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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

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(Information as of noon EST, 5 December 1968)

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FAR EAST

Saigon's arrangements for sending a delegation to Paris are virtually complete, and the group should be pretty much in place by early next week. Ambassador Pham Dang Lam will head the small negotiating team, but over-all management of the delegation, which also includes a propaganda staff and a "lobby group" of representatives of various religious and political groups, will be in the hands of Vice President Ky.

The arrival of the South Vietnamese, however, may not prevent a protracted procedural wrangle over the sticky question of the relative status of the Saigon government and the National Liberation Front in the talks.

The ground war in South Vietnam sharpened somewhat during the week, particularly in the areas north and northwest of Saigon. The increased tempo was reflected in higher casualties on both sides.

In Laos, the Communists may have begun their annual dry season offensive in the Bolovens Plateau area. North Vietnamese troops took heavy losses in several sharp initial attacks against the government base at Ban Thateng, but they may soon make another effort against the position.

Japan's Prime Minister Sato lost no time in holding out the olive branch to his defeated factional opponents in the recent elections for the presidency of the ruling party. In a bid for party unity before making a renewed attack on such problems as the reversion of Okinawa, security ties with the US, and student agitation, Sato reorganized his cabinet so as to achieve better factional balance.

South Korean authorities are revising upward their estimate of the number of North Korean infiltrators who landed on the east coast last month. The number killed or captured already exceeds Seoul's initial estimate of 60, while small groups of marauders remain at large, taking their toll of South Korean civilian and military casualties.

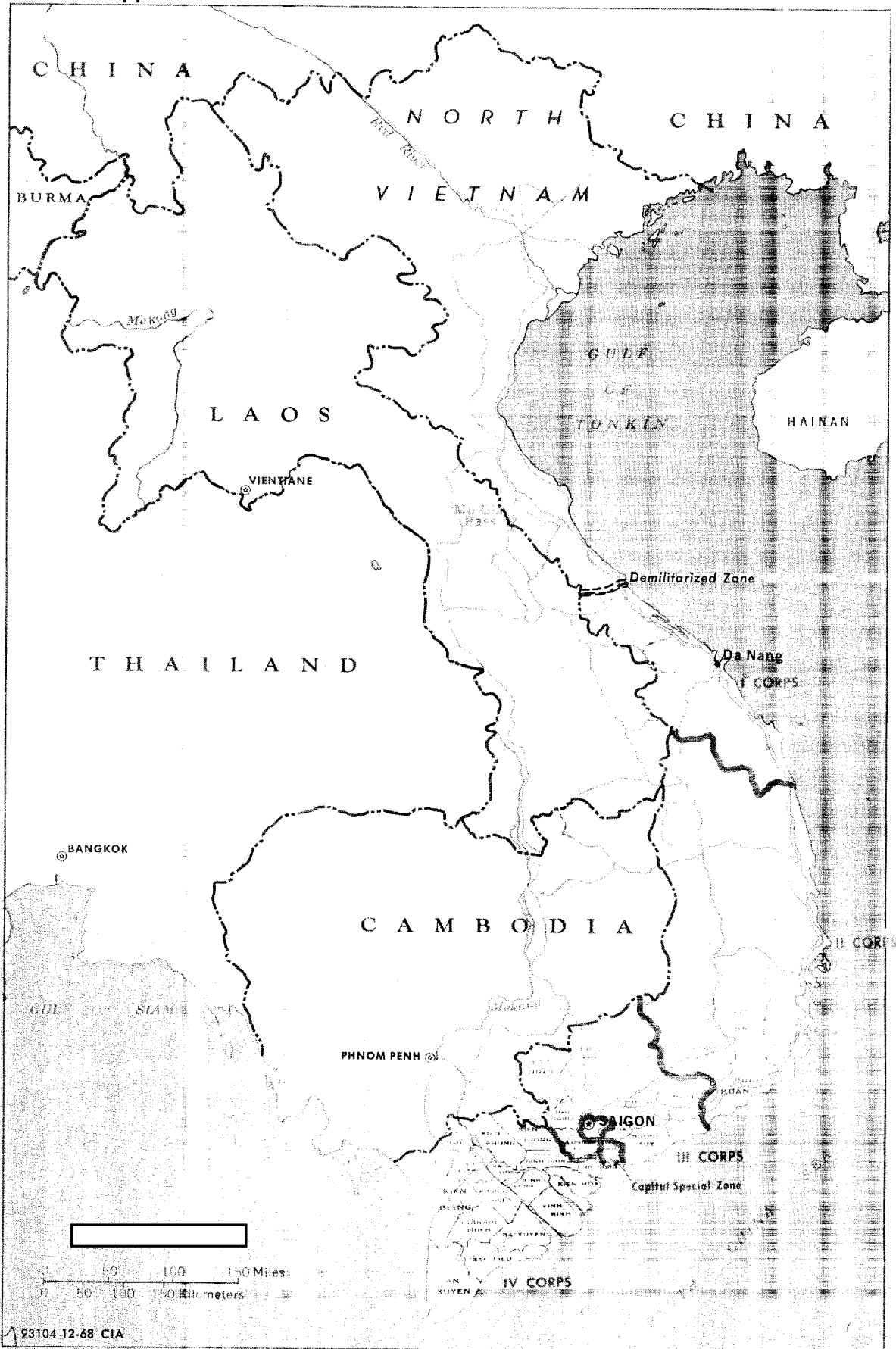
In Burma, General Ne Win has finally opened a dialogue with civilian politicians who have been out of power since his coup in 1962. It is clear, however, that he intends to proceed at a deliberate pace in working out with them a formula for their possible ultimate return to positions in the government.

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VIETNAM

Ambassador Pham Dang Lam, the head of South Vietnam's liaison delegation to the Paris talks, has been selected to head the negotiating team that will participate in the forthcoming expanded talks. He will operate under the direction of Vice President Ky, who is to lead and act as spokesman for the entire delegation, which includes the negotiating team, an information and propaganda staff, and a "lobby group" composed of representatives of various religious and political organizations.

The government appears to be placing heavy emphasis on organizing its propaganda effort at an early stage; many delegation members and several of Ky's advisers are well qualified in the information and psychological warfare fields.

President Thieu apparently had the principle voice in selecting members of the delegation, although he consulted closely with Ky and has been working unusually well with him on this problem.

The delegation is scheduled to depart this weekend for Paris, after securing National Assembly approval as required by the constitution. This requirement was apparently overlooked until this week when some of the legislators reminded the government of their prerogatives. Vice President Ky's personal interest in the peace mission probably will be a factor

in preventing some militant assembly members from voting against approval.

Information Minister Thien has been strongly criticized for his heavy-handed treatment of the press in recent weeks, and he may have lost the confidence of President Thieu. He submitted his resignation last week, but the government has not yet accepted it, partly to avoid any appearance of governmental instability as the delegation leaves for Paris. Foreign Minister Thanh is also the subject of mounting criticism. The Upper House recently issued a resolution of "dissatisfaction" with Thanh's performance and it is likely that there will be continuing agitation for his removal.

The Military Situation
in South Vietnam

Military activity this week was focused north and northwest of Saigon. In addition to reactions to vigorous allied operations designed to seek out enemy troop and supply concentrations, the Communists staged several heavy attacks in northwestern III Corps. Scattered fighting also occurred in other sectors of the country, largely as a result of allied initiatives.

