complicate the problem of distributing any refined products Egypt was able to import. Limited storage capacity will probably force Egypt to close down production at the Morgan oil field in the Gulf of Suez within a few days.

Damage to other industries in the Suez area is estimated to be heavy. One of the industries which may have been damaged is the Nasr fertilizer plant at At-taki which produces about one half of the country's nitrogenous fertilizer, and damage to it could seriously affect Egyptian agriculture. Other industries in Suez include a paper mill, power plants, chemical laboratories, and food processing facilities.

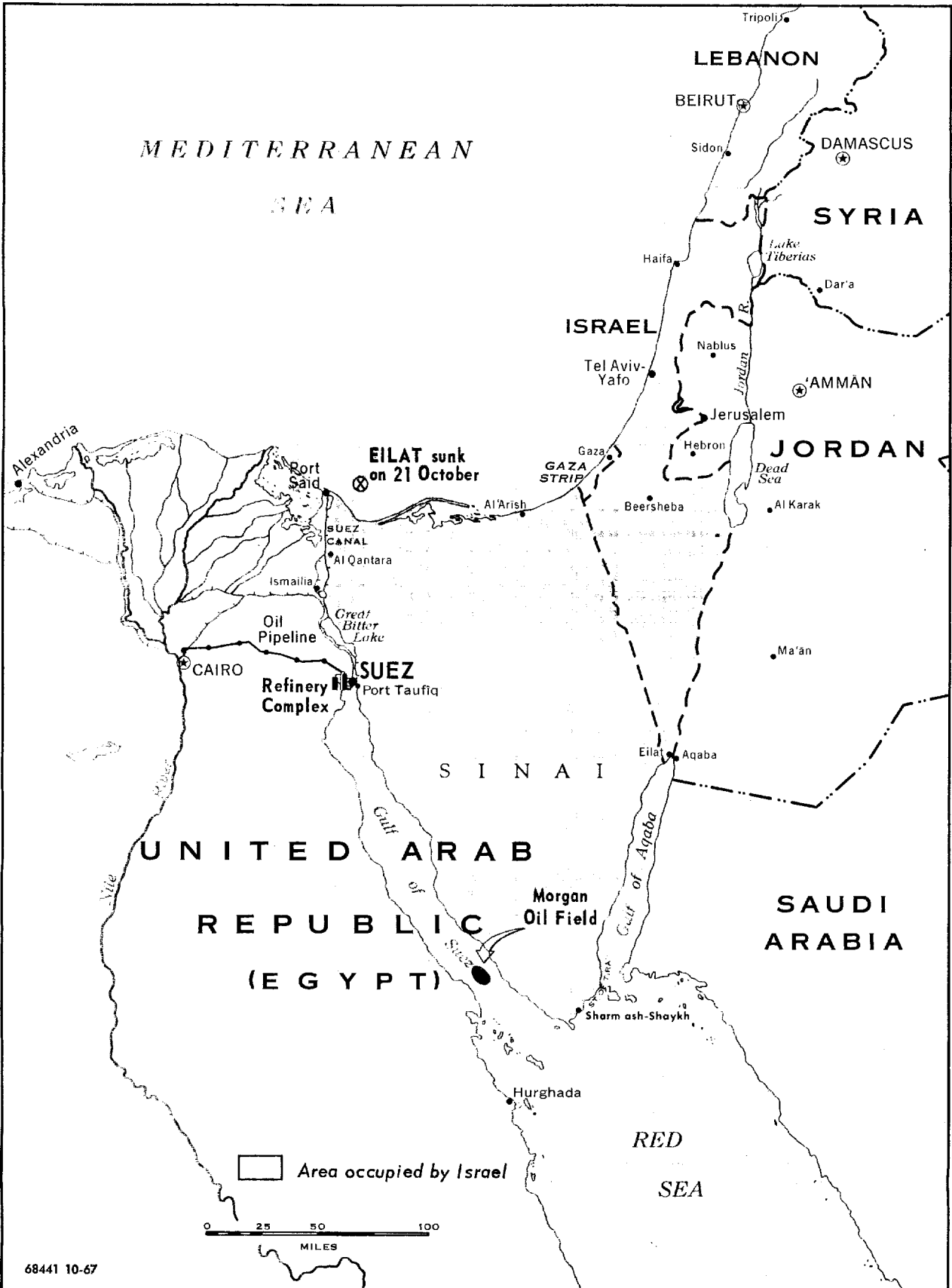
United Nations

The Security Council adopted a compromise resolution condemning

SECRET

SECRET

Approved For Release 2005/01/05 : CIA-RDP79-00927A006100030001-3



Approved For Release 2005/01/05 : CIA-RDP79-00927A006100030001-3

SECRET

SECRET

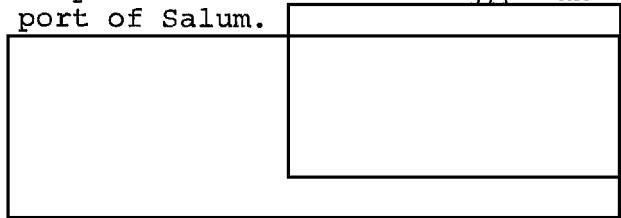
all violations of the cease-fire and demanding that the parties concerned prohibit all military activities in the area and cooperate with the UN Truce Supervision Organization (UNTSO). To strengthen the UN presence in the area, Secretary General Thant told the Council that he plans to increase the size of UNTSO and to set up more observation posts.

Meanwhile, consultations continue on a general political resolution upon which the General Assembly last summer was unable to agree. The new crises could spur the nonpermanent members of the Council in their efforts to come up with a resolution which would call for the appointment of a special UN representative to the area. Both the Arabs and Israelis have indicated they were willing to accept a UN representative, but council members have been unable to agree on general principles to guide the mediator.

