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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

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C O N T E N T S

(Information as of noon EST, 21 February 1968)

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THE WEEK IN PERSPECTIVE

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Mounting political tensions caused by a dispute over control of the electoral machinery could result in pre-election disorders or postponement of the 12 May elections.



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FUEL SHORTAGES IN CUBA
The addition of gasoline to the list of rationed goods is causing hardships but has not seriously affected the economy. Fidel Castro claims that Cuba's fuel consumption increased by eight percent in 1967.

TEACHERS COMPLICATE SALVADORAN ELECTION CAMPAIGN
The campaign for local and congressional elections is being complicated by the teachers union's demand for the ouster of the minister of education, a stand supported by sympathetic strikes of other unions, and by the political opposition.

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FAR EAST

The coordinated rocket and mortar attacks on some 40 South Vietnamese cities and military facilities last weekend underscored the Communists' intention to maintain pressure on population centers in an effort to demoralize the Saigon government and army, and to tie down allied forces.

Skirmishes on the outskirts of Saigon and mortar attacks on targets in the center of the city continued and there are indications of preparations for another major ground assault against the capital. North Vietnamese forces also continued sporadic shelling of Khe Sanh and other allied bases in the Demilitarized Zone area but there were no clear indications of the timing of a major ground attack on these positions.

The Saigon government's recovery program has been jeopardized by the resignation of Vice President Ky and General Nguyen Duc Thang from the joint South Vietnamese - US recovery task force. The government also risked further political disarray by arresting three prominent opposition figures.

In Laos, North Vietnamese forces remain poised to attack Saravane in the southern panhandle but action so far has been limited to skirmishing around outlying posts and to harassing fire on the city's airstrip. In view of the low morale of government defense forces, it is doubtful that they could resist a concerted thrust to seize the city. The capture of Saravane, which has been in government hands since the 1962 Laos settlement, would raise the possibility that the Communists intend to upset the fragile status quo in the country.

There has been no change in North Korea's apparent intention to exploit the captured Pueblo crew as hostages to forestall US pressure and to maneuver for US concessions. Panmunjom has warned the US to act discreetly and has strongly implied that treatment of the US crew will be determined in large part by US actions.

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VIETNAM

The new wave of coordinated enemy attacks last weekend against some 40 urban centers and military facilities was an apparent effort to keep up the pressure in the Communist "winter-spring" campaign.

This second round lacked the scope and intensity of the earlier Tet offensive. The attacks consisted mainly of rocket and mortar barrages. These took place in the southern provinces, and there was only scattered action elsewhere. Fewer than ten of the targets hit were subjected to follow-up ground assaults. The heaviest of the assaults occurred at Vinh Long in the delta and at Phan Thiet east of Saigon on the coast. The allies restored firm control in both of these provincial capitals within a few days. Tan Son Nhut Air Base was bombarded with about 100 rounds of 82-mm. mortar and 122-mm. rocket fire--the first time rockets of this size were used in the capital area. Scattered mortar barrages were also directed against key targets in the capital itself. Sporadic shellings of the large air base and the environs of Saigon continued into the week.

Casualties on both sides were considerably lighter than during the opening round of the Tet offensive three weeks ago. Reliance on heavy weapons tended to minimize both Communist losses

and the chances of direct ground engagements.

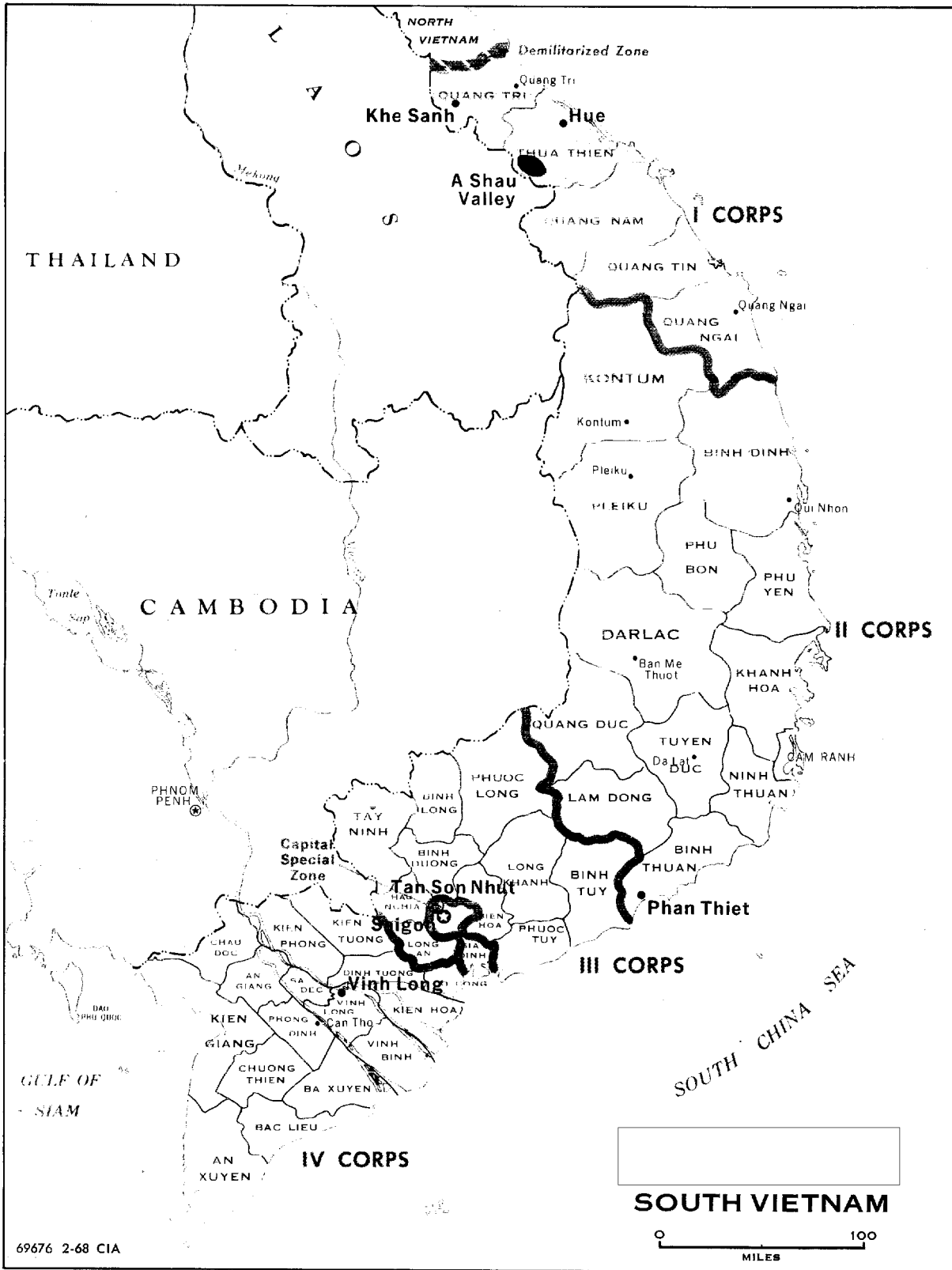
The Communists are probably in the process of evaluating the first phase of their "general offensive." According to evidence obtained from enemy prisoners and documents, they acknowledge setbacks in the first wave of attacks. Weak political preparation inside the cities and inadequate support and poor timing in the use of larger military units from the "outside" are usually cited as the principal problems. The second round of attacks suggests the Communists are devising more flexible tactics. Instead of a massive "second wave," they carefully selected certain areas for different modes of attack.