Increased enemy aggressiveness in III Corps was reflected by stepped-up shellings, small-scale ground attacks, and a well-planned ambush of a US field force

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in midweek which resulted in more than 75 Americans casualties. Additionally, the enemy is becoming more sensitive to allied probes and thrusts into base areas and along infiltration routes and supply corridors. Consequently, both allied and Communist casualties have risen in the past several weeks despite an apparent enemy attempt to conserve his forces.

There are continuing signs of increased enemy emphasis on the Saigon region. In addition to the four Communist divisions deployed along the border of northwestern III Corps, other main and local force units have been noted preparing for offensive operations. These preparations include the build-up of supplies and the assimilation of North Vietnamese replacements into existing units. Should the Communists elect to renew large-scale offensive action in III Corps, refurbished combat forces are available on the periphery of III Corps and could be committed to battle with relatively little advance warning. Enemy forces in other areas of the country, including the coastal flatlands south of Da Nang and the western highlands and coast of II Corps, have also been observed preparing for combat.

In guerrilla actions, the Communists continued their local harassment throughout the four corps areas, although at a somewhat reduced pace. Viet Cong terrorists, for example, killed 226 persons in the past two weeks, a drop from the 348 persons killed in a similar two-week period in early October. The III Corps

region, however, has witnessed a recent rise in terrorist incidents against members of the People's Self-Defense Groups. During the past week, at least three provinces reported incidents where members of these local self-defense units were kidnapped or assassinated.

Viet Cong guerrillas are generally focusing on interdicting roads and shelling allied installations. Politically, however, these local forces appear to be continuing to work closely with Communist political cadres in their organization work in the countryside.

North Vietnamese propagandists are again emphasizing the successes of Communist guerrilla forces in the South. A recent propaganda broadcast by the North Vietnamese asserted that the fourth All-South Guerrilla Warfare Conference was recently concluded, and praised the guerrillas of Kien Hoa, Vinh Binh, and Thua Thien provinces, where the Viet Cong have traditionally been strong. Communist propagandists, as part of their campaign to "prove" growing Viet Cong influence, also claimed that an urban guerrilla force has been developing in Saigon and Hue.

It is becoming increasingly clear that the Communists are involved in both short- and long-term preparations for strengthening their military position throughout South Vietnam. To meet more immediate contingencies, the Communists are attempting to conserve their forces while rebuilding, increasing training and morale,

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and improving logistical capabilities.

The Communists also appear to be maintaining their long-range options. The renewed threat to some areas of the northern provinces, consolidation of forces in the central section of the country, and the build-up of the imposing force of at least four divisions within striking distance of Saigon allow the Communist strategists several options.

Logistics

The North Vietnamese have substantially increased their logistics base in the southern provinces since 1 November but thus far, traffic into the Laotian panhandle and the Demili-

tarized Zone does not appear to have increased.

Photography indicates that virtually all the roads in southern North Vietnam have been made usable again since the bombing halt. The photography also has shown many more trucks on roads and in parks during the daytime than in the period before the bombings stopped.

Although the level of logistics activity in southern North Vietnam has increased, the number of trucks moving into the Laotian panhandle has probably remained at about the level of before the bombing halt. This traffic may step up in the near future in accord with patterns of previous years.

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COMMUNISTS BEGIN NEW OFFENSIVE IN LAOS

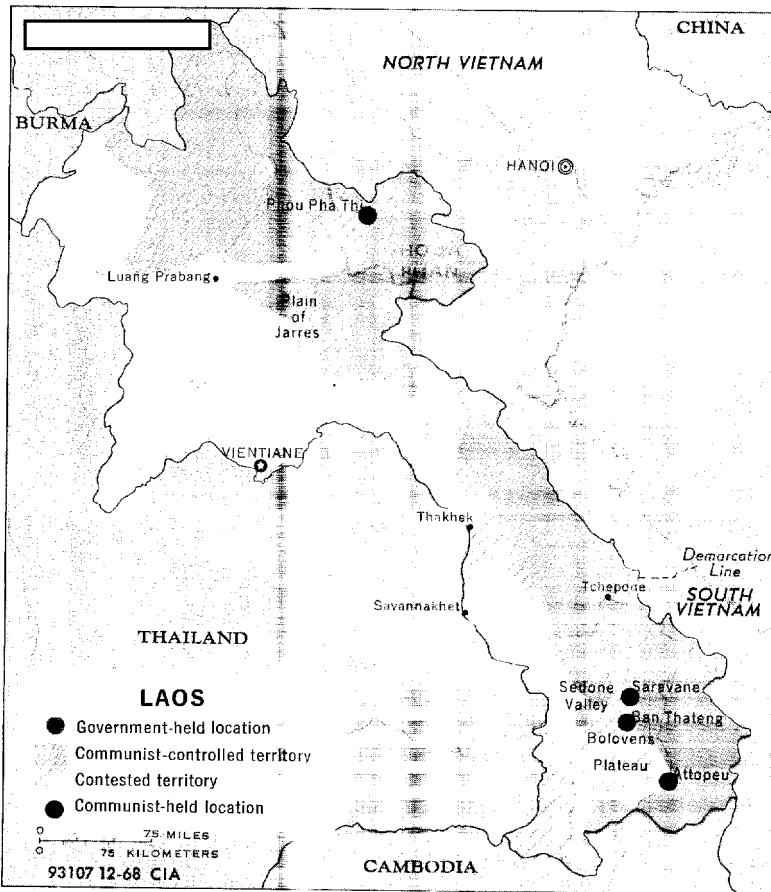
The Communists appear to have begun their annual dry season offensive in the Bolovens Plateau area, while an uneasy quiet prevails elsewhere in Laos.

North Vietnamese troops launched several sharp attacks against the government base at Ban Thateng last week and routed a government supply column en route to the beleaguered outpost. Although the Communists suffered heavy losses in their unsuccessful assault against Ban Thateng, they may soon make another effort against the position.

The attack against Ban Thateng is the most significant enemy action in the Bolovens Plateau area since last February, when the enemy moved into the Sedone Valley and surrounded the provincial capitals of Saravane and Attopeu. The North Vietnamese may be picking up where they left off then, with the Ban Thateng thrust the initial step in a new effort to push government forces from the eastern rim of the plateau. The attack could, however, be no more than a reaction to a recent sweep operation designed to clear enemy forces east of Ban Thateng and extend the government's presence into the infiltration corridor.

The North Vietnamese have enough troops in the area to take the Bolovens Plateau and Saravane and Attopeu if they choose to do so. One recently captured North Vietnamese prisoner claims that plans have been laid for a move against Attopeu. The tactical situation was essentially the same last year, however, and these provincial capitals have remained in friendly hands.

No major fighting has been reported in north Laos, but government guerrillas are regaining some territory in the Phou Pha Thi area in a campaign designed to delay the start of the enemy's dry season offensive in Houa Phan Province.



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MAOIST PROGRAMS GENERATE NEW CONFUSION IN CHINA

Radical Maoist social programs that have been under way this fall, particularly since the 12th party plenum in October, are impeding efforts to restore stability in major urban centers and the provinces. These campaigns are causing serious social disruption and are placing a heavy burden on local officials all over China. The drives appear to be ill-planned and overzealously carried out.

