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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

Navy review completed.

State Dept. review completed

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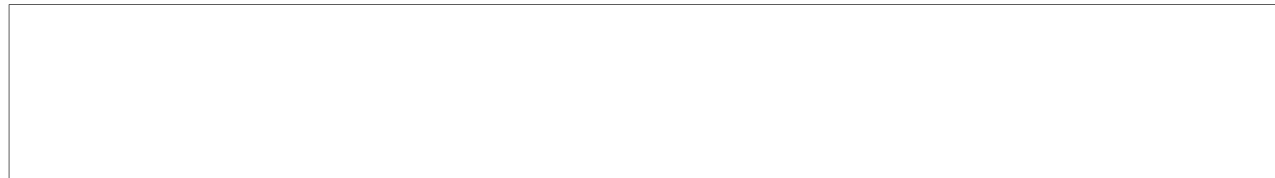
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(Information as of noon EST, 17 April 1969)

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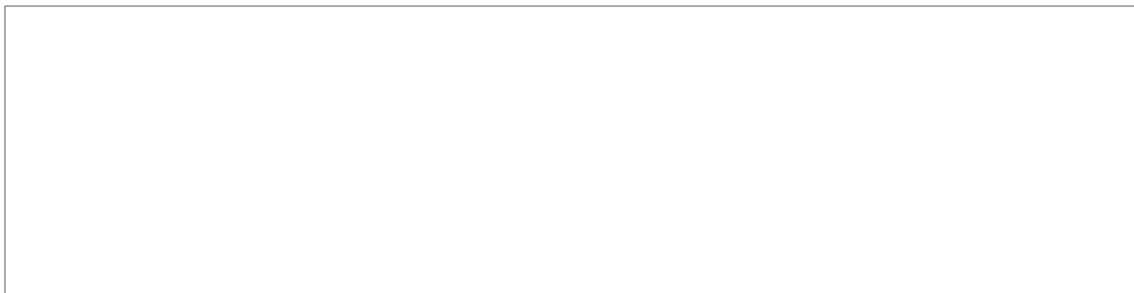
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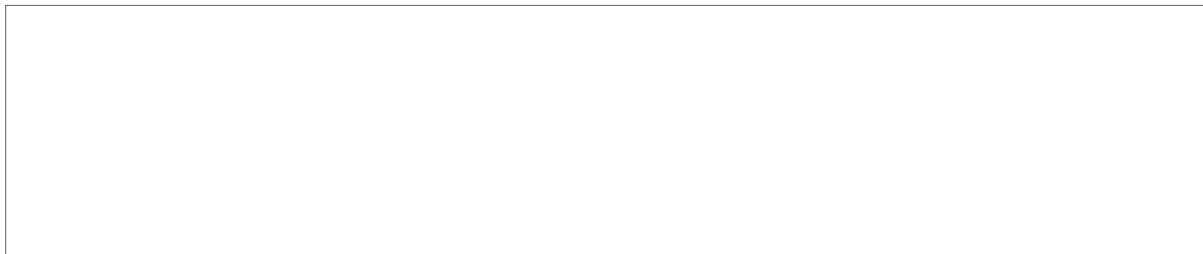
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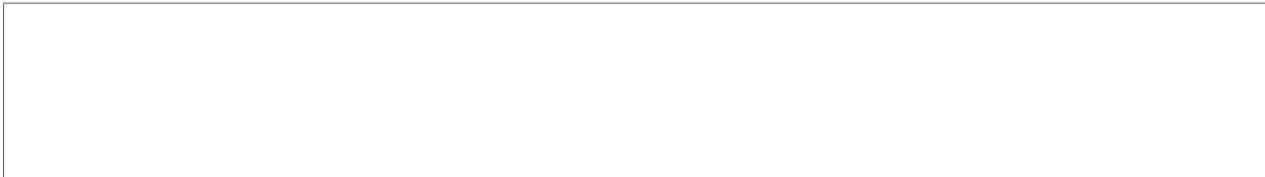
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FAR EAST

The North Korean shootdown of a US reconnaissance aircraft over international waters appears to have been a deliberate action designed to revive a high level of tension with the US. In light of its experience in the Pueblo affair, the Kim Il-song regime apparently saw a relatively low-risk opportunity to score another propaganda triumph that would offset the failure of its pressure campaign against South Korea. North Korea's immediate call for a Military Armistice Commission meeting probably was intended to forestall US retaliation and to provide a propaganda forum for further charges of US aggression.

South Korean reaction to the incident has indicated an immediate concern over US resolve to deal firmly with North Korean attacks. In Japan, on the other hand, concern has been expressed that Japan might become embroiled in a Korean conflict.

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In South Vietnam, main force Communist units continue to refit in sanctuary and border base areas. The enemy has, however, sought to cover his general disengagement by launching a few heavy attacks against outlying targets. In Paris, meanwhile, the Vietnamese Communists are sending out mixed signals, probably in an effort to suggest some flexibility on their part without actually abandoning any of their maximum positions.

After two weeks, the Chinese Communists have announced only that their ninth party congress has "unanimously" approved the new party constitution and the political report given by Mao's heir apparent, Lin Piao. Peking has announced that discussions leading up to the election of a new central committee did not begin until 15 April, suggesting that differences between the various party factions still have not been settled.

An increasing willingness on the part of local Cambodian officials to act on long-standing instructions to limit Communist activities along the border with Vietnam reflects Phnom Penh's growing preoccupation with the problem of the Communist presence. The change in the Cambodian attitude is largely a result of heavier fighting along the border and increasing Communist encroachments in the southern half of Cambodia over the past several years.

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VIETNAM

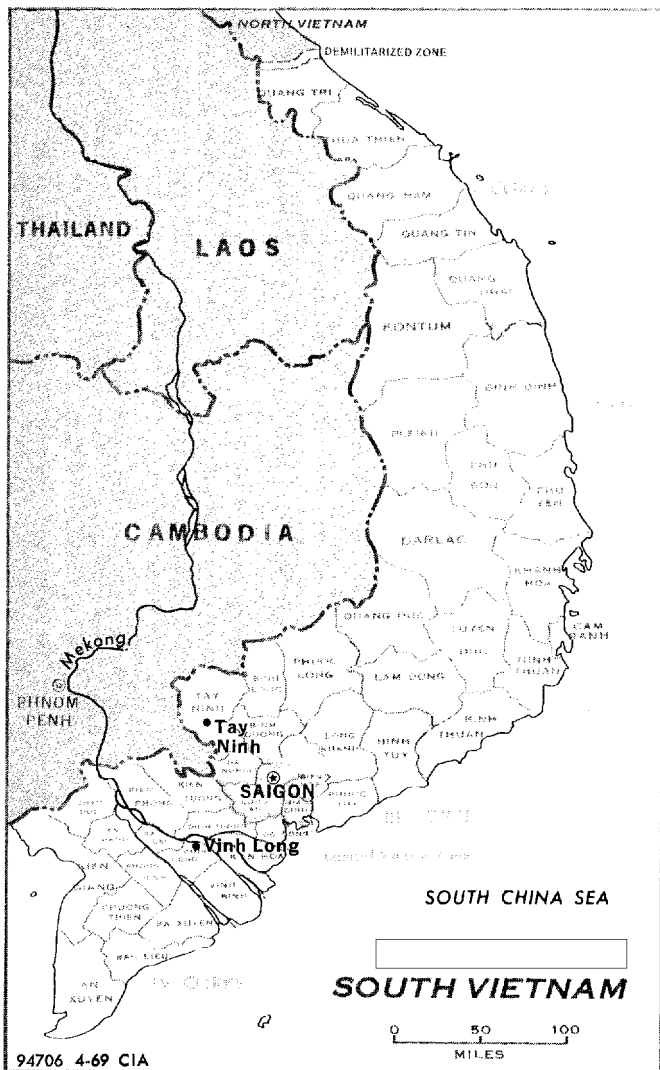
Many main force Communist units throughout the country are now refitting in familiar sanctuaries and border bases. Even so, the enemy has sought to cover his general disengagement by launching a few heavy attacks against outlying targets, particularly in III and IV corps.