If the Security Council is unable to take any action on a general resolution, the president of the General Assembly will press ahead with a debate on the Middle East in that body where the prospects of any agreed resolution are even poorer.

Soviet Naval Activity

The Egyptian press has announced that a group of Soviet warships will arrive in Port Said on 27 October. At least a token force of Soviet ships has remained in Alexandria following the departure of the strong naval force which arrived at Port Said and Alexandria in early July. Three Soviet auxiliary ships are off the small Egyptian port of Salum.



25X1

* * *

25X1

SECRET

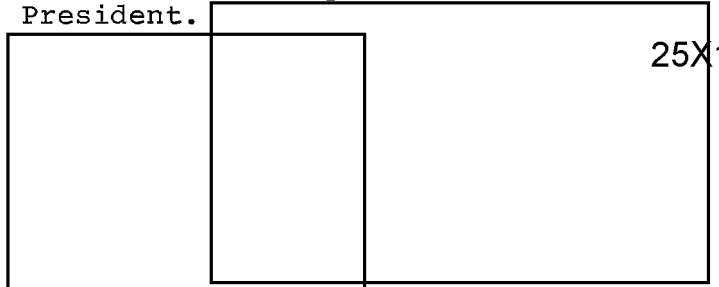
SECRET

POLITICAL INSTABILITY STILL BESETS DAHOMEY

25X1

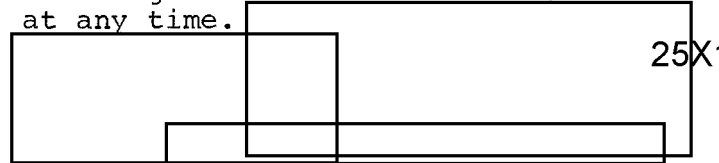
Chronically unstable Dahomey seems destined for another round of heightened political turmoil. Disputes have erupted between President Soglo's military government and the watchdog Military Vigilance Committee (MVC), and the quarrel between Soglo and army chief of staff Colonel Alley has intensified.

he is now publicly critical of the President.

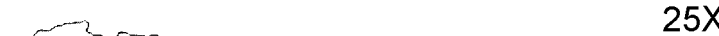


The MVC, created earlier this year as a sop to junior army officers who demanded a larger role in the government, has long been irked by Soglo's unwillingness to accept its advice.