A campaign to "simplify" administration by sending large numbers of cadres down to the ranks or "back to the farm" is creating widespread anxiety. Ordinary people are also being sent to the countryside on a wholesale basis to work in agriculture on a semipermanent basis. Much of the student body at college level--about 500,000 young people--has also been dispersed to the countryside under locally administered programs.

These moves reflect radical Maoist edicts calling for educational "reform" by giving students extensive "work experience." Local authorities are probably following through enthusiastically on these instructions in order to eliminate factions that have been a source of persistent trouble. There is apparently no intention of resuming meaningful higher edu-

cation in the near future. [redacted]

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[redacted]
Urban youths, mainly of high-school age, are also being sent to the countryside under a crash program that is producing serious disruption in Kwangtung and probably in other provinces as well. [redacted]

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[redacted] in Canton alone 300,000 students--a majority of the student population above elementary-school level--were being sent to rural areas. The students are going to distant army-run state farms or to nearby communes.

[redacted] farmers are protesting that the new arrivals do not know farming techniques, refuse to accept instruction from their involuntary hosts, and are placing a heavy burden on housing and food supplies. Several incidents have been reported in which farmers have violently resisted the unwanted outsiders. At one of these communes, students were reported to have "disappeared" on 24 November, presumably to go home. Such unauthorized flights to urban areas seem likely to become a serious problem for local security forces.

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JAPAN'S PRIME MINISTER SATO RESHUFFLES CABINET

Following his election to a third term as party president, Prime Minister Sato is seeking to strengthen his position for dealing with three sensitive issues over the next two years: reversion of Okinawa, extension of the US-Japan security treaty, and student disorders.

On 30 November, he formed a new and factionally well-balanced cabinet in a clear attempt to protect his flanks against intra-party criticism of his handling of these controversial issues. Even competing factions received ministerial posts, as well as a party executive post, as Sato strove to put himself on as good a footing as possible to meet the expected opposition onslaught on the reversion and security issues. Reflecting his intention to retain personal management of sensitive foreign policy issues, Sato named Kiichi Aichi, a member of the prime minister's inner circle of associates, as foreign minister. Aichi has had a long and intimate involvement in relationships with the US.

Sato looks upon Okinawa as the crucial challenge to the success of his third term. He considers it essential to obtain agreement next year on the form and timing of reversion if he is to preserve good relations with the US and the viability of his Liberal Democratic Party.

According to Aichi, Sato's timetable calls for preliminary soundings on Okinawa and the security treaty with the new US administration early next year. The main purpose of these talks

would be to devise a formula that would permit Okinawa's reversion to take place two or three years after the security treaty hurdle is passed in 1970. Assuming the success of these working-level negotiations, Sato hopes to visit the US later in the year to formalize the agreements.

Sato may then call for national elections before 1970, when forces opposed to the security treaty plan to peak their campaigns. He thus hopes to take the wind out of the leftist opposition parties' sails by gaining a popular endorsement of his management of these controversial issues.

On the domestic scene, Sato must wrestle with the immediate problems of student disorders and the ongoing debate on national security. The government is coming under increasing pressure from the general public to take stronger police action against extremist students who not only spearhead the anti-US movement but also the agitation that has disrupted normal operations in about 60 universities this academic year.

In the realm of national security, Sato runs the danger of arousing deep-seated Japanese sentiments against rearmament as he seeks public support for a greater defense effort. The prime minister believes an enlargement of the Japanese defense establishment would help persuade the US to accelerate the reversion of Okinawa. [REDACTED]

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EUROPE

Events required Moscow to divert some of its attention from Eastern Europe this week. Commenting on new Arab-Israeli tensions, Pravda warned that the USSR would "administer a resolute rebuff" to any aggressors in the region adjacent to its southern borders. Pravda's main message, however, was a call for a political settlement, and it was timed to appear just as UN representative Jarring was about to arrive in Cairo.

Moscow's pique at NATO efforts to improve surveillance of the Soviet naval squadron in the Mediterranean came through clearly in renewed assertions that the Soviet Union was a Mediterranean power and had a right to be there. The UK was singled out in a particularly sharp note that Moscow quickly published, perhaps in the hope that this would soften the British position on the Czechoslovak issue.

Soviet press treatment of the incoming US administration, which has been temperate to date, has revealed that Moscow is following developments with interest.

In Moscow, preparations are under way for next Tuesday's opening of the Supreme Soviet, the USSR's parliament. The economic plan and budget for 1969 will be the main business of the session, but the return from abroad of a number of ranking Soviet diplomats suggests that an end-of-the-year foreign policy review may also be on the agenda. These officials are all members of the party's central committee, which generally meets before sessions of the Supreme Soviet.

Yugoslav National Day observances provided some of the Eastern European countries with a safe target on which to focus their pent-up fears and tensions.

There were wide differences in the commentary and official statements taking note of the occasion. The Czechoslovaks and the Rumanians sent warm congratulations; the Hungarians were enthusiastic; the Bulgarians gave it the cold shoulder; the East Germans, surprisingly, gave prominent coverage to the holiday; and the Poles sent a chilly, unsigned message.

Conditions remain uncertain in the major Western foreign exchange markets, with no clear signs of a return to international monetary stability. Exchange rates of the principal currencies have tended to move haltingly back toward their parities, but the price of gold has responded to increasing daily demand and moved up slowly. In general, the condition of the markets suggest that investors and exchange traders are wary and skeptical, apparently unsure whether recent corrective measures will prove sufficient to restore either stability or confidence. Meanwhile, strikes plagued France and Italy.

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INCREASED WESTERN INTEREST IN MEDITERRANEAN SECURITY

Western security requirements in the Mediterranean may be the focus of increased attention in the months ahead. At their recent ministerial meeting in Brussels, all 15 NATO allies affirmed the need for greater vigilance in the area. NATO has already taken several steps to that end, including the establishment of a new maritime air force command.

The new command, COMARAIMED, will concentrate on tracking the movements of Soviet ships across the 2,000 miles of the Mediterranean basin. Britain, Italy, and the US will provide hardware and aircraft for the new unit while France and several other NATO members are expected to contribute information without formally taking part in the command's operation. The headquarters is in Naples.

Diplomatic initiatives from several quarters, however, may confuse the nature and scope of the NATO commitment. An Israeli demarche has sought to extend the sphere of NATO's interests to cover the Middle East situation in general and Israeli security interests in particular. The Spanish, in contrast, have called on both the US and the USSR to consider withdrawing their fleets completely from the area.

The Israelis base their initiative on a statement in the NATO ministerial communiqué that

warns the Soviets of "grave consequences" in the event of threatening actions in the Mediterranean. In approaches to various NATO capitals last week, Israeli diplomats cited "the common interest of both the NATO members and Israel" in Soviet activities there.

Although the Israelis were too circumspect to suggest a formal security arrangement with NATO, they did nevertheless urge an "ever-increasing exchange of opinion." The Israeli demarche is not likely to be very successful in view of the desire of the NATO ministers to avoid the divisive issue of the Middle East. It could, however, force the allies to clarify a commitment they had hoped to keep loose and flexible.

The Spaniards have explained their proposal as intended to be a constructive one for reduction of tensions in the Mediterranean. They argue that a roll-back of US and Soviet forces would be consistent with the NATO allies' endorsement earlier this year of a balanced withdrawal of US and Soviet forces from central Europe.