On the night of 10-11 April, enemy troops launched rocket and mortar attacks that caused heavy allied casualties and damage to military installations near Tay Ninh city and to delta civilians living in the capital city of Vinh Long Province. More recently, the enemy again attempted to demonstrate his presence in the field by launching a human-wave attack on a US fire-support base south of Tay Ninh city; more than 200 Communists were killed during the ensuing battle.

Over the near term, it seems likely the Communists will continue sporadic shellings against selected allied targets and perhaps occasional ground assaults such as the one on the fire-support base. The Communists are not now in a position, however, to launch heavy, coordinated ground attacks against major US installations throughout the country.

Political Developments in South Vietnam

South Vietnamese politicians have been engaged in an intensive round of parleys since President Thieu announced on 7 April that he would head a new political organization in the coming political struggle with the Communists. Thieu, however, has yet to make clear precisely what he has in mind.



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Thieu, are concerned that the new organization may develop into an authoritarian party similar to the Can Lao under President Diem.

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A group of members of the Lower House who support the militant Buddhists, meanwhile, has accused the government of damaging national unity by its handling of the Thich Thien Minh case. Some of these legislators have criticized alleged differences between Thieu's words and actions, pointedly accusing him of a lack of tolerance of dissent despite his pledge on 7 April to allow a real opposition to operate. The recent arrests of several alleged members of a Viet Cong cell, including the publisher of the Saigon Daily News and a militant Buddhist, are bringing more of this type of criticism.

President Thieu's initiative has apparently encouraged several opposition elements, particularly liberal, southern-oriented groups led by the Tan Dai Viets, to begin closing ranks. One Tan Dai Viet leader reportedly wants to broaden his party--through mergers with such groups as an element of the Hoa Hao sect and the followers of former chief of state Phan Khac Suu--into a coalition to act as a "loyal opposition."

Such mergers could produce an opposition group of some substance, and the largely southern character

In addition to the likely support of groups that have favored the government in the past, such as Tran Quoc Buu's Vietnamese Confederation of Labor, the Catholic Greater Solidarity Force, and the Nhan Xa Party, Thieu seems to have acquired the support of the Revolutionary Dai Viets, who have generally been a key element in opposition to the government. Other possible supporters include factions of the Vietnamese Nationalist Party (VNQDD) as well as elements of the Hoa Hao and Cao Dai sects. Another group that has supported the government, Senator Tran Van Don's National Salvation Front, remains uncommitted, however, and has withdrawn from the progovernment Lien Minh Front.

A number of politicians, including some close to President

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of this organization might intensify regional antagonisms because Thieu's support so far comes mainly from northern and central Vietnamese elements. Thieu, however, has put a number of southerners in office, and he may be able to draw on his credit with them to offset this tendency to line up on a regional basis.

Communist Negotiating Tactics

The Vietnamese Communists are sending out mixed signals in Paris, probably in an effort to suggest some flexibility on their part without actually abandoning any of their maximum positions. They continue to make the usual hard-line demands such as the replacement of the Thieu government, but on several recent occasions they have dropped hints of willingness to bargain.

Tran Buu Kiem, the Liberation Front's chief delegate in Paris, told a Communist interviewer last week that the Front's demands are to be "proposed" not "imposed." He also

suggested that the Communists see a "peace cabinet" in Saigon as a transitional device in which the Front need not be represented. In several other forums, including the North Vietnamese presentation at last week's plenary session of the talks, the Communists seemed to hint that they might deal with the Thieu government if it makes some basic changes in policy. Sometimes they suggest this could happen after some minor reshuffling of the South Vietnamese leadership, or even simply after the Communists are satisfied that Saigon accepts such broad generalities as "peace" and "independence."

These suggestions of moderation may only be attempts to regain propaganda ground lost as a result of recent South Vietnamese peace initiatives, but they may also be intended to encourage new initiatives on the allied side by holding out the possibility of a favorable Communist response. [REDACTED]

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LAOTIAN COMMUNISTS MAINTAIN OFFENSIVE PUSH

The Communists have captured a government outpost astride the Mekong River in northwest Laos.

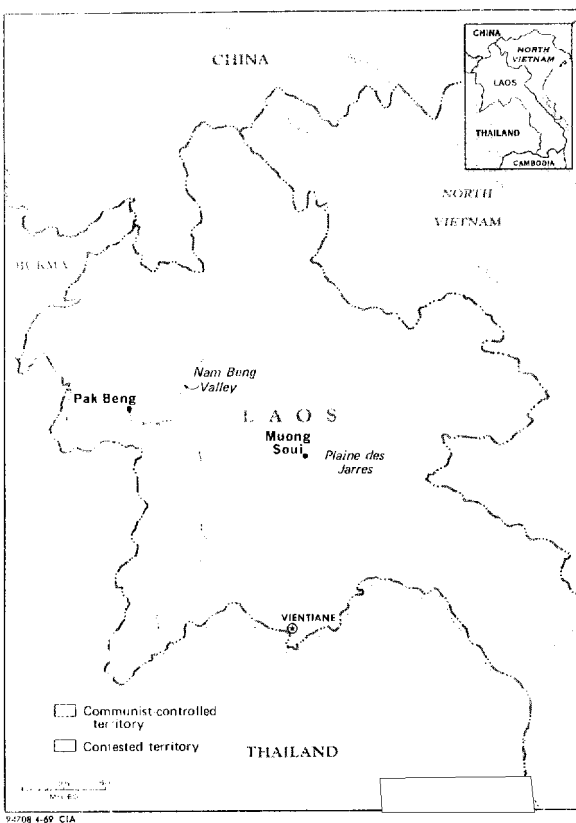
A series of enemy ground assaults against government forces at Pak Beng on 14 April brought about the fall of the garrison and two outlying defense positions. This caps a seven-month enemy effort to clear government forces from the Nam Beng Valley. The protracted siege may have been designed to draw off government guerrillas who have stepped up operations against Lao and Thai Communist elements along the Thai-Lao border.

Communist forces have long been able to move in the area surrounding Pak Beng and to block traffic on the Mekong, but the opening up of the valley could facilitate the passage of troops and supplies into western Sayaboury Province. The erosion of the government's presence in this area may also have an impact in Thailand, where a Communist tribal insurgency has made significant inroads in the border area.

In the Plaine des Jarres to the south, there has been no new major fighting but a government

counteroffensive continues to make limited headway. The Communists, probably thrown off balance by heavy air strikes, have so far limited their response to a series of probing attacks against the neutralist headquarters at Muong Soui.