Other developments since the enemy's Tet offensive indicate that the Communists will continue to exert military pressure on the populated areas throughout South Vietnam, probably concentrating heavily on the northern provinces of Quang Tri and Thua Thien.

New weapons have appeared in this area, including tanks near the DMZ.

In addition, the flow of supplies to the DMZ area and down the Lao corridor continues at a stepped-up pace. New road construction improves the enemy's ability to support military units in the northern provinces.

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SOUTH VIETNAM



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At least four routes in the Laos panhandle were extended into South Vietnam during December and January. [redacted]

[redacted] routes in the northern panhandle have been linked with existing roads in South Vietnam. Laotian Route 9 is in use between Ban Dong and Ban Houei Sane for the first time in about three years. The road is probably open all the way into the Khe Sanh area of Quang Tri Province. In addition, in the A Shau Valley, [redacted]

the Communists are nearing completion of a new road link which will open up a route to Hue on the coast.

Political Developments

Saigon is still moving slowly in recovering from the Tet offensive and in taking the political and psychological initiative from the Communists. Vice President Ky, probably hoping to point up the lackluster performance of other government leaders, has resigned as chairman of the joint US-Vietnamese task force on national recovery. His place will be filled by the ineffective Prime Minister Loc.

The Saigon government's ability to cope with recovery problems will depend to a large degree on the support and enthusiasm of officials in the provinces. Little is known of the current attitude and position of many of them but it is apparent that the Viet Cong offensive has

reduced their effectiveness substantially in many areas of the delta and in the far northern provinces. Should the Viet Cong manage to keep up the pressure on the urban centers in these areas over an extended period, the government's administrative apparatus could begin to disintegrate. 25X1

Meanwhile, the impact of the Viet Cong's show of strength has impelled some of the more politically aware elements of the populace to form hasty alliances toward a common anti-Communist front. It remains to be seen whether the diverse views and interests represented in these groups can be translated into effective support for the government's recovery efforts. 25X1

Hanoi Pushes "Fight-Talk" Strategy

The North Vietnamese have orchestrated their military offensive with renewed diplomatic efforts to increase pressure on the US for political concessions. In an effort to underscore its readiness to talk if the US stops the bombings, Hanoi within the past three weeks has been in touch with the Italians, the Swiss, the Swedes, the Indians, the French, and the UN Secretary. Hanoi insisted in these discussions that it will never consider any reciprocity for the bombing cessation, and gave no hint that the Communists are ready to modify their long-standing terms for a settlement of the war. [redacted] 25X1

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COMMUNIST THREAT PERSISTS IN SOUTHERN LAOS

The anticipated Communist military offensive in the Bolovens plateau has not yet developed but the enemy is maintaining a credible threat in the area and could strike with little advanced warning.

As many as four North Vietnamese battalions are deployed in the vicinity of Saravane and minor skirmishing north and west of the town continues to be reported. The enemy has placed some harassing fire on aircraft flying into Saravane but has not hit the airstrip there or government positions in the immediate vicinity of the town.

There now are more than two government battalions committed to Saravane's defense. Their morale is low, however, and it is unlikely that they can successfully resist a concerted thrust. They are entirely capable of abandoning the town without a fight. One strategic position west of Saravane was temporarily lost on 14 February, apparently in this manner.