Madrid is currently renegotiating Spanish base agreements with the US and may have advanced its proposal as a means of forcing up the price. It may also be seeking to curry support among the Soviet and Arab blocks for Spain's continuing efforts in the UN to win Gibraltar from the British.

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USSR REAFFIRMS RIGHT TO MEDITERRANEAN PRESENCE

Moscow has reacted to the recently established NATO maritime air force command for the Mediterranean with a strident propaganda attack, and has reasserted its own right to operate in the Mediterranean.

In addition, Moscow has sent diplomatic notes to all NATO countries protesting the establishment of the new command. In its notes to the Mediterranean littoral countries--Greece, Italy, and Turkey--Moscow also suggested the need for a Mediterranean conference to promote detente in the area. The note to the Turks was the most explicit, calling for an early meeting of the Mediterranean powers. The suggestion is intended to refurbish the "peaceful" side of the Soviet image in much the same way as their occasional call for a European security conference does in central Europe.

Moscow's press campaign is primarily designed to suggest that the USSR, as a global power, rates a presence in the Mediterranean similar to that of the US, and with the same prerogatives. Moscow's aggres-

sive tone is also directed toward buttressing the diplomatic position of its Arab clients in their discussions with UN emissary Jarring. The Soviets are also seeking to intimidate Israel, and perhaps to raise the level of anxiety in Yugoslavia and Albania. Finally, Moscow's claim to rights in the Mediterranean is a measure of frustration over its lack of unimpeded access to the area from the Black Sea.

Moscow's tough statements, however, could well be a forerunner to reopening its proposal to make the Mediterranean a nuclear-free zone. This is a standing item in Soviet disarmament policy, designed to bring an end to Mediterranean patrols of the Polaris submarine. If only for the nuisance value, the Russians may profess to see some merit in the Spanish suggestion that both the US and the USSR should withdraw their Mediterranean forces. In the meantime, the Soviets are developing a more sophisticated anti-submarine capability in the area, hoping to achieve a military neutralization of the Polaris threat that they have failed to remove by diplomatic means.

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TITO RESTATES YUGOSLAVIA'S INDEPENDENCE

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President Tito's policy statements last week clearly set forth once again Yugoslavia's neutrality and should serve to ease Soviet-Yugoslav tensions. In his remarks during celebrations of the national day anniversary, Tito also underlined again his determination to defend his country from all sides.

At the same time, he emphasized his desire to maintain ideological links with the international Communist movement while keeping Yugoslavia free from entanglements with either Moscow's "socialist commonwealth" or the North Atlantic Alliance.

In a modest gesture to Moscow Tito also repeated his line that Yugoslavia does not expect a Soviet

invasion.

TASS gave Tito's comments the most favorable Soviet coverage since the invasion of Czechoslovakia.

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Despite this public stance, Yugoslav officials

appear eager to establish even closer ties with the West. When the need arises, the Yugoslavs will continue to denounce Soviet pretensions to hegemony over all socialist countries. Meanwhile, Belgrade will vigorously pursue non-alignment as a device for avoiding Soviet policies that infringe on its sovereignty.

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TITO'S COMMENTS ON YUGOSLAVIA'S 25TH ANNIVERSARY

In regard to the Brussels statement by Mr. Rusk, our position is in complete contrast to this statement. The spheres of interest stop at our borders. What sort of zone they have and whether it is gray, I do not know. Here in Yugoslavia, it is a bright zone.

I believe that there is no reason for the Soviet Union to undertake any [military] action against Yugoslavia, nor do we believe in such a possibility.

Who does not respect his own country and his own people in the first place cannot respect others either.

Our peoples made immense sacrifices and shed rivers of blood in order to become masters of their own fate and to be able to make independent decisions on the forms of their socioeconomic development.

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SLOWER GROWTH SEEN FOR SOVIET-FRENCH TRADE

Economic and scientific talks scheduled for later this month may set the course for economic cooperation over the next few years between France and the USSR. Prospects for expanding trade are limited by Moscow's inability to provide additional products of interest to France. Such factors as the invasion of Czechoslovakia and recent pressures on the franc have had little impact on the prospects for future trade.

France ranked as the USSR's sixth largest Western trading partner last year, with trade totaling about \$340 million. French exports of machinery and transport equipment, which have been increasing rapidly over the past three years, have narrowed France's substantial trade deficit with the USSR. These exports were envisaged under the 1965-69 trade agreement signed in 1964. A recent contract to build 12 refrigerator ships--worth some \$92 million--for the Soviets will help maintain the level.

French imports from the USSR have been growing slower than exports. Consisting chiefly of raw materials, they are often available elsewhere on better terms than from the USSR.

Ways to increase trade and economic cooperation probably will be on the agenda of the high-level "Grand Commission" talks scheduled to begin later this month. The discussions were scheduled to be preceded by meetings of the 13 technical subgroups composing the "Petite Commission." These talks may result in some increased trade opportunities, such as the proposed sale of French machinery and equipment for producing electrical appliances, with the Soviets selling a fixed percentage of the eventual output in France.

Although economic cooperation along these lines is envisioned in other industries as well, most contacts to date have been limited to acquainting French businessmen with their Soviet counterparts. The concept of joint ventures received a setback recently when the USSR turned to the US for technology and equipment to produce color television components following the failure of Franco-Soviet efforts to make French color picture tubes the basis for the mass production of color receivers in the USSR. Other joint scientific ventures, such as testing of the Molniya communications satellite and atomic energy research, appear to offer little in the way of increased trade opportunities.



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MIDDLE EAST - AFRICA

The Arab-Israeli confrontation reached another fever point this week when Israel struck hard against Jordan and the Iraqi forces stationed there. The present cycle of raids and counterraids is expected to continue.

Egypt's sole legal political organization, the Arab Socialist Union, met several times during the week to discuss the causes of the recent student riots. Nasir, faced with the problem of satisfying students and intellectual malcontents without loosening his tight rein on the country, has alleged that the riots were partially instigated by Israeli agents.

On Cyprus, the second round of talks between the Greek and Turkish Cypriot communities has so far resulted in little progress. The degree of local self-government allowable to the Turkish Cypriot community is the major snag. The governments of both Turkey and Greece are prodding the local leaders on the need for compromise.

The military stalemate in Nigeria continues, although federal forces are apparently preparing to launch another offensive sometime this month. There are growing signs of war-weariness, especially among Yoruba tribesmen in Western State, where army units last week killed some 11 persons while suppressing demonstrators protesting a war tax. Some army deserters were apparently involved in the demonstrations, which may have been inspired in part by disaffected Yoruba politicians.

The second round of Algerian-French economic negotiations, concerning principally wine and petroleum, opened in Paris on 3 December. The semiofficial Algerian-French - language daily El Moudjahid, on 4 December sharply criticized the conduct and motives of French oil companies in Algeria. This press attack, implying that Algeria might resort to nationalization, seems designed to exert pressure on the French negotiators to modify the 1965 petroleum accords along lines more favorable to Algeria.