These latest flare-ups follow the repression of serious labor unrest last August, and the discovery of coup plotting in late September. Basic labor discontent continues and could result in antigovernment demonstrations at any time.

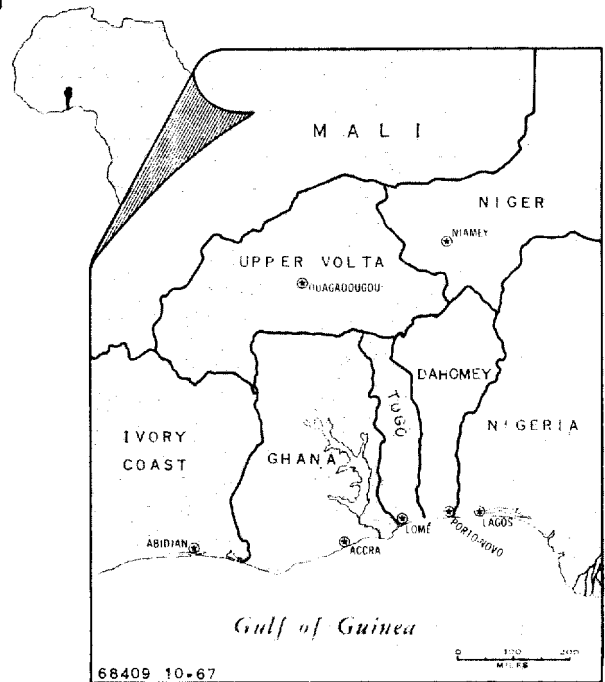


oust Soglo. A majority of the committee blames the government's corruption and inaction on civilian ministers and on the ambivalent Colonel Alley, who despite his own disenchantment with Soglo's indecisive leadership, has not allowed the MVC to force its will on the government.



Frictions within the MVC stem largely from the old regional differences that have plagued Dahomey since it became independent seven years ago. Northern officers, for example, complain about the small number of northerners in the civil service and demand preferential treatment to redress the imbalance. More significantly, northern officers backed by Alley, early this month unsuccessfully sought committee approval to reduce Soglo to a figurehead president and install a civilian prime minister.

Alley's personal pique with Soglo has reached the point where



SECRET

SECRET

NIGERIAN ARMY KEEPS UP THE PRESSURE ON BIAFRA

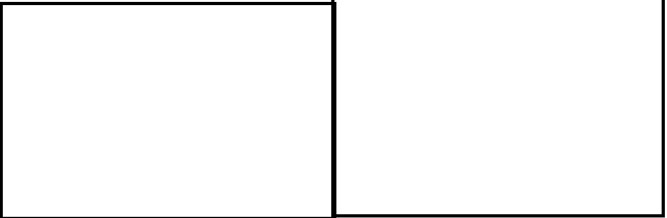
Action in the Nigerian civil war slowed somewhat last week, and federal officials again tried to allay Ibo fears of being massacred. Peace talks have not yet materialized, and Biafra is continuing to seek men and equipment from outside.

Federal troops at Enugu and Asaba spent last week consolidating their positions in preparation for an attack again into the Ibo heartland. Federal troops northeast of Enugu began a push southward toward Nkalagu on 24-25 October, and at least 1,000 fresh troops have reinforced those that failed in their initial attempt to cross the Niger River at Asaba. In addition, a sizable federal operation now is under way into the Rivers State through the maze of interconnecting waterways leading from the Mid-West.

The amphibious group which landed at Calabar on 18 October easily scattered the meager Biafran defending force, which seems to have fled north and westward. The federals may now be preparing to land at Oron, where there are road connections to the East Central State.

The stepped-up federal air activity against Biafra has probably been more costly than its effectiveness would warrant. Although sorties have been flown throughout Biafra from airfields at Benin city and Makurdi, two L-29s have crashed, two more

are crippled, and both jet Provosts are damaged.