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CAMBODIA SEEKS TO LIMIT VIETNAMESE COMMUNIST ACTIVITY

The Cambodian Government appears to be carefully applying new pressure against Vietnamese Communist forces in Cambodia.

Cambodian border elements have fought several skirmishes with Viet Cong and North Vietnamese troops in recent months. Such incidents are not without precedent, but they are a clear sign of growing tension in the border areas. Local officials, including at least one provincial chief, have gone so far as to contact their South Vietnamese counterparts to discuss cooperation against the Viet Cong.


The change in the Cambodian attitude is largely a result of heavier fighting along the border and the extent to which Communist bases have proliferated in the southern half of Cambodia over the past several years.

 Problems have arisen because the Communists apparently have expanded bases into new areas and built new fortifications, thus upsetting understandings reached long ago with local Cambodian officials. The Cambodians also believe the Communists are supporting local rebels.

The increasing willingness of local Cambodian forces to act

on long-standing instructions to limit Communist activities reflects Phnom Penh's growing preoccupation with the problem of the Communist presence. Cambodian news media have described Viet Cong violations of the border in greater detail than heretofore, and Liberation Front representatives have been maneuvered into admitting publicly that such incidents occur. By applying new pressures against the Communists now, while at the same time moving toward a resumption of relations with the US, Cambodia's Prince Sihanouk is again trying to achieve by political means what he has been unable to gain by military measures alone.

Cambodia also appears to be setting the stage for its eventual participation in a regional peace settlement. Sihanouk has publicly demanded representation when the Paris talks discuss his country, and he will certainly consider evacuation of foreign troops his primary goal.

For their part, the Communists are trying to maintain as cordial relations with the Cambodians as possible. The recent Cambodian actions do not seriously threaten Communist bases in Cambodia, and the Communists will probably not react strongly unless the Cambodians become more aggressive. 

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COMMUNIST CHINESE PARTY CONGRESS CONTINUES DEBATE

After two weeks of silence, Peking broadcast on 14 April its first "interim" communiqué on developments at the party's ninth congress. This communiqué, like the one announcing the opening of the congress, was bland and uninformative, in general more remarkable for its omissions than for its positive content. No speeches delivered at the congress have yet been made public.

In an obvious effort to counter speculation regarding the silence that has enveloped the meeting, the announcement on 14 April pointed out that the congress was meeting in plenary session only for the second time on that date; delegates were reported to have been meeting in small groups in the intervening two weeks to discuss the new party constitution and Lin Piao's political report delivered on the opening day of the congress. Both the report and the constitution were reported to have been adopted "unanimously" at the second plenary session.

Neither of these documents seem likely to have been the subject of extended debate. The new party constitution, which in its final form almost certainly closely resembles a "draft" that has been circulating in China since last autumn, is a vague and loosely worded document setting forth a number of general propositions regarding the role of the party--in effect a political program rather than a codification

of the party's by-laws. Some discussion of the actual practical functioning of the various party organs was undoubtedly required, given the highly generalized nature of the new constitution, but it is unlikely that the wording of the document itself led to sharp debate.

Nor does it seem likely that the content of Lin Piao's political report was closely questioned. The speech was undoubtedly carefully reviewed by Mao and other members of the leadership prior to delivery, and in this sense the speech itself was probably sacrosanct. Debate was almost certainly limited to the question of how the "tasks" set forth in the report were to be implemented. In this area, however, considerable differences of opinion may have arisen. A muffled discussion on how far and how rapidly to press in implementing radical new programs surfaced in the press and radio in the weeks prior to the opening of the congress.

The item on the agenda almost certainly causing the most trouble is the election of a new party central committee. The interim communiqué reported that discussions on this last major issue were not to begin until 15 April. This, however, was almost certainly a self-serving declaration designed to conceal deep cleavages on this important question. Indeed, it seems likely that the congress was due to conclude its work last weekend, and

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that adjournment of the meeting has been postponed because the conclave has become bogged down on this still unresolved issue.

Provincial leaders have repeatedly complained that party "core groups" cannot be properly established at lower levels until similar groups have been set up at "higher" levels. The most important of these higher level party groups is, of course, the central committee itself, and a great deal is apparently riding on the precise composition of this body. Competing interest groups unquestionably wish to pack the committee with like-minded allies; moreover, problems are probably also being

thrashed out involving the balance of the committee among military figures, "rehabilitated" officials who had been criticized in the course of the Cultural Revolution and younger party members who had unreservedly supported it from the outset. A further area of contention may involve the balance of provincial leaders to officials whose duties are focused on Peking.

The interim communiqué reported that Mao Tse-tung, in his opening speech on 1 April, expressed the "hope" that the congress would be one of "unity." Thus far, it does not appear that he is getting his wish.

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NATIONALIST CHINESE HOLD TENTH PARTY CONGRESS

President Chiang Kai-shek's moves at the Kuomintang's recent tenth party congress to revitalize his party's leadership appear designed both to strengthen the policy-making machinery and to prepare the way for his chosen successor. Chiang's intent to inject fresh enthusiasm and motivation into the party as a whole, however, met with little apparent success.

At the congress, the first since 1963, Chiang named six new members to the central standing committee--the party's senior policy-making body. Most of the new appointees are young, economist-oriented technocrats. The virtual exclusion of such experts in the past contributed to a gradual decline in the standing committee's importance and reinforced the government's emphasis on military priorities at the expense of economic investment and growth.

Chiang's action may reflect a recognition that his son and chosen successor, Defense Minister Chiang Ching-kuo, will not be able to command the unchallenged authority that the Generalissimo enjoys. President Chiang apparently believes that the presence of a group of energetic, competent officials will help balance the conservatism of old-line Kuomintang hierarchs and give the regime's economic development programs the guidance and drive they must have to succeed. Chiang

also created a new "advisory" presidium that reportedly will provide a graceful exit from active party life for aged party stalwarts.

Despite these moves to revitalize the top level of party leadership, the congress made no move to lessen the domination of the traditional mainland elements in the party. Little was done to increase the limited role of the native Taiwanese, who constitute 84 percent of the island's population but only 10 percent of the congress' delegates.

The Nationalist congress was legally scheduled for late 1967 and may have been delayed at least initially because of President Chiang's indecision over what to do with the vacant post of party deputy director general. Many party officials had assumed that the post would go to Chiang Ching-kuo, but the Generalissimo instead announced that he was abolishing the position. Chiang probably wanted to avoid not only the "dynastic" implications of appointing his son to the post, but also the potential risk of creating a challenger to an orderly succession if someone else were named. President Chiang, in any event, appears confident that his son already has sufficient control of the party apparatus to assure a smooth transition.