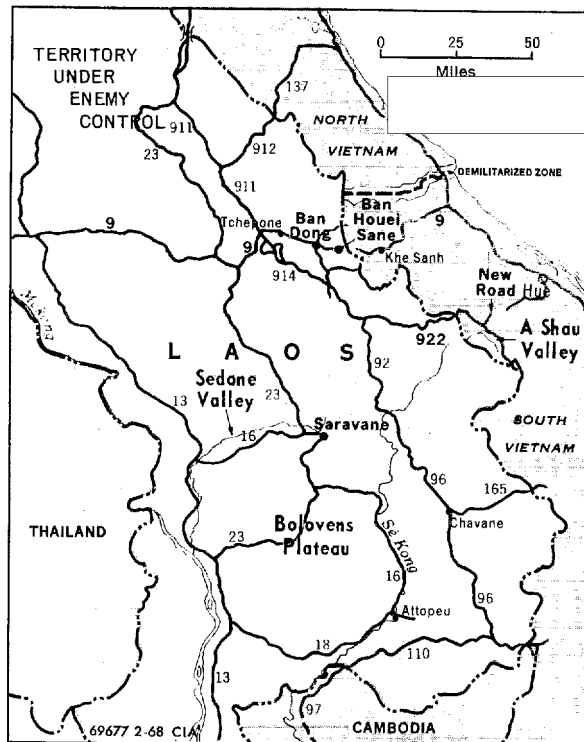
Since the Laos settlement of 1962 the Communists have refrained from attacking Saravane despite its extremely exposed position. Its capture now would deal a severe and psychological blow to an already uneasy leadership in Vientiane and would raise the possibility that the Communists intend to upset the status quo in Laos.

At any rate, the Communists have already achieved a number of objectives in the northern Bolovens area at little cost to themselves. They have established an effective presence in the Sedone valley, a

rich rice-producing area which came under full government control only last year. They thereby have not only negated two years of government development work but have also taken an important step in securing the western approaches to the infiltration corridor and in countering stepped-up government interdiction efforts.

In addition, the current dry season offensive provides a fresh reminder that the enemy has the means to create a major military crisis in Laos with a relatively modest effort. It is also clear that although improvements have been made in the performance of government troops they are still no match for the North Vietnamese.

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SERIOUS DISORDERS PERSIST IN COMMUNIST CHINA

Conflicts between armed civilian factions are still occurring in many provinces of China, and the armed forces appear to be involved on a larger scale than at any time since last summer.

The major trouble spots are Yunnan, Kwangsi, Kwangtung, Fukien, and northern Kiangsu, but most provinces have also been affected to some degree.

Fighting has apparently intensified in Kwangsi since early February. [redacted]

[redacted]

Almost daily skirmishes have been reported between armed Red Guard factions in Canton and nearby towns recently.

A trend toward anarchy is reported in Fukien Province, where several cities have been occupied by warring Red Guard factions for months. The guards

are armed with machine guns and heavy weapons obtained from local army units, which have thus far apparently been ordered not to intervene directly.

Northern Kiangsu appears to be a particularly tense area. [redacted] fighting at Hsu-chou has disrupted traffic on the Shanghai-Peking railroad in recent weeks.

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Conscription for the army--suspended two years ago at the start of the Cultural Revolution--has been resumed in many provinces, probably mainly to strengthen the army's capability for civil control work. [redacted]

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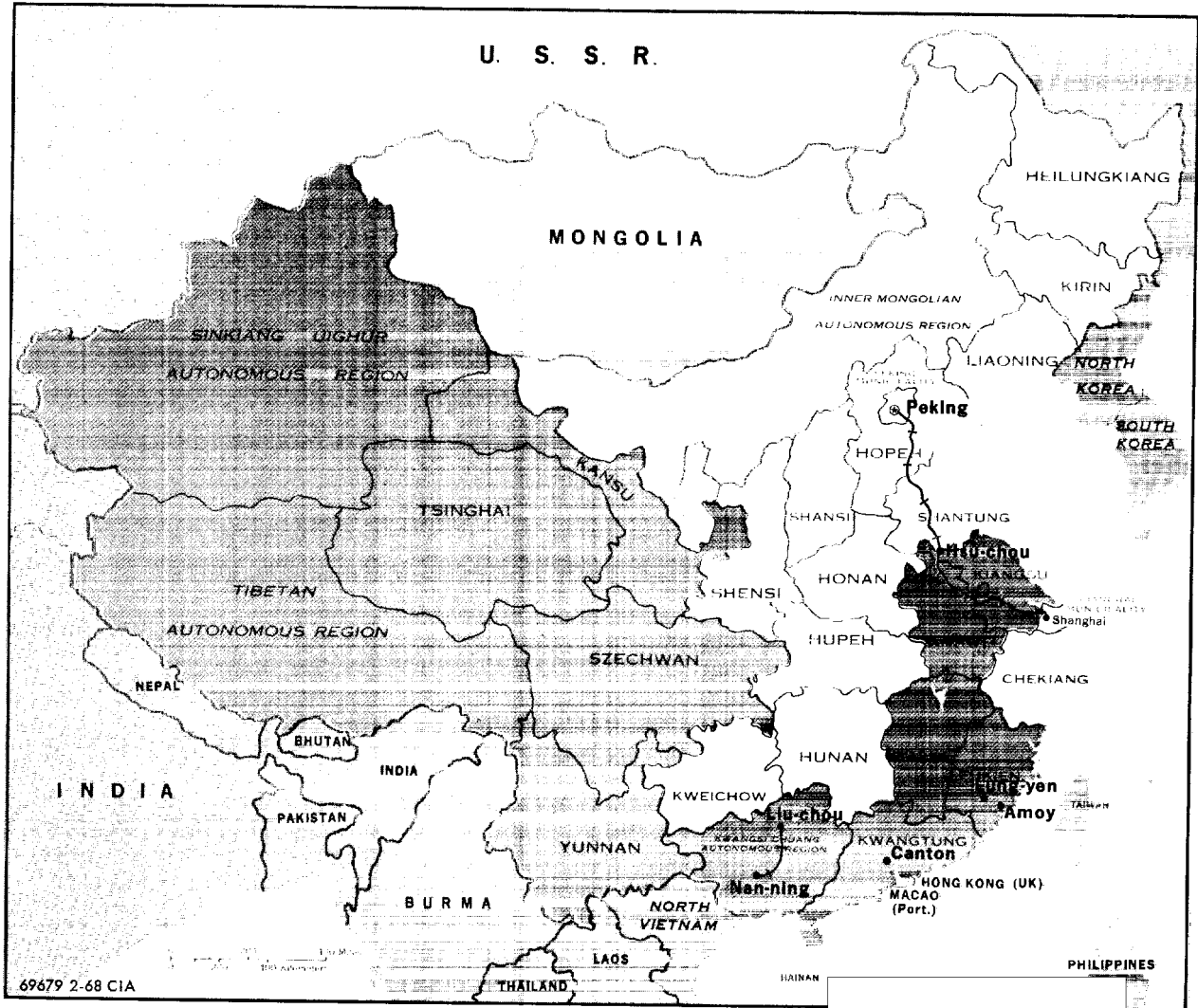
[redacted] in January army recruiting teams went to rural communes and urban schools throughout the country, and that at least half a million men--the number normally conscripted annually--will be inducted. If recruits are drawn mainly from rural areas, as the evidence thus far suggests, conscription will have little effect on Red Guard organizations, which are composed mostly of urban students.