General Gowon continues to hope to avoid a full-scale occupation of Iboland. When Radio Enugu was returned to the federal network on 21 October, his field commander there broadcast the most direct attempt to date to assuage Ibo fears of being exterminated. The broadcast again appealed to the Ibos to overthrow Ojukwu, urged cooperation with the federal military authorities, and promised all noncombatants full protection.

Within Biafra, Ojukwu still seems to be in essential control despite earlier signs of turmoil and dissension within the regime. Ojukwu has made more cabinet changes, apparently aimed at bolstering his support among the minorities. His regime, however, faces serious housing and feeding problems because an estimated several hundred thousand refugees--including 150,000 from Enugu--have fled southward.

Ojukwu is also continuing to seek outside military assistance, including mercenaries and substantial amounts of rifles.

25X1

25X1

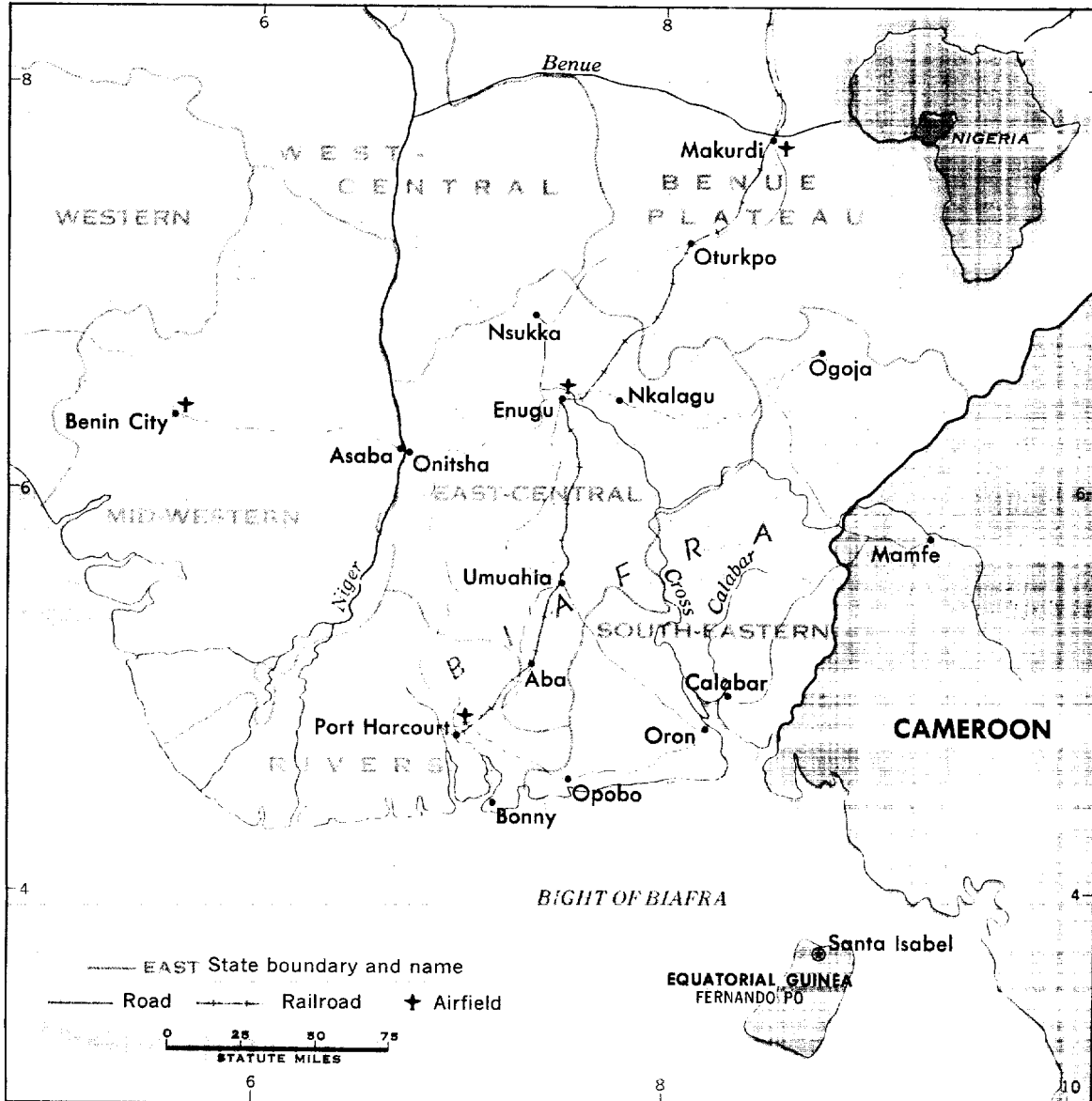
SECRET

25X1

Peace talks, which the Commonwealth Secretariat tried to get started in London last week, have not yet begun because of differences over the venue. Biafran representatives did meet with federal delegates twice last

weekend, but nothing of substance was discussed. The Biafrans have been arguing against London as a site, while the federal representatives now are apparently insisting the talks take place there.

SCENE OF NIGERIAN CIVIL WAR



68429 10-67

SECRET

INDIA BUYS MORE SOVIET MILITARY AIRCRAFT

Indian officials, after repeated denials, have admitted privately that they have agreed to purchase 127 SU-7 fighter-bomber aircraft and 12 trainers from the USSR.

The shift from Western to Soviet equipment that began in 1960 has accelerated rapidly since the Indo-Pakistani war in 1965 and the USSR is now the leading supplier of arms to India.

In 1964 India drew up a five-year plan to modernize and expand its armed forces. The plan envisaged major support from the West, limited Soviet participation, and increasing reliance on domestically produced arms. The war between Pakistan and India resulted in cutbacks in Western deliveries and delays in India's domestic production. Soviet military support, however, was not interrupted.

Prior to 1965, the Indians purchased Soviet transport aircraft, helicopters, surface-to-air missiles, a limited number of MIG-21s, and some light tanks. Since then, they have ordered more MIG-21s, medium tanks, submarines, and surface ships. India ranks third among free world recipients of Soviet arms, with contracts for as much as \$700 million in Soviet military equipment.