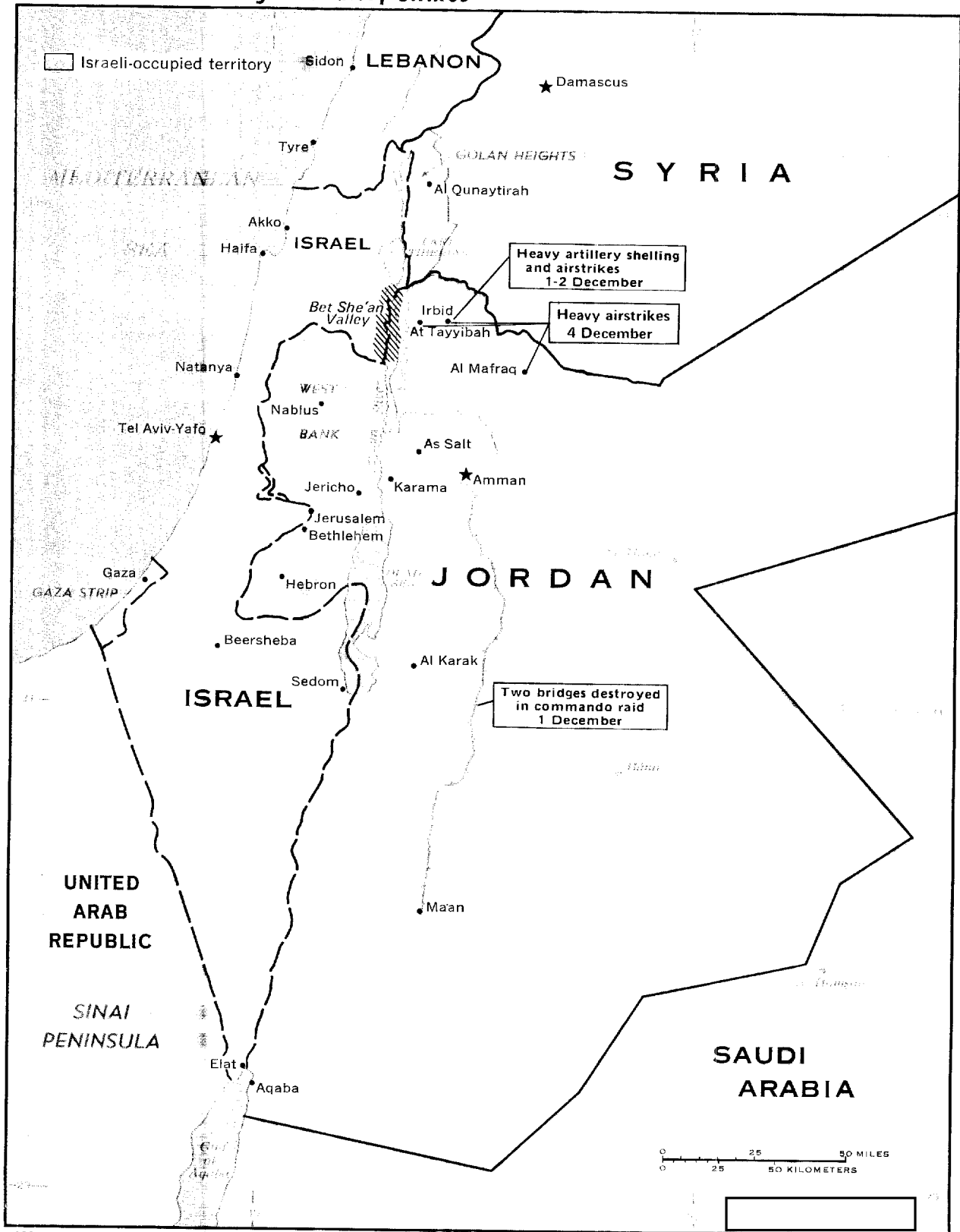
New irritants have arisen in Ethiopian-Somali relations that both obstruct Somali Prime Minister Egal's efforts at detente with Ethiopia and provide fresh ammunition to his opponents in the election campaign.

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Israelis Continue Strong Retaliatory Strikes



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ISRAEL INTENSIFIES RETALIATORY STRIKES AGAINST JORDAN

Israel, after four months of relative restraint in the face of constant harassment on the Israeli-Jordanian frontier, struck hard against Jordan this week.

Helicopter-borne Israeli commandos, in a raid similar to their raid into Egypt on 1 November, struck 40 miles deep into southern Jordan and destroyed a road and a railroad bridge on 1 December. At the same time, Israeli forces hit hard with artillery and aircraft at the Irbid area in northwestern Jordan. Air attacks were continued during the next few days, culminating with a heavy attack by Israeli aircraft on 4 December against Jordanian towns in the northwest where Iraqi troops are based. During the 4 December fray, at least one Israeli aircraft was downed by antiaircraft fire.

Israel has said that its attacks were in retaliation against continuous sabotage incidents by Arab terrorists and the shelling of Israeli settlements by Jordanian and Iraqi troops. Border clashes and incidents have been at a steady rate of three or four per day for many weeks now, and were recently highlighted by the terrorist bombing of a Jewish marketplace in west Jerusalem in which 12 persons died.

Arab terrorists and Jordanian and Iraqi troops in the Irbid area have repeatedly focused

their attacks on Israeli settlements in the Bet Sheian Valley. The Israelis are well aware that the Iraqis--and probably the Jordanians as well--are aiding the terrorists, and have long been anxious to get a crack at the area. Whoever started this week's fracas, the Israelis were obviously happy to have the chance to strike back. Public Israeli statements emphasized that the moves were directed particularly against the Iraqis, who have heretofore been comparatively immune to retaliation.

King Husayn is still unable to curtail terrorist activity. Further Israeli raids will only encourage the terrorists, and the present vicious cycle of raids and counterraids will continue.

The situation along the Suez Canal, meanwhile, has been quiet recently, although the potential for exchanges of fire remains high.

Israel's timing of the attacks against Jordan coincided with the return of UN emissary Jarring to his Nicosia headquarters to attempt a resumption of peace talks. While the Israelis try to disassociate military actions from peace negotiations, their moves strongly suggest that they believe the chances of the Arabs agreeing to a peace settlement are almost nil, and that in the meantime they must revert to their old policy of "teaching the Arabs a lesson" to reinforce the image of Israel's military supremacy.

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PAKISTANI DISSIDENTS WIN GOVERNMENT CONCESSIONS

In an attempt to end the intermittent antigovernment disorders that have plagued West Pakistan for nearly a month, President Ayub Khan has granted major concessions to the dissidents.

On 1 December, in his regular nationwide first-of-the-month broadcast, Ayub outlined a plan designed to placate student leaders of the current unrest. The most notable victory for the students was Ayub's promise to repeal a section of the university ordinance that enables the government to withdraw college degrees from graduates accused of "subversive" activities.

On the following day, the government took steps to counter economic discontent. It announced that top members of the ruling Pakistan Muslim League, meeting with Ayub, asked the administration to ensure that workers receive essential goods at fair prices.

The government's concession followed several weeks of encouraging developments for the opposition. Although robbed of its leaders by the roundup on 13 November of antigovernment spokesmen--including ex - foreign minister Bhutto--the disparate opposition forces were nevertheless able to regroup and continue their agitation. Their campaign received a significant boost on 17 November when former air force chief Asghar Khan announced

his decision to enter politics and to work for the unity of the opposition. Far more attractive as a potential presidential challenger than Bhutto, the popular and respected Asghar may provide a rallying point for the opposition if he can muster essential support in East Pakistan.