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EUROPE

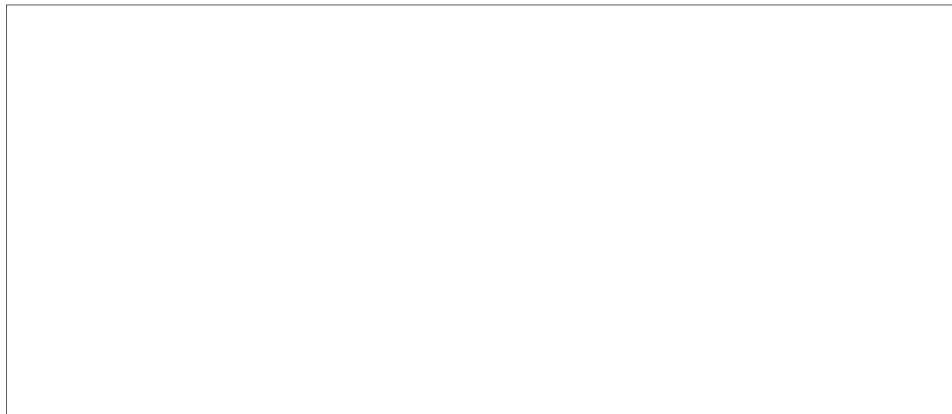


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Eastern European attention was centered on Czechoslovakia this week as the party central committee grappled with the problem of responding to Soviet pressures for restoration of orthodoxy. The Dubcek leadership has not only been under attack for vacillation from greatly emboldened conservatives but also from youth and workers for bowing to Soviet desires. As the plenum opened, it looked as if most of the liberals would be ousted from the leadership.

Top Polish and East German leaders conferred with Soviet Defense Minister Grechko in East Berlin, probably about the situation in Czechoslovakia and what the Soviets were doing about it. Grechko returned to Prague before going home; Soviet Deputy Foreign Minister Semenov is still there overseeing developments. The Warsaw Pact exercise involving Czechoslovakia ended on schedule, 16 April, according to a TASS announcement.

Hungarian party chief Kadar in effect withdrew his conditional support of the Dubcek leadership in a sharply critical public speech; later, he tried to soften the blow by ratifying a friendship pact he signed with the Czechoslovak leader last June.



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CZECHOSLOVAK PLENUM ELECTS HUSAK AS PARTY CHIEF

The Czechoslovak party central committee on 17 April elected Gustav Husak as first secretary of the Czechoslovak Communist Party--replacing Alexander Dubcek. Husak has been head of the Slovak party and is a "realist" who advocates closer cooperation with Moscow as the only possible course.

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the Czechoslovaks also succumbed to pressures to streamline the leadership to Soviet specifications by reducing the size of the presidium from 23 to 11 members--in the process removing from power 11 of Dubcek's moderate and liberal supporters. [redacted]

25X1 [redacted] the central committee has abolished the executive committee of the presidium--the "inner politburo"--created last November.

25X1 The new presidium is dominated by moderates who, like Husak, believe that the Czechoslovaks must comply with Soviet directives in order to prevent the Soviets from cracking down more harshly and narrowing the already limited maneuverability that the Czechoslovaks have in pursuing their own domestic goals. Dubcek was named to the new presidium, but the outspoken Josef Smrkovsky--the last remaining progressive in the leadership--was dropped.

Key members of the central committee apparently gathered in informal caucus on the morning of 17 April to discuss the question of leadership prior to convening the crucial plenum in the

afternoon. [redacted]

25X1 On the eve of the plenum, the Dubcek regime granted a clean bill of health to ten prominent pro-Soviet conservatives. Most of these "rehabilitated" hardliners had been branded as "traitors" and "collaborators" by the public in the aftermath of the invasion. Before the plenum, the Dubcek leadership came under strong attack for its "vacillation" from Husak, [redacted]

25X1 [redacted] Soviet Deputy Foreign Minister Semenov apparently is staying in Prague to observe the proceedings and to maintain pressure on the leadership.

Security forces prepared for demonstrations. Interior Ministry officials on 16 April rounded up and questioned thousands of would-be dissidents. They detained 138 people whom they probably consider potentially dangerous

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in the present situation. The police are hoping to intimidate the people and head off trouble by removing the "antisocialist elements" they consider most likely to generate it.

Earlier this week, students in Prague staged peaceful strikes in an attempt to persuade Dubcek and his associates that they must not cave in to the Russians. Unhappily for the leadership, the student declarations were uncompromisingly anti-Soviet in tone. The students' reaction to the cen-

tral committee meeting is unpredictable.

The trade unions had also reiterated their support for progressive policies and had criticized the restrictive measures introduced earlier this month, but the union leaders have pledged cooperation with the party and will try to avoid stirring up anti-Soviet sentiments. Militant workers, however, might join the students should the latter decide to demonstrate.

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SLOWDOWN IN COMMUNIST OIL EXPORTS TO FREE WORLD

Soviet exports of petroleum to the free world are likely to decline about ten percent this year after failing to increase in 1968 for the first time since 1955. Domestic demand and the USSR's commitments to Eastern Europe are rising rapidly at the same time that the growth of Soviet oil production has slowed. Little expansion is likely in Soviet exports at least through the mid-1970s.

Total Communist petroleum exports to the free world during 1969-70 probably will not significantly exceed last year's level of 51 million tons even though exports from the Eastern European countries, especially Rumania, may increase. The share of free world demand--excluding the US--that Communist countries will satisfy in these two years will

drop below its recent level of five to six percent.

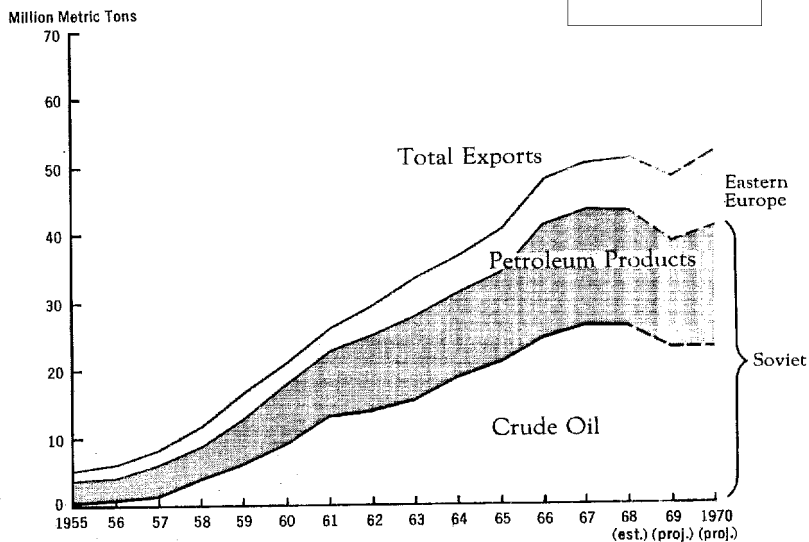
Soviet deliveries, which account for most Communist petroleum exports to the free world, amounted to 43 million tons in 1968, worth about \$540 million. Sales for hard currency, principally in Western Europe, increased slightly to \$375 million, while exports to the less-developed countries declined for the third straight year.

Rumania accounted for about one half of the eight million tons of petroleum products exported from Eastern Europe last year. Although Rumania's sales in 1968 were derived largely from domestic crude oil, probable increases over the next few years will be sustained primarily by crude oil imported from the free world. The

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Communist Countries: Exports of Petroleum to the Free World, 1955-70



viet markets east of Suez. In exchange, the USSR provided oil to the Western oil companies at Black Sea ports for delivery to their markets in Europe. Shipments to Western Europe rose by 1.8 million tons, and Communist countries provided about the same share of total oil supply to Western Europe--nine percent--as in 1967.

The USSR may try to preserve its free world market position by acquiring small quantities of petroleum from national oil companies in the Middle East and Africa through the barter of industrial goods.

other Eastern European countries export petroleum products derived mainly from Soviet crude; it is unlikely that the USSR will permit these countries to expand their exports significantly, as this would deprive the USSR of additional hard currency.