India appears to be adhering generally to its 1964 defense plan and seems determined to obtain arms when and where it chooses.

25X1

* * *

SECRET

WESTERN HEMISPHERE

Che Guevara continues to be a major subject of interest in Latin America. Both the Cuban and Bolivian governments have perpetuated the memory of his capture by declaring 8 October a national holiday--a day of mourning in Cuba, the "day of the patriotic revolutionary people" in Bolivia.

Uruguay's Communist press has blamed the US for Guevara's death, claiming that US military and civilian personnel were in charge of the whole antiguerrilla operation in Bolivia. Other pro-Moscow Communists throughout Latin America, however, are emphasizing that Guevara's death resulted from a series of Cuban errors, and many of them have privately denounced Castro's strategy of pushing guerrilla warfare.

Colombian guerrillas who ambushed an army patrol on 18 October left leaflets claiming they were participating in "Operation Che Guevara." Four Venezuelan national guardsmen were killed in an ambush the same day. Even in Bolivia the remnants of the guerrilla band have ambushed Bolivian Army elements three times since Che's death and killed or wounded several soldiers.

Washington's announcement on the availability of supersonic US F-5 aircraft brought varied reactions. Peru and Brazil, which had already revealed plans to buy French Mirage fighters, stated that the US offer might not satisfy their needs.

Chile complained that it had already contracted to buy subsonic British fighters at a little less than the cost of the F-5. Colombia and some nations with no immediate plans of their own have criticized the US action as contradicting the arms limitation statement agreed to by the Western Hemisphere presidents at the Punta del Este summit meeting last spring.

25X1

SECRET

GUYANESE-VENEZUELAN BORDER DISPUTE FLARES AGAIN

An old territorial dispute has flared up again between Venezuela and Guyana. At issue is Ankoko Island at the confluence of the Cuyuni and Wenamu rivers which form part of their common border. Venezuela claims the whole island, but Guyana insists it is part Guyanese because a 1905 map agreed to by a joint Venezuelan-British boundary commission shows the border passing through Ankoko.