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Communist China



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PUEBLO IMPASSE UNBROKEN

The North Koreans continue to imply strongly that their handling of the Pueblo crew will be dependent in large part on US actions. They are clearly intent on using the crew as hostages to forestall US pressure and induce concessions.

General Pak Chung-kuk, the senior North Korean representative at Panmunjom, on 19 February warned that Pyongyang would carefully watch every future US move and cautioned the US to act "discreetly." He pointedly protested the US build-up since the Pueblo seizure and US plans to increase military assistance to South Korea.

In addition, during the past week various North Korean spokesmen have again warned that the crew may be punished in accordance with North Korean law.

In South Korea initial criticism of the Vance mission has given way to an official effort to play down differences with the US. Senior officials in Seoul now are apparently convinced that they must put the best possible face on the recent discussions.

The foreign minister, in contrast to an earlier lukewarm endorsement of the joint communiqué issued at the conclusion of the mission, stated publicly on 17 February that the communiqué signified that there was complete accord between Seoul and Washington on what constituted an attack on South Korea. In line with this more moderate public posture, the chairman of the Joint Chiefs of Staff has issued instructions to all major commands to maintain close relations and cooperate with US forces in Korea. The order pointedly observed that to do otherwise would help North Korea to drive a wedge between the South Koreans and the Americans.

There have been widespread press reports in Seoul of an imminent cabinet shake-up growing out of the North Korean attempt on President Pak's life last month and Seoul's unhappiness with US handling of the Pueblo incident. Those most likely to be removed by President Pak are reportedly the minister of defense, the minister of home affairs, and one economic minister. Any changes at this time, however, would be largely a face-saving gesture by Pak and probably would not foreshadow any change in South Korean policies.

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EUROPE

In the USSR, Brezhnev and Kosygin in speeches last week displayed concern about intellectual dissidence. Both warned against alleged Western attempts to exploit the differences between the party and the dissidents. Numerous trials of members of the literary underground are reportedly under way, suggesting that the regime has decided to give no ground in the sharpening conflict.

Economic issues, particularly the touchy agricultural question, are also getting Moscow's attention. They are being discussed at a series of provincial party conferences now in progress and will head the agenda at the central committee plenum expected to take place next month.

Brezhnev and the party first secretaries of the other European Communist states (except Yugoslavia and Albania) gathered in Prague during the week to commemorate the 20th anniversary of Communist rule there. They had all the more reason to go because of curiosity and concern about Czechoslovakia's new leader and his sweeping political reforms. The Czechoslovaks will regard the leaders' presence as implicit endorsement of the changes of the past six weeks.

In Belgium, the King dissolved parliament after a week of futile efforts to form a new coalition. Elections will be held around the end of March and are expected to strengthen the hand of those who favor autonomy for the country's Flemish- and French-speaking communities. [REDACTED]

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USSR PROTESTS WEST GERMAN ACTIVITIES IN BERLIN

Moscow sent letters to the Big Three last week clearly designed to encourage differences among them over West German activities in West Berlin.

The letters sent by Soviet Ambassador Abrasimov in East Berlin blatantly differentiated between the French on one side and the US and the UK on the other. The French were handed a one-sentence note which opened with an amiable reference to Franco-Soviet interest in European detente and then merely stated that letters about dangerous West German activities in Berlin had been sent to the US and UK.

In contrast, the Soviets sent Washington and London almost identical letters, calling on them to protect West Berlin's special status from Bonn's "pretensions." The letters went over much the same ground covered by Moscow in an unpublished communication to West Germany last month, when it alleged that Bonn was trying to lay claim to West Berlin.

The Soviets probably are also trying to foment friction between Bonn and the Allies, especially the US. Moscow evidently suspects that the Big Three may be growing uneasy about Bonn's plans to begin another "work week" of parliamentary committee meetings in Berlin on 4 March. The Soviets may expect this to lead to Allied pressure on Bonn to tone down or back away from such demonstrations of its links with the city lest they provoke a stronger reaction from the Communists.