The increased cost of transport resulting from closure of the Suez Canal brought about a total decline of about 1.1 million tons in exports to Japan, India, and Ceylon. The drop in exports to Japan was about 800,000 tons, reducing the Communist share of Japan's oil supply to about two percent from more than three percent in 1967. This decline was lessened to some extent by the arrangement of swap deals with Western oil companies that provided oil to the USSR at Persian Gulf sources for delivery to So-

Such an arrangement was reached with Algeria last year. The USSR may decide to deliver such petroleum to other less-developed countries to conserve its own oil for sales to hard-currency countries.

The decline in Communist petroleum exports to the less-developed countries is expected to continue during the next few years. A substantial decrease is anticipated in exports to Greece, which recently concluded a long-term contract with Western oil companies for most of its oil requirements through 1980. Although total Soviet petroleum exports to Egypt are expected to decline this year, shipments of products rather than crude may increase following extensive damage to the Egyptian oil refinery complex at Suez.

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GENEVA DISARMAMENT CONFERENCE FOCUSES ON SEABEDS

The Eighteen Nation Disarmament Committee (ENDC), after four weeks of negotiations in Geneva, seems ready to settle on the drafting of a treaty restricting arms on seabeds as its most feasible project. The conferees want to retain the ENDC's effectiveness as a disarmament forum and to present a meaningful disarmament proposal to the UN's 24th General Assembly when it convenes next fall. The seabed issue appears the most likely to gain US-USSR cooperation, which the other countries at Geneva recognize as the sine qua non of disarmament progress.

At the outset of the session, the matter deemed most important by the nonaligned nations was a comprehensive test ban treaty, but various US and Soviet objections made it apparent that this would not be readily obtainable. A new US proposal for a cutoff of production of fissionable material for weapons purposes was rebuffed by the USSR as unworkable. Other issues that appear to be nonstarters include a package deal of various disarmament measures, desired by the Italians; nuclear-free zones, brought up by Mexico and the East Europeans; and a Soviet-proposed agreement banning the use of nuclear weapons "for attack."

The Soviet draft treaty on seabeds, introduced on 18 March, proposes a ban--beyond the twelve-

mile limit--on the use of the seabeds for military purposes. All installations on the seabed would be open to inspection by representatives of all signatory states on a reciprocal basis. The draft's broad sweep has raised a number of reservations, but the Soviet representative has argued that complete demilitarization would facilitate settlement of such thorny issues as verification. He contended that if only nuclear weapons were prohibited, any country could reject verification requests on the grounds that only conventional facilities were involved. The US has suggested prohibiting only "nuclear weapons and other weapons of mass destruction," and also that verification be handled by International Atomic Energy Agency inspectors.

There have been indications that the Soviets are not inflexible on across-the-board demilitarization, and in any case are willing to negotiate the issue.

The proposed treaty's geographic coverage--whether it is defined by the twelve-mile limit or by some other formulation--will probably provoke controversy. In exchange for their obligations under the NPT, however, the nonnuclear countries are impatient to exact further disarmament concessions from the super-powers, and this will serve as an incentive to agreement.

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MOSCOW PUTS LITTLE STEAM BEHIND "EUROPEAN SECURITY"

Moscow is keeping alive its appeal for a European security conference but is taking no steps to bring the idea closer to reality. In their propaganda, the Soviets even seem to be adding further conditions to those set forth in the Budapest declaration of 17 March.

A Soviet government statement on the eve of NATO's ministerial meeting last week took a more polemical tone and inflexible approach than did the declaration that the Warsaw Pact states coordinated and signed. Unlike the Budapest document, which called for a preparatory meeting "as soon as possible," the USSR stressed that "serious and effective work" on European security "is possible only on the basis of recognizing the true situation on the continent."

Moscow made clear that it has not scaled down its standard demands for recognition of post-war borders, "two Germanies," the "separate entity" of West Berlin, and the prevention of West German access to nuclear weapons--familiar prerequisites that were in the Budapest appeal. The Soviets added, however, that Bonn must declare the Munich agreement of 1938 to have been invalid at its inception, and they also implied that Bonn must sign the Nonproliferation Treaty.

Soviet diplomats waited to deliver the Budapest document to

Western capitals until the week before the NATO meeting, but they apparently had no instructions to follow it up. They were at pains to avoid specifics about the conference called for in the document and to leave vague the key question of the US role. Some Soviet officials, including Ambassador Dobrynin in Washington, said that Moscow would not veto US participation, but they kept to the line that this was a matter for the "Europeans" to decide.

Moscow's Warsaw Pact allies have also been active in pushing the proposal in the West. They are just as vague as the Soviets, however, and are often contradictory in explaining key points. Moreover, they are adding conditions to the Budapest appeal consonant with their national interests.

Moscow sees merit in the security conference idea, which strikes a responsive chord among the detente-minded in Europe and fosters friction within the Alliance. The Soviet press has blamed the "Bonn-Washington axis" for blocking progress on detente. Over all, however, none of the ambiguity has been removed and nothing new has been added in this most recent of Moscow's recurrent European security campaigns. Moscow intends to keep the subject nebulous, as was the case with the Bucharest declaration of 1966 and the Karlovy Vary appeal of 1967.

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NATO MARKS 20TH ANNIVERSARY

The discussion at last week's NATO ministerial sessions focused mainly on the recent Budapest "appeal" of the Warsaw Pact nations for a European security conference. Enthusiasm for détente, which had seemed strong earlier, waned following Moscow's description of NATO on 9 April as the "main obstacle to the safeguarding of international security." As a result, the ministers decided not to refer to the Budapest appeal in their communiqué. They advocated exploring with the East "concrete issues which best lend themselves to fruitful negotiation and an early resolution." US participation in any European political settlement was stressed.

Looking forward to an era of negotiation--the communiqué explicitly endorsed US-USSR discussions of strategic arms limitations--the ministers called for "strict adherence to the principle of full consultation...before and during any negotiations that might affect the interests of the Alliance or any of its members." The French refused to agree to policy guidelines on future East-West relations but accepted a statement that the members "would take into account" these guidelines in forming their national policies.

Among the other topics considered at the meeting was the proposal for discussion of common social and environmental prob-

lems. The ministers instructed the permanent NATO representatives to examine means of improving exchanges of views on these subjects. They also remanded to the permanent representatives the proposal that deputy foreign ministers meet periodically to review major, long-range Alliance problems. The ministers of the nations in the integrated command deferred substantive questions on Alliance defense posture to the May meeting of the Defense Planning Committee, but they reiterated the need for "sufficient, substantial, and effective" conventional forces.

The quadripartite dinner on Berlin and German affairs--held on the eve of each NATO ministerial meeting--produced some debate when West German Foreign Minister Brandt asked that the communiqué include a sentence rejecting the Soviet "thesis" on intervention rights under the enemy states articles of the UN Charter. This Soviet contention is a factor in West Germany's reluctance to sign the Nonproliferation Treaty. French Foreign Minister Debré, citing Soviet reticence on the subject in recent months, doubted that the climate was "seasonable" for re-introduction of Western views on the Soviet claim, a stand generally endorsed by the US and UK. Lacking support, Brandt dropped his request. [REDACTED]

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SECRET**MIDDLE EAST - AFRICA**

Artillery duels along the Suez Canal between Egyptian and Israeli forces are now occurring nearly every day. Nasir's forces initiate most of these in an apparent attempt to demonstrate to the other Arabs that Egypt is still in the forefront of opposition to Israel and to bolster Nasir's position at home.