Two other figures of national stature subsequently joined the opposition. On 26 November, S. M. Murshed, retired chief justice of the East Pakistan High Court, threw his hat into the political ring, endorsing the antigovernment charges made by Asghar. In a similar bid the next day, Khan Abdul Qaiyum Khan, an old-line Northwest Frontier politician with a substantial national reputation, entered the fray, backing Asghar's pronouncements and vowing to pursue opposition unity.

The government's concessions will go part way toward satisfying demands made by the protesters, but other issues are at stake and basic grievances remain. The opposition's success in forcing governmental liberalization will probably encourage it to continue the unrest, and security authorities are anticipating sporadic disturbances throughout the 1969-70 elections. Ayub's willingness to authorize certain reforms should not obscure the fact that he also is more than willing to use whatever force is necessary to keep order.

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POLITICAL POT BOILS IN GHANA

Long pent-up political discontent is beginning to surface in Ghana as the military government moves closer toward restoring civilian rule. Political maneuvering by factions both within and without the ruling National Liberation Council has renewed strains among key council members and to some extent has undercut their ability to govern effectively.

Vocal discontent has erupted over a new method of selecting a constituent assembly, scheduled to convene this month to review a draft constitution. The majority of the assembly's 150 members will now be chosen by major interest groups rather than be elected. Although the change will help the council meet its deadline of September 1969 for restoring civilian government, critics have charged that the assembly will be heavily weighted toward government-controlled groups. The controversy threatens to jeopardize public acceptance of the constitution.

Concomitantly, the council is attempting to cope with severe dissension within its own ranks. Brigadier Afrifa, popular and mercurial hero of the 1966 coup, has deliberately created discord in the council because of his disapproval of its formulas for return to civilian rule. He has also raised the ire of other council members by unilaterally

and publicly advocating the scrapping of a council decree disqualifying certain Nkrumah-tainted individuals from holding public office because he contends the decree was too lenient.

Roundly condemned by council members, Afrifa may now be in even greater difficulty because of his close association with former armed forces commander Otu, who was arrested on 20 November for allegedly plotting with Nkrumah supporters in London. Although the charges against Otu have not been substantiated, he is known to oppose some of the council's plans and could have encouraged Afrifa to be disruptive.

Meanwhile, civilian politicians, anticipating that the ban on political parties will be lifted in January, are beginning to shift into higher gear. With politics focused primarily on personalities--programs and policies are seldom raised--none of the identifiable political groupings has yet developed a cohesive national structure. Dr. Kofi A. Busia, leader of the former United Party, remains a main contender for political leadership. Faced with dissidence among his own followers, however, he has failed to spark a dynamic political movement and appears to have lost ground in recent months.

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The fortunes of Komla A. Gbedemah, one-time finance minister under Nkrumah, appear to be rising. Recently exempted from the disqualification decree, he can count on the support of many former Nkrumah supporters and is seeking to ally himself with the labor movement. John Harlley, deputy council chairman and a fellow Ewe tribesman, is working behind the scenes to abet Gbedemah's cause.

The ambitions of certain council members further complicate the political landscape. Council Chairman Joseph Ankrah, for example, is dickering with various factions for support to run for the presidency. Harlley, who is contemptuous of Ankrah's ability to govern, may also be thinking of organizing a political movement if Gbedemah falters and Ankrah comes to the fore.

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MAURITIUS LEFT WITH SERIOUS PROBLEMS

The withdrawal of British troops leaves the fledgling Mauritian Government to deal with security problems arising from the long-standing hatred between the Muslim and Creole communities. At the same time, a deteriorating economy adds to Prime Minister Ramgoolam's burdens.

Ramgoolam opposed the British exit even though incidents between the two communities have decreased since the open fighting in January. To compensate for the British withdrawal, the Mauritian police have been increased in number and have received additional training, but there is no assurance that the security forces could cope with any renewed disturbances without outside help.

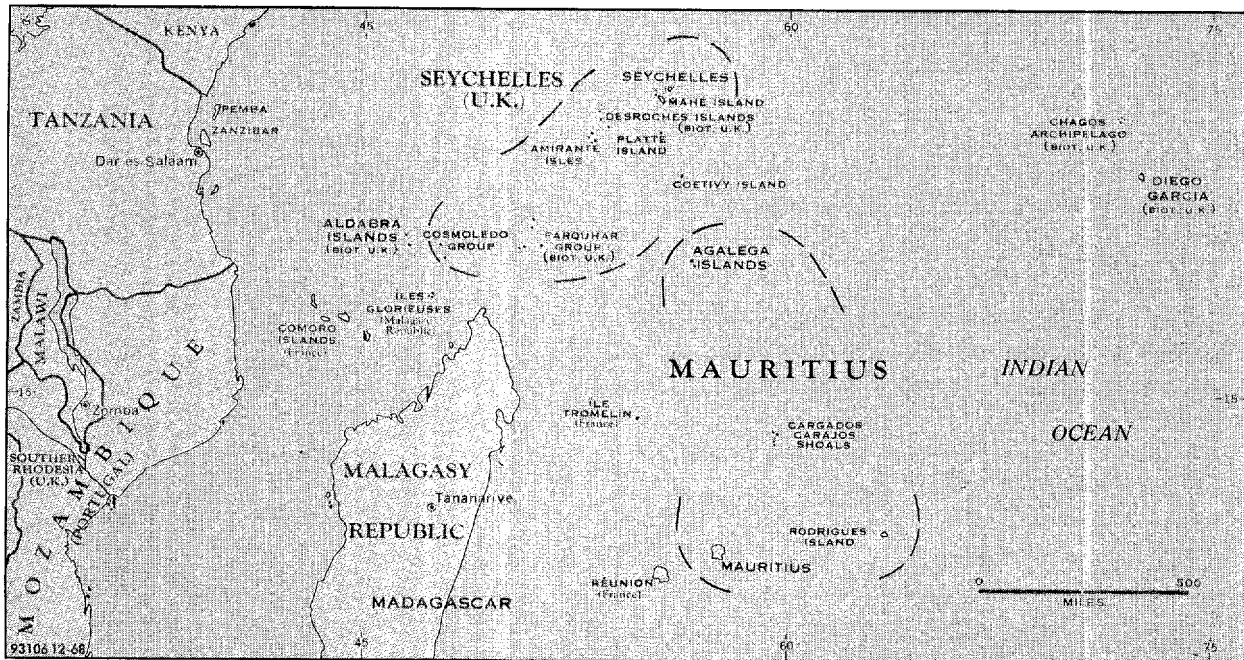
For the moment, the disorders seem to have cemented Ramgoolam's governing coalition of Muslims and Hindus (together, 67 percent of the population) by drawing some opportunistic and

wavering Muslims back into the fold. Despite the government's failure to deal with pressing problems, the Creole-dominated opposition Mauritian Party has been unable to mount any effective challenge. With no program other than opposition to domination by the Indo-Mauritian majority, the Mauritian Party has been gradually losing parliamentary seats and support.

Neither the opposition party nor the governing coalition has shown much interest in attempting to cope with the country's serious economic problems, which are growing steadily worse. The economy is almost totally dependent on sugar, the booming birth-rate exacerbates already overcrowded conditions, and unemployment remains high. Ramgoolam, apparently hoping that the economic assistance he expected would make sacrifices less necessary, has so far been unwilling

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to make any difficult or unpopular decisions to stem the decline. He has had little success from his trips through the West seeking economic aid, however, probably because of his unrealistic development requests.