Moscow may be looking toward the parliamentary week as a test of the success of several diplomatic approaches it has made in recent weeks seeking to encourage Bonn to reduce--or at least to make less conspicuous--its role in Berlin. Thus the recent decision by the Bundestag defense committee, contrary to a previous public announcement, to meet in Berlin may bring more urgent Soviet protests.

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CZECHOSLOVAKIA MOVES TO CUT BACK PARTY POWER

The new party first secretary, Alexander Dubcek, is relying on "democratization" of the party to secure his power. For the first time since the Communists took over in 1948, party central committee members and alternates, together with the central control and auditing commission, are exercising the political power which has theoretically been theirs all along. Inspired by their success in dumping Novotny and encouraged by Dubcek, these 200 people are enthusiastically helping to draft a "party action program" which will be presented at a central committee meeting reportedly scheduled for mid-March.

The program, as outlined in a communique from the party presidium, will be designed to "ensure" the central committee's continued dominance, to reinvigorate the top levels of the party with frequent infusions of capable men from the ranks, and to provide for "evaluation" of the performance of party functionaries. The program will provide for a new system of party appointments, thus breaking up the monopoly of Novotny's former henchmen. Individuals with posts in the party and government will have to choose one post or the other. A political atmosphere in which "freedom for criticism, and diversity of views" could flourish in the central committee would be guaranteed. Parliament would be given complete leadership of the government; electoral procedures would be changed to guarantee this.

Dubcek has begun making changes in the central party bu-

reaucracy which up to now has dominated both the central committee and the government. He has replaced the chiefs of departments responsible for military and security affairs, as well as for ideology, with people he trusts.

These developments are receiving unprecedented publicity and agitation for change is growing within the party. Local party units from nearly every important area of the country are demanding liberalization and a voice in the "democratization" process. Many old-time Communists, shunted aside after they carried off the bloodless coup in 1948, are adding respected voices to demands for a cut back in the party's power.

The same spirit animates those politically active among the general populace. Students want their own organization, separate from the officially supported mass youth organization. The mass youth organization in turn has been demanding that it cease being a mere arm of the party. Slovaks have demonstrated for fulfillment of economic promises. The Writers' Union has demanded reinstatement in the party of some of its members who were banned by Novotny for outspoken criticism. Economists are pressing for reform. Journalists are calling for an end to censorship.

Dubcek will begin to put his stamp on the government at a meeting of parliament scheduled to begin on 26 February. Conservative opposition to Dubcek's ideas is still strong, however, and the process of change may take longer than he has foreseen.

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MIDDLE EAST - AFRICA

Fresh turmoil over old problems has afflicted the South Asian subcontinent this week, while tensions in the mideast remained high and the Nigerian civil war dragged on.

New Delhi was finally forced to dismiss the legislature of chaotic West Bengal State after months of bitter political infighting. The central government imposed direct rule on the state, which is bound to spur vitriolic debate when the issue comes up for Parliament's approval. The government of Uttar Pradesh, India's most populous state, is on the brink of collapse.

Indian nationalists in Parliament reacted angrily to an international tribunal's award of ten percent of the desolate Rann of Kutch to Pakistan. Although both the Indian and Pakistani governments are committed to accepting the decision, Prime Minister Gandhi will have to fend off bitter opposition attacks. Any foot-dragging by India will not sit well with Pakistan and may add new strains to relations between the two countries.

Continuing Arab terrorist raids on Israel, and Israel's persistence in hitting back, have kept the mideast pot boiling. The Jarring mission has thus far been unproductive, and Jordan is again threatening to call for further UN deliberations.

The Nigerian federal offensive in Biafra continues to make slow progress, but a military conclusion is still a long way off. Meanwhile, Commonwealth Secretariat efforts to mediate have only served to antagonize the federal leaders, who are more inclined than ever to treat the war as a strictly internal matter.

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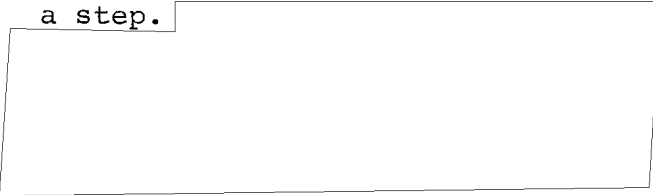
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ARAB-ISRAELI PROBLEM EVADES SOLUTION

An Arab-Israeli peace settlement seems as far away as ever, despite UN special envoy Jarring's continuing efforts to work out a peace plan in the context of the November Security Council resolution.

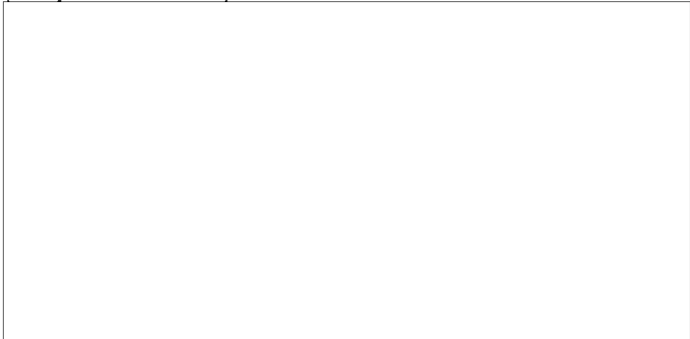
Jarring has been circuiting Arab capitals and Tel Aviv since December. Neither side, however, appears to have made any substantial move toward an agreement. The Jordanians are again threatening to call for another Security Council meeting to discuss the specifics of the Jerusalem question. The Jordanian prime minister said earlier this week that he can hold off for "only a few days" before domestic pressures force him to take such a step.