King Husayn's speech at the Press Club in Washington has been denounced by all fedayeen organizations and has received a very cool reception by the Arab press and radio.

The build-up of military forces along the disputed river boundary between Iran and Iraq continues, although both sides probably want to avoid open hostilities.

[redacted] The Iranian Government is playing the matter in low key publicly, but a minor incident on the river could provoke a dangerous flare-up.

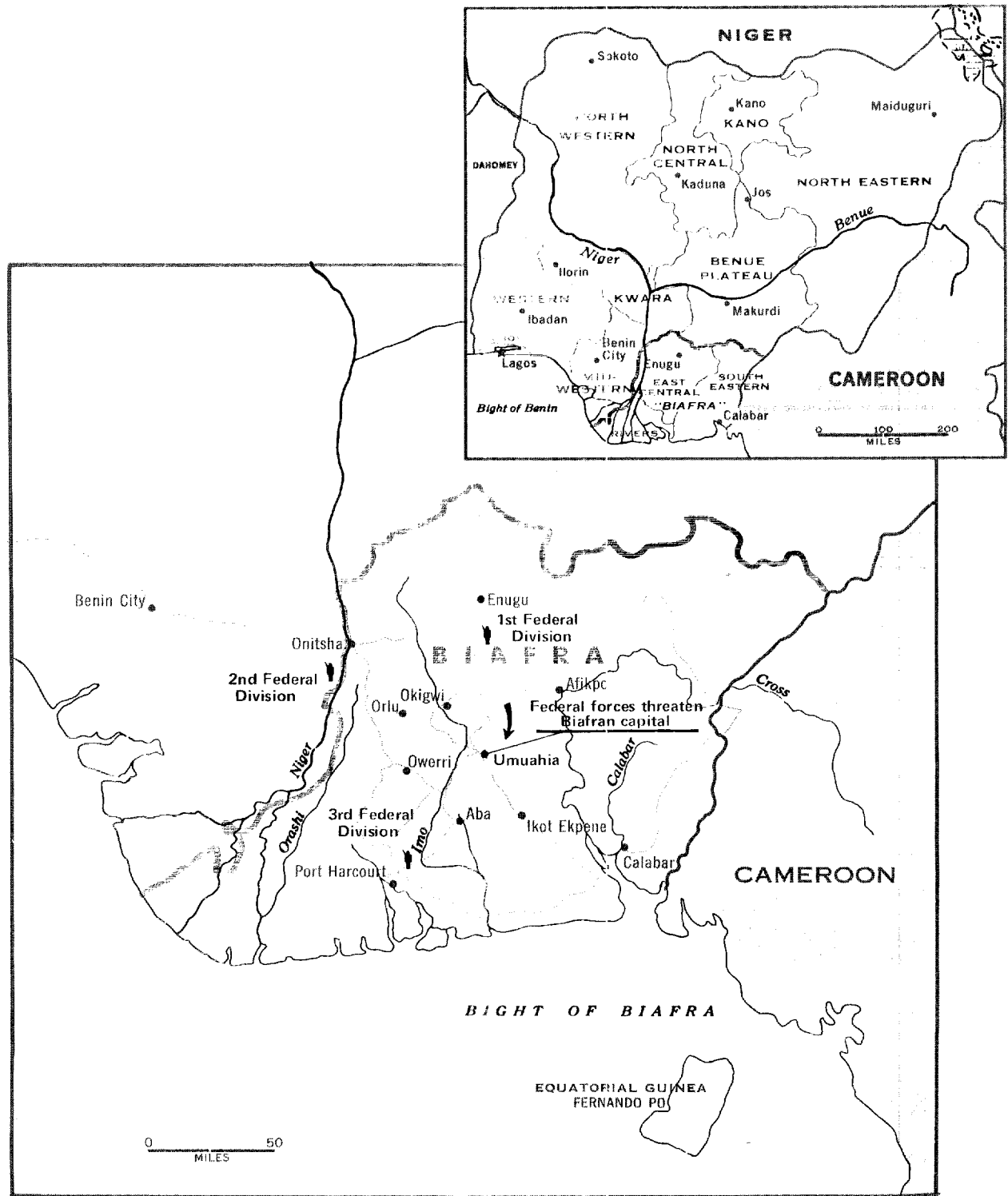
In India, a new constitutional amendment allowing the formation of autonomous regions within states almost assures the early creation of the Garo and Khasi-Jaintia substates in the hill areas of the eastern state of Assam. Home Minister Chavan has refused to regard the measure as a precedent for formation of additional autonomous regions—even for troubled Andhra Pradesh where intrastate regionalism has led to violent demands for separatism. He warned that such a trend would lead to the “disintegration of this country.”

The Soviets are again searching for space recovery facilities in the Indian Ocean. The government of Mauritius is considering a Soviet request for aircraft parking rights, the temporary installation of communications equipment, and permission to sail through Mauritian territorial waters.

The Central African Republic has announced the execution of Lt. Col. Alexandre Banza, minister of state for public health, for attempting a coup and the assassination of President Bokassa. Banza, principal architect of the military take-over that brought Bokassa to power in 1966, had been unhappy over a recent demotion in cabinet rank. Whether Banza actually attempted a coup or Bokassa deliberately rid himself of a potential challenger is still unclear. Although a few presumably related arrests have been reported, there have been no major repercussions in Bangui.

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NIGERIAN FORCES THREATEN BIAFRAN CAPITAL

Federal forces are threatening the Biafran capital of Umuahia, whose fall would represent a major psychological victory for Lagos. Meanwhile, Nigerian and Biafran delegations are attending a meeting in Liberia of the Organization of African Unity (OAU) Consultative Committee on Nigeria, but prospects for a negotiated settlement remain dim.

Elements of the federal 1st Division have advanced to within seven miles of Umuahia, and early this week Biafran civilians began to evacuate the town. It appears increasingly likely that the 1st Division will capture the town before long. As federal pressure on Umuahia increases, Ojukwu can be expected to move his headquarters to a more secure area.

Secessionist forces have held their own on the other fronts, including the south where the federal 3rd Division has been trying unsuccessfully to relieve a brigade trapped in Owerri since February. Should the Biafrans decide to wage a prolonged defense of Umuahia, however, federal units may well be able to make some progress on the southern front. There are no indications that the static 2nd Division is about to move from Onitsha.

The Nigerian military success in the Umuahia area has probably

relieved some of the pressure on the federal leaders, who had failed to show any military progress since September. New strains are developing in Lagos, however, as the prolongation of the war has led to a considerable amount of financial corruption--high even by Nigerian standards--among senior members of the military.

Thus far, federal leader Gowon appears untainted, and it seems unlikely that there will be a move against him at present. A more serious threat probably comes from the guilty officers, including all three division commanders, who may well fear that Gowon will take action against them.

On the diplomatic front, neither Gowon nor Ojukwu opted to go to the OAU meeting this weekend, although both sent delegations. African leaders, including Emperor Haile Selassie and President Tubman, have shown increasing concern over the Nigerian situation, but it seems unlikely that any dramatic peace moves will result. Lagos, bolstered by its recent military success, will almost certainly maintain its insistence that Biafra renounce secession before serious peace negotiations begin. Biafra, on the other hand, seems unlikely to retreat from its demand for an unconditional cease-fire as a prerequisite to substantive talks.