The dispute has been quiescent for the past several months. Last week, however, Guyana discovered that Venezuelan President Leoni had recently made a secret inspection trip to the island and Prime Minister Burnham became alarmed by reports that the Vene-

zuelans were planning to turn it into a military base.

The Venezuelans maintain that they plan only a small border outpost, [REDACTED]

[REDACTED] Ankoko has given Guyana's pro-Communist opposition a popular issue to exploit.

Guyana has warned that "any development of the part of Ankoko Island which is Guyanese...can only be regarded as an unfriendly and provocative act." Burnham may yet decide to bring the dispute before the United Nations in order to relieve local pressures. [REDACTED]

25X1

25X1

25X1



SECRET

Approved For Release 2005/01/05 : CIA-RDP79-00927A006100030001-3

25X6

Approved For Release 2005/01/05 : CIA-RDP79-00927A006100030001-3

SECRET

ARIAS SEES HIS ELECTION PROSPECTS IN PANAMA IMPROVED

Arnulfo Arias, leader of Panama's largest political party, the Panamenistas, is counting on the present break in the eight-party government coalition to guarantee him an overwhelming plurality in next May's presidential election. Arias is confident of obtaining support from several coalition parties that oppose President Robles' selection of Finance Minister Samudio to head the government ticket.

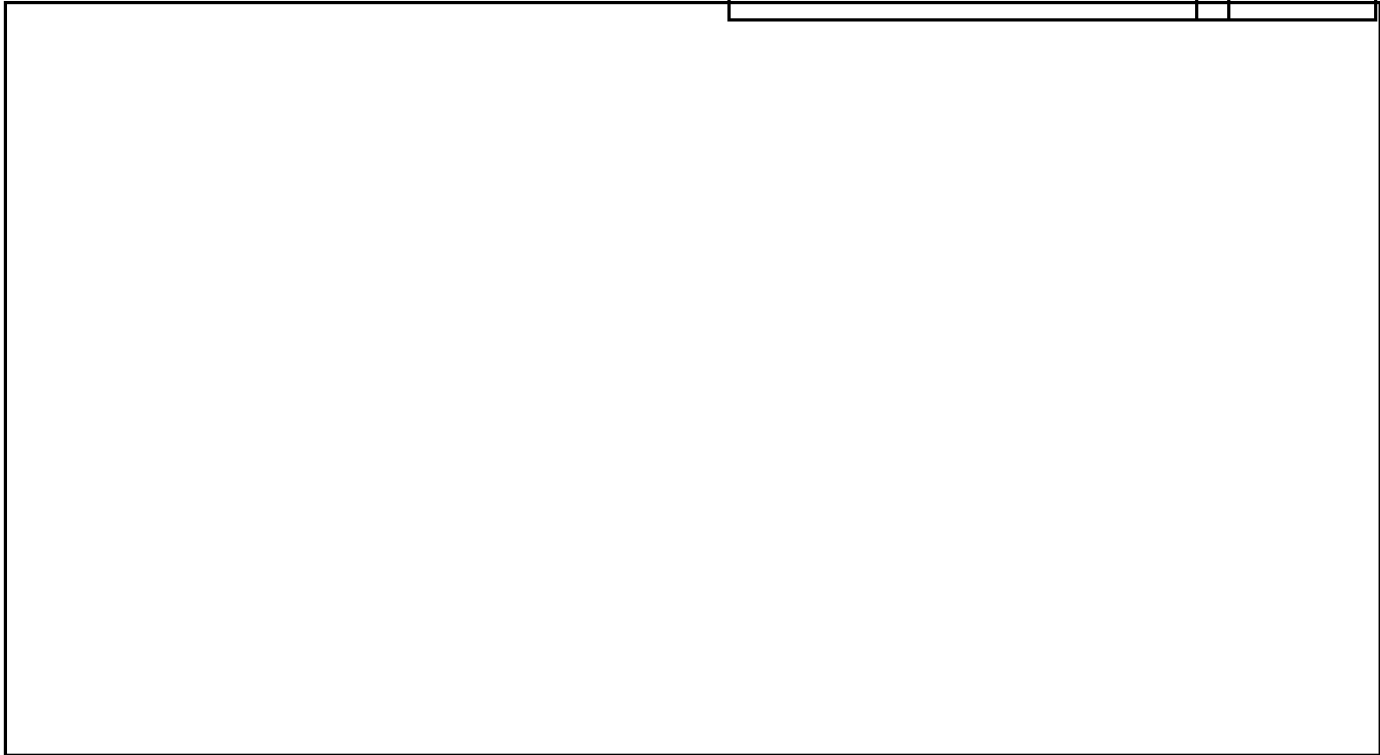
The Panamenista leader hopes to create a "gigantic National Unity Front" that would include some elements of the oligarchy, the few hundred wealthy families that control the economy and political life of Panama. Indeed, leaders of several of the parties supported by these families are considering an alliance with Arias that would broaden the vote-getting power of the mass-based