The Jordanians have been further frustrated by their failure to curb terrorist raids from Jordanian territory which invite

Israeli retaliation against Jordan. These terrorists are trained and sponsored by Syria, but the Israelis have persisted in hitting back at the Jordanians rather than striking Syrian positions along the Syrian-Israeli cease-fire line. The flare-up last week along the Jordan River valley, one of the most serious since the June war, has apparently frightened the Jordanians, and they now are trying harder to deter terrorists from transiting Jordan on raiding missions.

Husayn's bitterness toward the Syrians and their comparative immunity from retaliation has lately begun to show through. Jordan's interior minister has publicly stressed that Jordan will not allow other nations to provide Israel with further excuses to attack the Jordanians.



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SOVIET ECONOMIC ACTIVITY IN THE MIDDLE EAST

In recent weeks the USSR has worked to get its economic programs in the Middle East moving ahead and has made specific offers of economic aid to conservative Arab regimes which earlier had spurned general offers.

In a review last December of their economic aid programs in Egypt, Iraq, and Syria, the Soviets stressed the need to get projects completed as well as to get more production from existing plants. The Soviets are probably concentrating on achieving these goals. The Soviet-Iraqi communiqué, for example, emphasized work programs designed to accelerate completion of Soviet aid projects, many of them under construction since 1959.

The USSR, nevertheless, is willing to exploit new opportunities. In December it offered to help Iraq in developing its petroleum industry. Baghdad solicited the offer, probably to goad Western oil companies to be more cooperative in negotiations with the Iraqi National Oil Company (INOC). The scale and terms of Soviet assistance were left for later negotiations. The president of the INOC board of directors recently announced that he will go to Moscow soon to sign an agreement on oil cooperation, possibly another pressure tactic. The Soviet offer included assistance in oil exploration in southern Iraq, transport, and marketing. There is no evidence

yet, however, that Moscow intends to depart from its current practice of funneling aid in this field into prospecting and technical assistance.

The major Soviet effort in Egypt is likely to begin shifting from the Aswan Dam, which is nearly complete, to the Helwan iron and steel project. Work on this has been held in abeyance, although the Soviets a year ago committed about \$160 million in credits for it.

A Soviet economic delegation recently spent a month in Jordan examining potential aid projects. It showed particular interest in projects designed to develop natural resources (including petroleum), and to improve transportation, public and municipal services, and telecommunications. Despite the careful preparations which Moscow apparently made for the visit, no agreement was concluded.

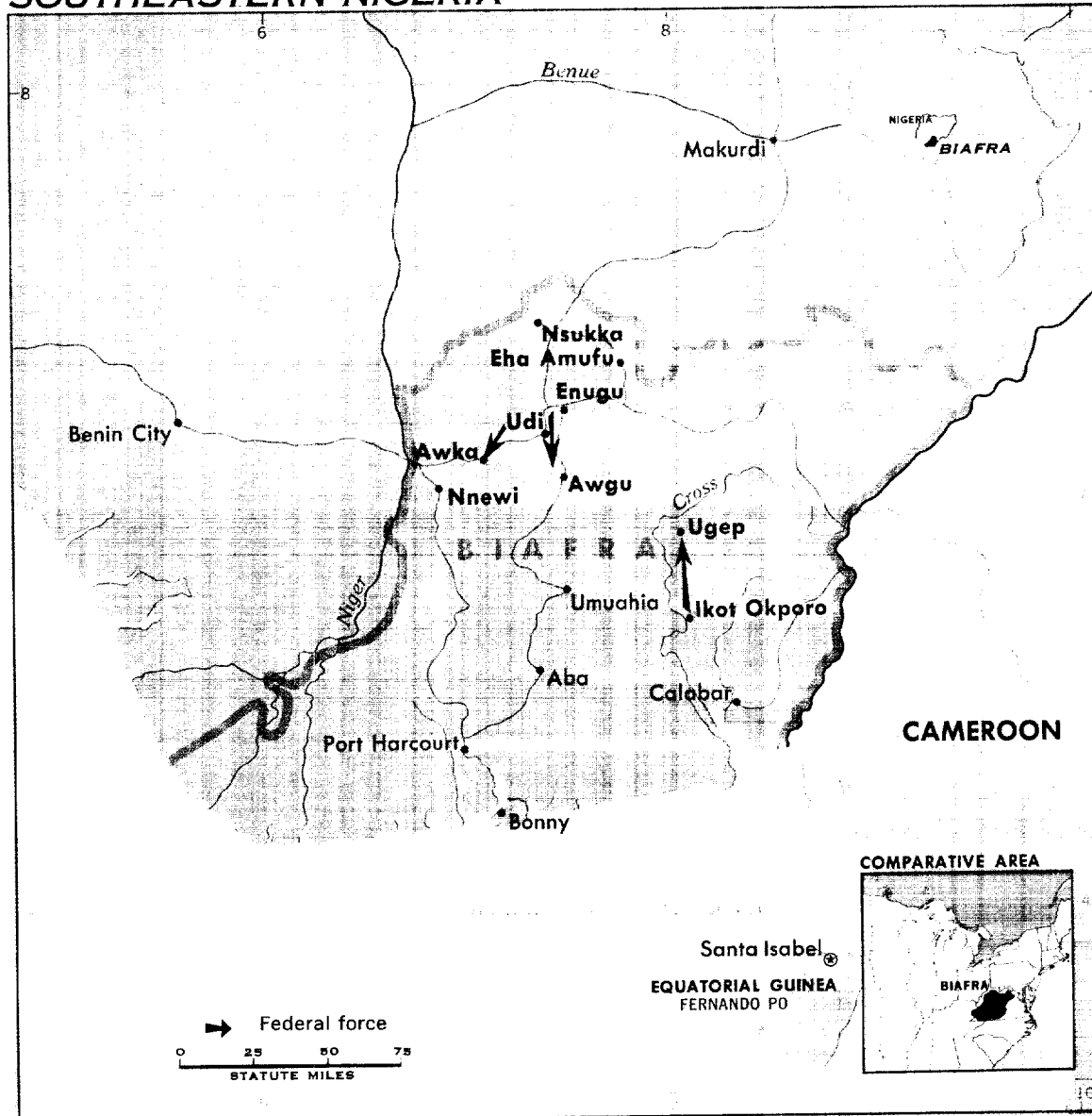
In the field of military aid, the Sudan has been added to the list of Soviet arms clients and the Sudanese defense minister has stated Khartoum's armed forces will convert entirely to Communist equipment. Moscow earlier this month was host to the defense minister of the newly independent Republic of Southern Yemen and it has told Jordan that a high-level military mission was prepared to go there whenever it was invited. [REDACTED]