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STUDENT UNREST PERSISTS IN TURKEY

Student strikes, which began in Ankara over two weeks ago, have rapidly spread to other schools and universities throughout Turkey. At their peak, it is estimated that about 75 percent of the total higher education student body was involved. Unlike the student boycotts last spring, which concentrated primarily on justifiable student grievances, the current disturbances have focused largely on political issues, especially in Ankara.

The primary target of the leftist student leaders who have organized and coordinated the strikes appears to be the Demirel government, although there has also been some anti-American propaganda. The student "Occupation Committee" at Ankara University openly admitted that it was doing everything possible to "erode the government's position." From all appearances, the political left is clearly exploiting student discontent in an attempt to strengthen its own position in the forthcoming campaign leading to national parliamentary elections in October.

Although the student boycotts are widespread, the action has primarily centered in Ankara. Student agitation in Istanbul has been generally muted except for two clashes between student extremists on 14 April. The student body at Istanbul University appeared to be reluctant to follow Ankara's lead, although it may be planning further political action.

The important political parties condemned the new student strikes, but tried to get political mileage from them. The major opposition Republican Peoples' Party (RPP) accused the ruling Justice Party of capitalizing on the student unrest to help destroy democracy. In response, Prime Minister Demirel charged the RPP with provoking past disorders and pledged that freedom of education would never be endangered by the brute force of a few.

There are increasing signs that the current wave of student strikes may soon end, at least until further action can be planned. The six-day occupation of buildings of Middle East Technical University--sponsored in part by the US--was brought to a speedy climax last Sunday when gendarmes and riot police ousted the students; several were injured and about 100 arrested. The six-day boycott in Adana in southern Turkey ended quietly on 15 April after a promise to consider legitimate student demands.

The current halt may be merely the lull before the storm as student extremists are reported to be increasingly emboldened in their denunciation of the government and their espousal of the socialist cause. There are rumors that student demonstrations are being planned for 28 April on the anniversary of the student riots that preceded the military ouster of the Menderes regime in 1960.

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LARGE SOVIET NAVAL FORCE STILL IN MEDITERRANEAN

The ships and submarines that sailed into the Mediterranean from the Atlantic a week ago rendezvoused with units of the Mediterranean squadron off the Tunisian coast and then split into several groups.

The flagship of the Northern Fleet contingent--a Sverdlov-class cruiser--and several other Soviet ships are making a five-day official visit to Annaba (formerly Bone), Algeria. This naval visit closely follows Soviet President Podgorny's visit to Algiers and may portend an expanded use of Algerian port facilities by Soviet naval units.

Most of the Soviet ships now in the Mediterranean--19 submarines, 18 surface warships, and 16 support ships--are in the usual Soviet anchorages and Egyptian ports. There has been no major naval activity thus far; some four of the submarines and several surface units probably will leave the Mediterranean in the next few days. Most of the ships scheduled to leave the Black Sea during the past week failed to pass through the Bosphorus.

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PAKISTANI GOVERNMENT ACTS TO WIN POPULAR SUPPORT

The new government of President Yahya Khan is continuing its efforts to win the support of those elements of Pakistani society that participated in the agitation against former president Ayub Khan. Meetings have been held with industrial, labor, and student leaders, with emphasis being placed on the need to revive the economy.

Deputy Martial Law Administrator Nur Khan, whose responsibilities apparently include labor, conducted a series of meetings with labor leaders in both East and West Pakistan in an attempt to formulate plans for settling grievances. On 5 April at Rawalpindi, he met with members of the Joint Labor Council--a group representing several labor unions from West Pakistan--and a labor representative from East Pakistan.

In Dacca on 9 April, Nur Khan assured labor leaders in the east wing of the country that workers would receive the wage increases agreed to by employers prior to the imposition of martial law, even if the increases had been won by force. He warned, however, that if the wage rates eventually established for various industries by government committees were lower than the rates achieved through

compulsion, the workers would be obliged to return overpayments. Nur Khan also met with student leaders on 9 and 10 April in Dacca, where he received a copy of their long-standing proposals for reform. The present government, however, is unlikely to be sympathetic to some of these proposals, such as autonomy for East Pakistan.

On 12 April, another deputy martial law administrator, Admiral Ahsan, announced that the support price for wheat would be lowered and that the issue price of government wheat in both provinces would also be reduced. He claimed the lower prices would not reduce farmers' income because of higher production and would significantly benefit the population, which spends a high proportion of its income on food. He also reaffirmed President Yahya's earlier statement that foodgrain requirements for East Pakistan would be met by shipments from the West.

In an apparent move to create a more favorable popular image for his new government, Yahya Khan on 13 April dismissed Altaf Gauhar as secretary of the Ministry of Information. Gauhar had been one of former president Ayub Khan's closest advisers and had become a symbol of the former government. In East Pakistan, meanwhile, authorities disciplined two individuals for alleged excesses in enforcing law and order, perhaps in an effort to demonstrate that--despite stringent martial law regulations--the government's primary concern was the protection of the common man.

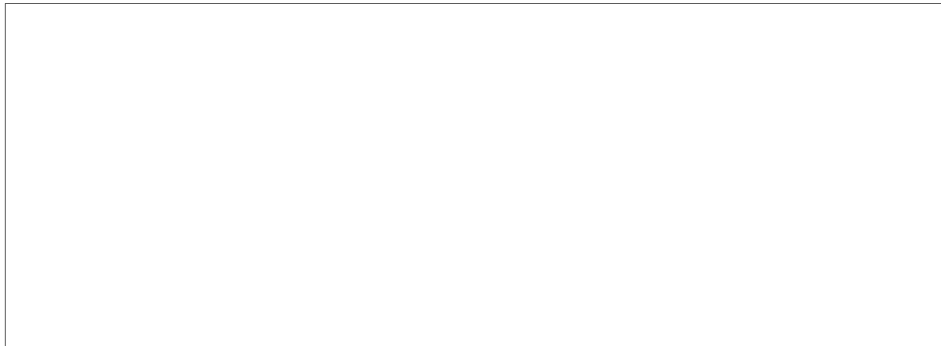
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WESTERN HEMISPHERE

With the Easter holidays over, activity began to pick up in Latin America this week.

Separate terrorist incidents in the Dominican Republic in the last ten days have claimed the lives of at least four members of the security forces and left others seriously wounded. Communist terrorism is becoming such a problem that it will provoke military reprisals and further complicate political conditions.



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The secretary general of the Chilean Communist Party told a party meeting last week that the Communists cannot hope to win the 1970 presidential election alone. His speech was directed primarily at the Socialists, whose candidates the Communists have supported in recent elections and who in general espouse a more extremist line than do the Communists. He added that his party would support an alliance of "popular forces" including the Radical Party, now under the control of leftist leaders, and parts of President Frei's Christian Democratic Party.

The 13th meeting of the United Nations Economic Commission for Latin America began in Lima, Peru, on 14 April. Trade and development problems will be the general topics of discussion, but developed nations' policies toward Latin America will come under considerable fire. For the first time since Peru severed relations in 1959, an official Cuban delegation, led by central committee member and key economic adviser Carlos Rafael Rodriguez, is visiting the country. In a bitterly anti-US speech, he blamed the US for all the economic ills of Latin America. Also present are observers from the Soviet Union and some East European nations.