Panamenistas. Arias has twice been elected and ousted after only short periods in the presidency. In the 1964 presidential contest, Arias was narrowly defeated in what he charged was a rigged election. He contends that a much greater margin of victory in 1968 will make electoral fudging "practically impossible."

Many members of the wealthy establishment, however, fear the return of the authoritarian ex-president and would go to extremes to avoid losing their control over the country. Since presidential candidates are not required to register with the Electoral Tribunal until 12 January, a last-minute bargain on a compromise candidate to unite the ramshackle administration coalition cannot be ruled out.

25X1

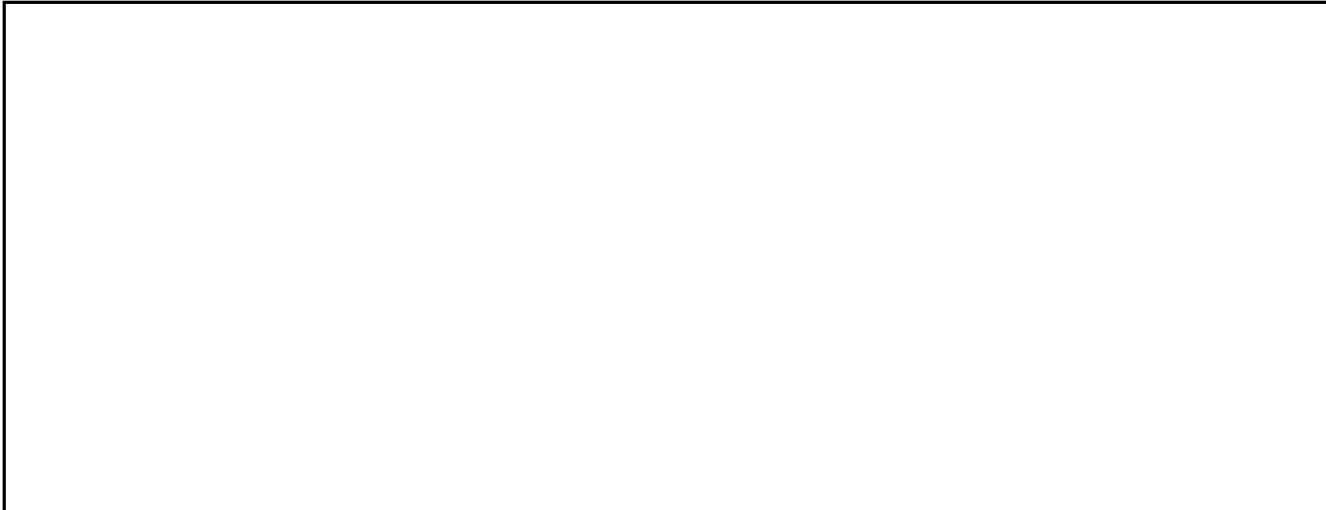
25X1



25X1

SECRET

SECRET



25X1

PERONISM A DECLINING THREAT IN ARGENTINA

The failure of last week's Peronist demonstrations is a manifestation of the internal squabbling that has almost destroyed the movement as a threat to Argentine security.