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SOUTHEASTERN NIGERIA



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FEDERAL FORCES ARE SLOWLY GAINING IN NIGERIA'S CIVIL WAR

Nigeria's federal army is continuing to penetrate Biafra's Ibo tribal heartland, and the Biafrans appear to be unable to stop the oncoming forces. The civil war, nonetheless, will probably go on for some time.

On the northern front, major federal military forces now are well south of Enugu. The 1st Division has moved south of Udi and may be threatening Biafran army headquarters at Awgu. The 2nd Division has captured the town of Awka, where the Biafrans had been assembling crude armored vehicles. The 2nd Division's next objective reportedly is Nnewi, home of Biafra's leader, Lt. Col. Ojukwu.

During the past two weeks, Biafran patrols raided federal supply lines in the Nsukka and Eha Amufu areas. These patrols appear to have been handled fairly easily by federal battalions guarding these areas, but one of their objectives--disrupting the growing sense of security among the local populace--seems to have been achieved. Many Biafran

soldiers also have put on civilian clothes and probably will continue to harass federal rear areas.

In the southeastern sector, the federal 3rd Marine Commando Division has thrust north of Ikot Okporo in an apparent effort to gain control of the entire area within the great bend of the Cross River. Federal troops are near Ugep, but have run into surprisingly effective Biafran counter-thrusts all along the river. The 3rd Division is handicapped by the longest supply lines in the campaign, and it may take some time before this area comes firmly under federal control.

Federal leaders have lost interest in negotiating a cease-fire. Not only is the war going their way but they have not taken well to some features of the peace package recently presented in Lagos by Arnold Smith, head of the Commonwealth Secretariat. Subsequent publicity on a possible Commonwealth peacekeeping force has served only to harden Lagos' view that the civil war is strictly an internal problem.

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CYPRUS PREPARES FOR PRESIDENTIAL ELECTIONS

Pro-enosis (union with Greece) elements have put up a candidate against President Makarios and balloting for the presidency will take place on 25 February. Makarios had expected his election to be uncontested. The election of a vice president to represent the Turkish Cypriot community was also originally scheduled for the 25th but was canceled because no opposition candidates were nominated to run against the incumbent Vice President Fazil Kucuk. He was declared the winner on 15 February, the final date for nominations.

President Makarios' apparent abandonment, at least for the moment, of enosis as a practical objective has opened some fissures in the Greek Cypriot community. Because of Makarios' stand the pro-enosis element nominated Takis Evdokas, a prominent Nicosia psychiatrist, to oppose him.

Makarios probably will walk over the opposition, but the pro- and anti-enosis agitation within the community could create some unpleasantness. Likewise, a sizable vote for Evdokas will be embarrassing to Makarios, who is sensitive to criticism of his leadership.

Makarios may also be embarrassed by the disclosure that Greek Cypriot Communists have been training Rhodesian nationalists in guerrilla activities. Makarios' personal physician, Dr. Vassos Lyssarides, long known for his leftist ties, has been implicated in the affair. Makarios has so far rebuffed those of his advisers who advocate an open break with Lyssarides in order to head off right-wing criticism. Makarios undoubtedly aims to let the issue lie--to avoid jeopardizing his position with the large Communist element among the electorate who have supported his re-election.

Makarios apparently is confident the voters favor him and consequently is waging an essentially low-key campaign. Only a few of his ministers are actively participating, and he reportedly has insisted that no government funds be used to finance his re-election. He does show some concern, however, over possible apathy among the progovernment voters and has instructed his political aides to see to it that his supporters are transported to and from polling places. [REDACTED]

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WESTERN HEMISPHERE

Most Latin American governments continued their preoccupation with domestic problems this week.

In Argentina, the army commander in chief, General Alsogaray, angered President Ongania by strongly criticizing the government's policies. As a result, Ongania may have to replace him. Brazilian President Costa e Silva is also being subjected to criticism from the military, but may find it more difficult than Ongania to resist military pressures.

Although the recent campaign and elections in Paraguay demonstrated that "political coexistence" between the government and the opposition is more than a slogan, it remains to be seen how much more political liberalization President Stroessner will be willing to permit.