Ramgoolam reportedly plans to visit Moscow later this month. He may hope to find the Soviets more willing than the West to

provide aid, and he may believe that Mauritius' location in the Indian Ocean space recovery area is a useful bargaining point. Although Mauritius recognized both the Soviet Union and Communist China at independence last March, official Mauritian contacts with Communist countries so far have been limited. The Soviets, however, are planning to open an embassy on Mauritius in January 1969.

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MALI'S NEW LEADERS MOVE TO REDUCE COMMUNIST TIES

Mali's new moderate leadership has indicated in both its actions and policy statements that it hopes to reduce Mali's dependence on Communist countries and to form closer ties with the West, which it hopes will underwrite its liberalized economic program.

The provisional government has pledged to seek a nonalignment that "would not be, as in the past, a facade which under cover of so-called ideological affinities had almost enslaved Mali to a bloc." Since the army coup that unseated the radical regime of Modibo Keita, Communist aid and diplomatic personnel have been under military surveillance and, in some instances, have been restricted. Possibly as a result, a number of Chinese Communists have already left the country. The government has also ordered that publications of foreign embas-

sies in Bamako be submitted to the Ministry of Information, a measure apparently designed primarily to permit government control of the previously extensive Communist propaganda efforts in Mali.

The pace and degree of Mali's reduction of its ties with Communist countries will probably depend in part on the success of two aid missions, one that left for France this week and another that reportedly will go to the International Monetary Fund in the next few weeks. A French aid official has stated that France probably will agree to grant all assistance originally programmed within the 1967 Franco-Malian accords and will discuss overall assistance for 1969 during the visit. Although France undoubtedly will attempt to increase its assistance to the new government, it probably will be hampered by its own economic difficulties.

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WESTERN HEMISPHERE

The uncertain outcome of Sunday's national elections in Venezuela, has given rise to suspicion of voting irregularities and the possibility of demonstrations. Security forces are on full alert to cope with any disturbances. As of 5 December, Rafael Caldera of the Christian Democratic Party held a slim lead over his nearest rival, Gonzalo Barrios of the government's Democratic Action Party, in the race for the presidency.

Brazilian President Costa e Silva is having his troubles with Congress and the Catholic Church. The government wants Congress to lift the immunity of an opposition deputy so that he may be prosecuted for a speech criticizing the government and its military backers. The government's pressure tactics have angered Congress and it may not grant permission. The President would then be forced to take more drastic action to satisfy military leaders. Costa e Silva's troubles with the church stem from the recent arrest of several priests. The military regards the church's defense of these priests as an open challenge, and many military officers would like to see the government crack down on "subversion" in the church.

Government pressure, strikebreakers, and hunger broke the back of the oil-workers' strike in Argentina last week. Workers began to drift back to the oil fields, and the threat of an extended strike vanished, indicating that organized labor still cannot threaten the Ongania government.

Ecuador's President, Jose Maria Velasco, is finding it as difficult to rule Ecuador today as it was during his four previous administrations—only one of which he completed. Early this week, Velasco reorganized his cabinet under pressure from various interest groups dissatisfied with certain ministers. Velasco dropped some of the more objectionable ones and added others who appear more palatable.

Chilean students and police have clashed several times in the past two weeks, most recently on 2 December when students in Santiago fought with police after a march was dispersed. The students have been on strike since 19 November to protest the government's reduction of financial aid to the university.

Former Dominican president Juan Bosch, in his usual highly personal style, is apparently attempting to lead his Dominican Revolutionary Party in a more radical direction. Bosch has reportedly urged that the party's leadership be turned over to its Communist-influenced youth wing, and recently threatened to resign as a means of persuading the party to accept his views. One party leader is said to view the "resignation" as a publicity stunt.

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PANAMA'S NATIONAL GUARD SKIRMISHES WITH INSURGENTS

Sporadic violence flared in the remote mountainous area of Panama bordering Costa Rica this week as small groups of pro-Arias exile infiltrators clashed with National Guard patrols.

Two guardsmen and a number of insurgents were killed or wounded, and guard units were reinforced to crush the opposition to the junta. One exile leader was murdered on 30 November in a small Costa Rican border town and his body carried back into Panama.



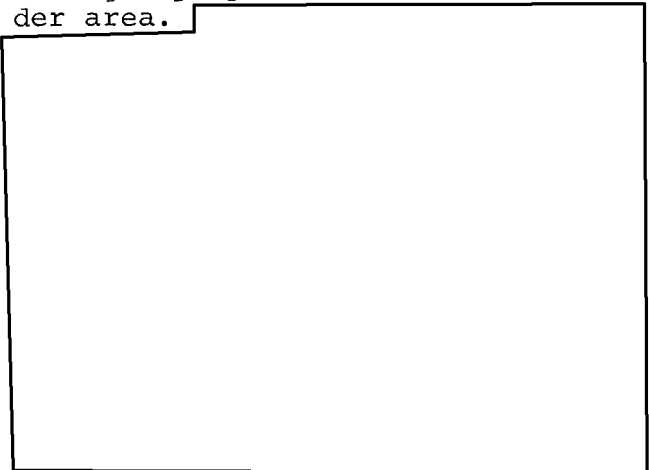
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The incident set off a clamor of public and official attention in Costa Rica that led Minister of Public Security Trejos to take measures to close the border--a move that is unlikely to prove entirely effective.

Trejos said that exiles who abused their asylee status would be deported promptly, and that use of Costa Rican territory as a base for "armed adventures" would not be permitted. Some Panamanians have already been detained and an investigation of the "frontier incidents" is under way.

Chief of Staff Martinez--one of the leaders of the 11 October coup and a major power in the provisional government--has taken personal command of counter-insurgency operations in the border area.

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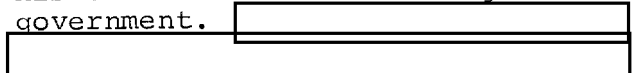
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ousted president Arias may leave Washington for Costa Rica or some other place closer to Panama, or possibly make his way back into his own country. His presence in Panama probably would rally his supporters but would not be likely to improve significantly his chances of overthrowing the government.

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VENEZUELAN PRESIDENTIAL CONTEST NOT YET DECIDED

The outcome of Venezuela's presidential election on 1 December is still in question. As of 5 December, with only 77 percent of the vote counted, Christian Democrat Rafael Caldera was slightly ahead of Gonzalo Barrios, the candidate of the governing Democratic Action Party. Miguel Angel Burelli Rivas, a coalition candidate supported by three minor parties, was running a strong third. Luis Prieto, whose leftist support was a major campaign issue, was far behind.

The closeness of the contest and the slowness of the tally gave rise to impatience among the voters and to some nervousness in Caldera's party, where it is feared that electoral fraud is afoot and that Caldera will be cheated of the presidency. Although the counting is actually no slower than in 1963, Caldera has demanded an investigation of the delay and has intimated that fraud could lead to protest demonstrations.

The government has attempted with some success to assure the country that a slow count is necessary to ensure accuracy and fairness, and that the government will be turned over peacefully to the winner. It has also prohibited the issuance of unofficial returns, which had been misleading and conflicting, and asked Caldera not to make inflammatory statements.