Peron's penchant for issuing contradictory instructions from his exile in Spain and for playing off one Peronist faction against another to maintain his own control has finally reduced the movement to a loose confederation of struggling but weak groupings. He appears to have alienated almost all the major leaders of Peronism inside Argentina, thus strengthening the hand of those who want Peronism without Peron--the neo-Peronists led by Augusto Vandor.

25X1

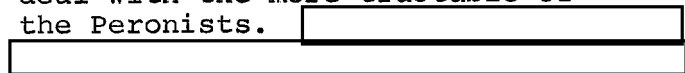


25X1

Peron has also managed to sow dissension in the loose union of orthodox and neo-Peronist labor unions, which had feuded for more than a year before agreeing to bury their differences in the face of government pressure last spring. Vandor's neo-Peronists are already seeking some accommodation with the Ongania regime despite Peron's condemnation of such activity.

Despite the great charisma of the former dictator and the strong loyalty that his rank-and-file followers still hold for him, his fear that commitment to any one Peronist subordinate would weaken his own hold over the movement has led him to shatter, inadvertently but nevertheless effectively, what was once a fairly monolithic structure. The government will probably take advantage of this disarray to deal with the more tractable of the Peronists.

25X1



SECRET

25X1

SECRET

CHILEAN LEFTISTS CONTINUE SQUABBLING

Disagreements within and among the leftist parties in Chile are becoming increasingly sharp.

The Communist-Socialist Popular Action Front (FRAP), which several months ago appeared to be in an extremely strong political position, now is seriously weakened. The Communists and Socialists have cooperated since 1956, and both have derived substantial advantages from the combination. Recently, however, increasingly divergent policies, especially with respect to the efficacy of armed struggle in Chile, have diluted FRAP's effectiveness.

The Communist Party favors obtaining power through the electoral process, and fears that advocacy of armed struggle would jeopardize its legal status. In the Socialist party, which generally has been more extreme than the Communists, the pro-Peking group reportedly has become stronger since Senator Raul Ampuero pulled out of the party, taking a third to half its members with him. His new Popular Socialist Party has already issued a statement declaring that it will be impossible to achieve socialism in Chile by peaceful means as long as the country is under the "imperialist yoke."

Differences have also arisen over cooperating with other leftist parties. The Communists favor a broad leftist grouping that would include the opportunistic Radical Party, now under leftist

control, but would exclude the extremist splinter groups. The Socialists favor cooperating with the extremists, but are opposed to a formal agreement with the Radicals. The Communists widened the area of disagreement last month by extending their call for cooperation to include the Christian Democratic Party, now also under leftist leadership.

Leftist disunity comes at an opportune time for President Frei, who is faced with serious problems, including division within his own Christian Democratic Party. So far the left has been unable to exploit Frei's problems effectively. If, however, the Communists and Socialists return to their former level of cooperation, FRAP will re-emerge as a powerful political mechanism with excellent prospects for the 1969 and 1970 elections.

Some clues as to the damage FRAP has suffered should emerge next month in the course of the by-election to fill the seat of the Christian Democratic senator representing Bio-Bio, Malleco, and Cautin provinces who died in October. The Communists apparently still hope to persuade the Socialists to join them in supporting a Radical candidate. It is too early to rule out the re-emergence of a strong FRAP by the time of the 1969 congressional and the 1970 presidential elections.

25X1

25X1

SECRET

25X1

Approved For Release 2005/01/05 : CIA-RDP79-00927A006100030001-3

Approved For Release 2005/01/05 : CIA-RDP79-00927A006100030001-3

Approved For Release 2005/01/05 : CIA-RDP79-00927A006100030001-3
Secret

Secret

Approved For Release 2005/01/05 : CIA-RDP79-00927A006100030001-3