Construction by France of the space center at Kourou in French Guiana is on schedule, and the center should be operative in April 1968. Several countries are interested in arranging for use of the facilities.

In the Bahamas, general elections seem likely following the death of a government member of the House of Assembly. Premier Pindling's demand for increased autonomy from Great Britain will be an important election issue.

In the Dominican Republic, an agreement between the Balaguer government and university officials ended a confrontation between rebellious students and security forces--without serious violence. The praise accorded President Balaguer for his deft handling of a potentially explosive situation may evaporate, however, if military units fail to relinquish "temporary possession" of the university as promised.

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POLITICAL TURMOIL THREATENS PANAMA'S ELECTIONS

A growing struggle for control of the electoral machinery and thereby the means to manipulate election results could provoke a violent confrontation between partisans of the government's presidential candidate, David Samudio, and popular opposition candidate Arnulfo Arias. President Robles stated in a private conversation last week that the political turmoil might cause him to postpone the 12 May elections and request selection of new presidential candidates.

An open split over lines of authority has pitted the progovernment president of the three-member electoral tribunal against two judges supporting Arias. Samudio is seeking a supreme court ruling to remove the Arias supporters for malfeasance and partisan conduct. Robles has reportedly persuaded the court to suspend the two judges so pro-Samudio alternates can take over.

Arias has carefully avoided any precipitate action against the government's decision to instruct the national guard to accept orders from the minority tribunal president. He is still trying to convince guard Commandant Vallarino that the integrity of the guard would be respected if he were elected.

Arias, however, has issued a strongly worded warning that the government's attempts to rig the election would signal him to "summon the Panamanian people at any moment to organize a march on Panama City and impose justice." Large demonstrations could result in a breakdown of public order and increase the likelihood of anti-US

incidents along the Canal Zone border.

In addition, there are indications that the Arias majority in the National Assembly is prepared to convoke a special session to impeach Robles and possibly the supreme court justices if the court decides to oust the pro-Arias tribunal judges. Unless the national guard prevented such a session the first vice president--an Arias supporter--would legally assume the presidency.

For its part, the government is beefing up strong-arm squads to oppose Arias in the event of a clash, and Robles is planning to place more government assets at Samudio's disposal for the elections, if they are held as scheduled.

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On 20 February Vallarino told a US Embassy official that he was "in the middle" of pressures from both political camps but was following orders from Robles' minister of government. During the conversation there were indications that Vallarino favors Samudio's position in the dispute.

The guard was brought to full alert on 20 February and will probably try to maintain order. Should serious violence break out, however, Vallarino might intervene and take over the government himself.

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Arnulfo Arias
National Union
Presidential Candidate



Gen. Bolivar Vallarino
National Guard Commandant



David Samudio
Government Presidential Candidate

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FUEL SHORTAGES IN CUBA

The addition of gasoline to Cuba's long list of rationed goods is causing disruptions and hardships. The real reasons for the fuel shortages are still not clear. In announcing the rationing on 2 January, Fidel Castro said that consumption rose by eight percent in 1967, mainly because of increasing industrialization and mechanization of agriculture.

Other factors are probably involved, since actual consumption is believed to have increased by only about two percent during the past few years. Military reserves, which Castro said were seriously reduced last year, are probably being replenished and it is possible that there is some attempt at stockpiling. Miscalculation of POL needs, the declining efficiency of Cuba's aging refineries, and increased refining of industrial and aircraft fuels instead of automotive fuels may also have played a part.

Some of the increase in consumption can be attributed to

industrial expansion and agricultural mechanization, especially during the current sugar harvest. In 1967, 65 elaborate cane collection centers were set up and 4,500 cane cutting machines were in use. More equipment will be needed if Castro is going to come close to his sugar production goal of ten million tons a year by 1970.

The rationing has principally affected private consumers and public transportation systems. Castro has set an example of personal sacrifice by trading his three limousines for army jeeps. His regime is dealing harshly with profiteers and other violators of the rationing decree, and wide publicity has been given to the imprisonment of 25 persons for gasoline theft.

Although the USSR is apparently unwilling at present to add further to its POL commitments to Havana, the fuel situation is undoubtedly a major topic during the current negotiation of the 1968 trade agreement.

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TEACHERS COMPLICATE SALVADORAN ELECTION CAMPAIGN

The campaign leading up to local and congressional elections in El Salvador next month is being complicated by labor difficulties and recurring coup rumors.

Both the Christian Democrats, the major opposition party, and leftist elements, including the Communist labor center, are supporting the teachers' union (ANDES) demand for the removal of the minister of education. At least seven Communist affiliated unions, including the garbage men's union, staged sympathy strikes this week and some bus lines have scheduled sporadic walkouts.

Security forces in the capital were strengthened on 16 February in response to the teachers demonstration that began on the 15th. The demonstration attracted at least 7,000 participants and continued into this week. There was little violence, but the crowds blocked traffic and prevented education officials from entering the ministry.

Talks between the government and teachers began on 17 February. President Sanchez has refused to remove the minister of education and three successive meetings have foundered on this ANDES demand.

Students, not yet unified behind the ANDES stand, could

be caught up in the movement. A university torchlight procession, supporting the teachers, is under preparation. If additional university and labor support is forthcoming, the government will probably be forced to use repressive tactics. Severe measures could spark a counterreaction that could develop into a real threat to the government.

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Military elements probably prefer to resort to strong measures. The President is aware, however, that the government's legislative majority will be weakened in the 10 March elections if repression is applied and apparently still hopes for a compromise solution.

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