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PERU'S MILITARY GOVERNMENT FACES ECONOMIC PROBLEMS

An exodus of competent personnel from the Central Bank and an inflationary economic program could combine to cause Peru further serious economic problems. Most of the professionals on higher level staffs of the Central Bank have been dismissed or have resigned to protest charges related to the controversy over the International Petroleum Company (IPC); some have taken asylum in Latin American embassies in Lima. This not only lowers the competence of the bank, but also has shaken the confidence of international lenders.

On 10 April, Finance Minister Morales Bermudez outlined his financial program, which will do nothing to stem inflationary pressures in Peru. The US Embassy comments that the program demonstrates that Peru's financial affairs now are in the hands of officials who not only do not understand the magnitude of the problems facing them but also are blithely confident that the unrealistic schemes they are developing are adequate to meet the situation.

Morales Bermudez' program includes a sizable deficit in the 1969 budget, which he stated would be financed without direct recourse to the Central Bank and without a resultant increase in inflationary pressure. He also stated that the budget must be used to achieve development objectives, regardless of whether it is balanced. He promised a loosening of credit without unduly increasing liquidity, and

stated that financial austerity would not be necessary. These plans are not likely to be in accord with standby loan requirements set by the International Monetary Fund.

In addition, foreign credits, which dried up in anticipation of imposition by the US of economic sanctions under the Hickenlooper Amendment, have not been forthcoming as the government had hoped. There is no evidence that foreign lenders are eager to deal with Peru as long as the threat of sanctions remains.

Negotiations between Peru and the US over compensation for expropriation of some facilities of IPC are expected to resume in about ten days when a Peruvian delegation arrives in Washington. The delegation will be led by General Fernandez Baca, who is head of the state-owned petroleum company. One of President Velasco's extreme leftist advisers reportedly is to be a member of the delegation. Velasco continues to represent the deferral of economic sanctions as a great victory for Peru.

Poland's ambassador to Venezuela, in commenting to the press on the establishment of diplomatic relations between Peru and Poland, said he saw "great possibilities" for profitable economic contacts between the two countries. Despite such pro forma statements, it is unlikely that any great increase in trade will occur soon.

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VENEZUELA'S PRESIDENT SPEEDS PACIFICATION CAMPAIGN

The Caldera government is continuing its efforts to bring an end to insurgent activities in Venezuela.

On 10 April, President Caldera announced that the government has accepted the offer of a distinguished group of Venezuelan citizens led by the Roman Catholic cardinal of Caracas to act as a mediator between the government and the rebels. The committee will seek guarantees for the guerrillas in return for pledges that all guerrillas in the country will lay down their arms. The decision to accept this offer was undoubtedly aimed at bringing about complete pacification of the country, a goal that the new government has given highest priority.

The government for its part probably hopes that talks with guerrilla leaders will further widen the split among their followers between those favoring a cease-fire and those who want to continue armed action.

The MIR is seriously divided over what course to follow. A special plenum of the party has been called this week in eastern Venezuela to discuss the debilitating effects that the government's pacification program is having on the guerrillas. MIR leaders fear that the government may try to split the party by suddenly legalizing it while negotiations are going on. Although some government officials are said to favor such a tactical move, the action would probably cause considerable unease among military and political figures who take a dim view of the government's negotiations with the rebels.

Although they were willing to go along with the government's decision to legalize the Communist Party last month, they see a vast difference between restoring constitutional guarantees to a party that has abandoned armed struggle, and one that continues insurgent activities and has the gall to present impossible demands to the government before agreeing to a cease-fire. There is a possibility that Caldera, in his eagerness to claim credit for pacifying the country for the first time since 1962, may take actions that could jeopardize his relations with the military.

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CUBA REACTS TO RISE IN CRIME

The growing incidence of crime throughout the island has forced Cuban leaders to review the effectiveness of the nation's law enforcement apparatus. Crime--ranging from vandalism and draft-dodging to arson and murder--has been increasing because of shortages of food and consumer goods, increased austerity, and frustration brought about by the heavy demands made on the population. Recent statements by regime spokesmen indicate a deep concern that may lead to stringent countermeasures.

The serious nature of the problem was first made public last September when Fidel Castro complained of mounting juvenile delinquency and acknowledged that more than 70 major "counterrevolutionary acts" had taken place in the preceding six months. His promise "that heads would roll" was followed shortly by the execution of two men accused of setting a warehouse fire that resulted in alleged losses of 1.5 million pesos. This harsh object lesson apparently had only a temporary deterrent effect.

To address the problem on a broad scale, the Vice Ministry of Internal Order of the Interior Ministry organized meetings in its units to discuss all types of crime including such minor offenses as traffic violations, worker absenteeism, and various kinds of "antisocial acts" involving "hippies." The meetings,

which began at the local level in January and had progressed up through the regional and provincial levels by mid-March, were attended by representatives of the mass organizations who contributed "constructive criticism." In late March, a National Forum on Internal Order was held in Havana with key regime officials presiding.

Speeches delivered by President Osvaldo Dorticos and Interior Minister Sergio del Valle gave clues as to what measures were being considered. New laws will broaden the application of capital punishment; technical resources for crime prevention and detection will be improved; organizational changes will be made within the Vice Ministry of Internal Order; and pressure will be exerted on religious groups whose teachings interfere with the Cuban revolutionary process. Also, stress will be placed on social work performed primarily by the mass organizations; commissions will be set up to study the unification of the various law enforcement agencies; codification of laws will be studied in an effort to create uniformity of sanctions; and the Interior Ministry will involve itself more in educating the public on the ministry's role in Cuban society.

Despite the Castro regime's use of the term "counterrevolutionary" to describe any activity--political or criminal--that is

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at variance with its aims, there is no evidence to suggest that crime in Cuba today represents an organized effort to undermine stability and present a political challenge to the government. No matter what measures the regime may adopt, crime will probably

remain a problem as long as the current depressed economic conditions persist and as long as the government provokes frustration and discontent by demanding total conformity of the individual with the goals of the revolution.

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JAMAICAN OPPOSITION SHOWS NEW VIGOR

The opposition People's National Party (PNP) is demonstrating increased vigor under its new leader, Michael Manley. Early this month, the 44-year-old Manley, who succeeded his father as party chief in February, announced the formation of a shadow cabinet "designed to reflect the aims and goals of a PNP government." There are 16 ministries in all, the three most important of which--External Affairs, Defense, and Labor--are held by Manley himself.

Manley has also allocated to his top party lieutenants new responsibilities for organizing popular support. This move is in line with Manley's expressed interest in encouraging collective leadership in contrast to the traditional one-man rule of Caribbean political leaders.

There is evidence that public support may be shifting to the PNP. In recent elections

for local officials throughout the country, the PNP led the incumbent Jamaica Labor Party in popular votes for the first time since 1959. In the last general elections, held in 1967, the vote was fairly evenly divided between the two parties.

Although Prime Minister Shearer is not scheduled to face the voters again until 1972, elections might be called earlier if divisions within his own party should result in defections from the government ranks. The PNP is already capitalizing on the government's inability to cope with serious crime. Shearer, whose own home was fired at recently, has charged that subversive elements are responsible for the current wave of violence, but there is no evidence to substantiate this allegation. According to the US Embassy, general reactions in the Kingston area range from jitters to fear.

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