Attempts by dissident Communist groups to disrupt the elections were unsuccessful. Only a few minor incidents took place throughout the country. At the same time, participation by the orthodox Communist Party in the elections was a disaster. The party's electoral front won only about three percent of the votes.

On the other hand, the National Civic Crusade, the party of former dictator Marcos Perez Jimenez, did well. Perez was elected to the Senate and his party may turn out to be the fourth strongest in the country.

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MEXICAN STUDENT STRIKE APPARENTLY WANING

The four-month-old student strike in Mexico appears nearly over despite hard-line attempts to continue the dispute with the government.

The National Student Strike Council (CNH) voted on 20 November to end the strike, and formal decisions by the individual school assemblies may soon follow. Rising student attendance, especially at the National University, preceded the decision and reflected student concern over the impending loss of a year's credit. The knowledge that the government was prepared to take drastic action, including closing all universities, may also have played a part in the decision. Recent presidential actions suggest the government was lining up support for a decisive stand.

Some of the more radical student groups, especially at the National Polytechnic Institute (IPN), the nation's second

largest school, disagree with what appears to be the general sentiment for a return. "Shock groups," armed with machetes, broke up an attempted meeting at the National University law school on 2 December. Other extremist efforts to continue the strike included an attack on 27 November on students who had returned to class. The attack left one dead and two seriously wounded. This week, students clashed with Mexico City bus drivers over a slight fare rise. Such incidents have provoked general criticism, however, in contrast to earlier public sympathy for the students' cause, and any further violence is unlikely to be coordinated or widespread.

Radicals may desert the CNH--some groups at IPN are planning to form a National Fight Council--but barring a major incident that could rekindle tempers on both sides, most students will probably report back by next week.

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COLOMBIAN POLITICAL CRISIS LEAVES BITTER AFTERMATH

The latest Colombian political crisis has been resolved, but it has seriously strained the National Front coalition formed in 1958 by the Liberal and Conservative parties to end prolonged political violence. These strains may hamstring the effectiveness of the Front in its remaining six years.

President Lleras has become increasingly frustrated over the combination of lethargy and self-interest that has stalemated his efforts to get legislation confirming the economic and political reforms he has begun. Many of the reforms were instituted by decree under a state of siege, which Lleras wants to end on 17 December as a major step in restoring political normalcy. To force action on his constitutional reform bill, Lleras had proffered his resignation in June and has reorganized his Conservative-Liberal cabinet twice in recent months. Each time he won his point by some compromise and with support from Conservatives, but at the expense of increasing irritation with his methods, particularly within his own Liberal Party.

The latest dispute concerned a new apportionment formula for the postcoalition legislature to be elected in 1974. The Conservatives, led by ex-president Mariano Ospina, rejected the formula as favoring the Liberals. President Lleras then demanded the resignation of the cabinet, with the implied threat that in

order to organize an effective government he might seek beyond the Ospinista Conservatives for political allies.

It is not clear why Lleras felt compelled to provoke a crisis over an issue that could have been resolved by closer contact with Ospina. The aging former president is judging events in the light of the choice of a president for 1970, when it is the Conservatives' turn, and probably resented the role of Interior Minister Noriega, an ambitious Conservative, in working out the apportionment formula with Lleras.

For the present, the issue has been resolved. Passage of the legislation by 16 December seems assured, according to US officials in Bogota, and a cabinet shake-up has been averted. The four days of tension and impasse, however, have evoked old Conservative-Liberal enmities that could seriously affect the bipartisan system in its critical remaining six years. Lleras' programs for Colombia are some of the best-conceived in Latin America and his impatience over obstructionism doubtless is justified. His political tactics, though, are becoming counterproductive. The followers of ex-dictator Rojas Pinilla, now a declared presidential candidate for 1970, probably profited by the latest clash, and there are increasing signs that extremists in labor and student groups are playing on resentment of Lleras' high-handed methods to strengthen their influence.

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REFORM TREND NOTED IN LATIN AMERICAN CATHOLIC CHURCH

During the three months since the Pope's visit to Latin America and the bishops' conference at Medellin, there has been a perceptible change of attitude on the part of many clergymen toward reform and the formulation of rudimentary guidelines to implement reform policies. Although no spectacular change will take place immediately, most Latin American clergymen appear to be finally convinced that the church must take an active role in the social reform movement in order to be a viable force in the future.

The conference's final document pledged a firm commitment to radical economic, social, and political change in the hemisphere. The church's role in this movement, as stated by the bishops, is to function as a catalyst, but not as a direct agent. In the future, therefore, it can be expected that the church will give more support to student and labor groups. Moreover, new impetus will probably be given to Christian Democratic labor and political ideals.

Another emerging tendency, closely tied to the Latin American reform movement, is a pronounced trend toward independence from Rome. The conference delegates endorsed the Pope's stand against violence of any kind. On the other hand, they stressed the positive aspect of "active non-violence"--"Peace has to be worked for." Moreover, the conference's final document admitted that violence was justified in cases of "evident and prolonged tyranny

or the maintenance of obviously unjust and tenaciously defended structures." In the Latin American context, this statement was clearly aimed at reactionary governments that maintain an unfair distribution of wealth and concentrate political power in a small nucleus.

The final conference document on family planning was also a marked departure from the papal encyclical Humanae Vitae. In hemispheric terms, it mentioned the existence of underpopulation in certain countries, but it also stressed the presence of a demographic problem and announced a campaign for responsible parenthood. The conference's attitude toward violence and birth control makes it clear that while the Latin American bishops will accept papal authority in principle, they may seek to develop a certain independence.

At the present time, it is difficult to see how the conference's principles and guidelines will be translated into action. Brazilian Archbishop Dom Helder Camara's campaign for "active nonviolence," called "Action, Justice, and Peace," may be a beginning. What is clear, however, is that the majority of Latin American clergymen appear to be finally convinced of the necessity for change within both the church's organization and the hemisphere's social structure. Moreover, most appear to be optimistic about the ability of the church to play an important role in the future development of Latin America.

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GUYANA'S PRIME MINISTER WORKING FOR ELECTION MAJORITY

The prospects for Guyana's Prime Minister Burnham to be returned to office with a clear majority are improving. He is making an all-out effort to gain the necessary votes on 16 December and has become increasingly reluctant to form another coalition with conservative Peter D'Aguiar's United Force.

Burnham is basing his electoral strategy on obtaining the lion's share of overseas votes, most of which will be cast by Negroes. He also plans to break up the past voting pattern, which has been almost entirely on racial lines--the Negroes supported Burnham and the East Indians backed pro-Communist opposition leader Cheddi Jagan.

Major aid projects in sectors of the economy dominated by East Indians have been announced recently. In addition, Burnham disclosed last week that Jagan has been clandestinely involved

with Castro-Communist extremists in Venezuela. Although it is doubtful that the East Indians will actually abandon Jagan, Burnham strategists are convinced that it would not be overly surprising were the election results to show that Burnham had cut into Jagan's support. The Venezuelan affair, in particular, will enable Burnham to counter any post-election charges of vote-rigging with the claim that East Indians, revolted by such "treachery," deserted Jagan in substantial numbers.

There is still a slight possibility that Burnham's plans will miscarry and that he will fail to produce a majority. If this occurs, and he still refuses to enter another coalition with the United Force, he may try to form a minority government, depending on support from borderline opposition legislators on each important issue.

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