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DIRECTORATE OF  
INTELLIGENCE

# *WEEKLY SUMMARY*

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45

2 May 1969  
No. 0368/69

DIA  
Review  
Completed.

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(Information as of noon EDT, 1 May 1969)

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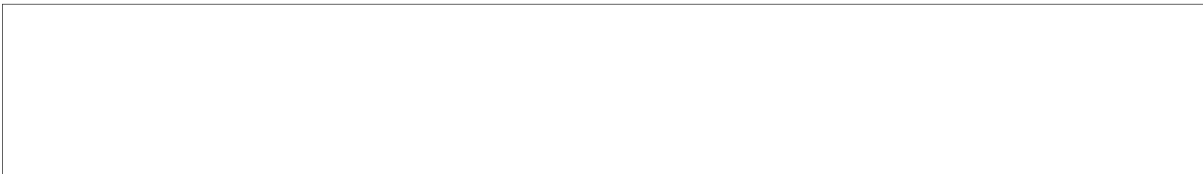
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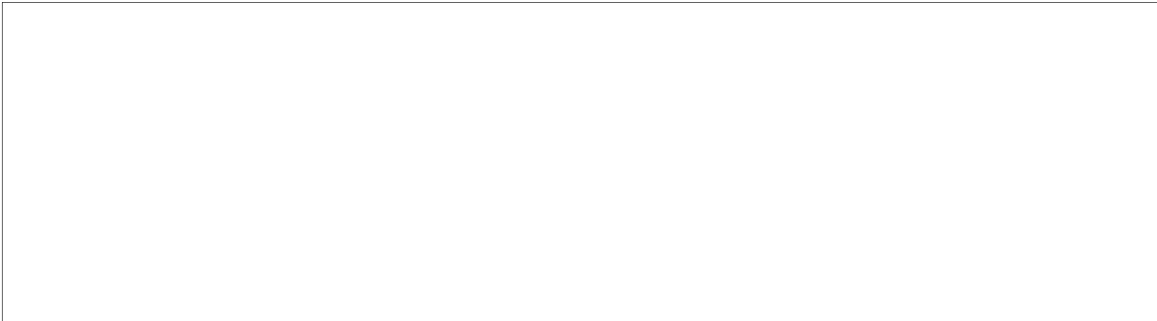
While Lebanon suffers civil strife as a result of the government's attempts to curb Arab terrorists, chances of an all-out confrontation between the fedayeen and the Jordan Government are increasing. Meanwhile, Israeli forces struck into Egypt on 30 April following a number of incidents along the border.



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Enemy combat forces in South Vietnam continue to refit and resupply, apparently for a "May Action Phase." The Communists suffered heavy losses in the relatively few attacks they staged this week. There was an increase in terrorist and sapper attacks in Saigon and more such violence is expected

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President Thieu's proposed political confederation has made some progress, but some of South Vietnam's more significant political groups and personalities are withholding their support.

The ninth congress of the Chinese Communist Party adjourned last week with no single interest group in Peking having managed to win a decisive victory. The composition of the party's new central committee and politburo reflects the existing balance of forces between newly important military men and radicals who have been closely associated with the Cultural Revolution. The absence in the new politburo of most central government ministers who served in the previous politburo may indicate some diminution of Chou En-lai's influence, but it is too early to be certain of this. The worst excesses of the Cultural Revolution are clearly over, but there is no real sign that the congress marks a return to pragmatic normality.

North Korea has shown increased frustration over its failure to obtain support for its version of the shutdown of the US reconnaissance aircraft. Moscow's first editorial comment on the incident did not appear until 27 April, after the US naval task force had left the Sea of Japan. It was limited to a routine condemnation of US actions in the Korean area, with only indirect support for Pyongyang's claims.

In Laos, the Communists continue to apply some pressure against government positions in the northeast, but otherwise the military situation has been relatively quiet.

Violence by Japanese leftist students on "Okinawa Reversion Day" drew strong condemnations from the press and political parties. Major newspapers called on the authorities to take whatever action is necessary to eliminate this threat to public order. Although these excesses have further isolated and discredited the extremists, they are unlikely to abandon violent tactics in prosecuting their campaign against the extension of the US-Japan security treaty in 1970.

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## VIETNAM

The majority of the enemy's combat forces in South Vietnam continue to refit and resupply, apparently for a "May Action Phase" that has been forecast by a number of sources. Despite a lack of widespread large-unit actions, the enemy has mounted several sizable attacks in I and III Corps as well as sporadic shellings of allied positions, occasional small-unit probes, interdiction of important roads, and small-scale harassing activities.

The Communists were hit hard early this week in fighting west and north of Saigon. At least 230 enemy troops were killed, compared with one American wounded, during an enemy assault on a US fire-support base near the Cambodian border. Several other skirmishes in III Corps accounted for more than 160 enemy killed, again with only light allied casualties.

Enemy-initiated ground fighting picked up in northern I Corps this week. One significant battle took place just south of Khe Sanh when an estimated 150 enemy troops attacked a US mechanized unit. Thirty-four Communists were killed and 200 antitank rocket rounds and 500 satchel charges were captured. American losses included five killed and 34 wounded.

There was also an increase in terrorist and sapper attacks in Saigon, many apparently aimed at the city's electrical power system.



Political Developments in  
South Vietnam

President Thieu's proposed political confederation has made some progress in working out organizational questions but the new group has still not been able to attract several of South Vietnam's more significant political groups.



the politicians have gone along with Thieu's ideas of forming a loose political confederation that could later be made into a more tightly knit organization. This confederation will have a presidium composed of representatives from all the member organizations that will serve as an advisory body, but President Thieu will make the final decisions.

The politicians have agreed to join Thieu despite their disappointment over the President's unwillingness to reward their support with appointments to high government positions. Thieu is apparently promoting his confederation on the ground that it will become the only progovernment political party, and that it will take the lead in combating the Communist political challenge.

Several major political forces in South Vietnam, however, are still

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apparently hoping to receive special benefits as the price of their support. Such political luminaries as Senator Tran Van Don, Duong Van "Big" Minh, and Tran Van Tuyen have indicated that they will wait to see how the confederation develops before deciding whether to join. Even Prime Minister Huong is known to believe that the chances are poor for achieving any political unity among Vietnamese nationalist parties.

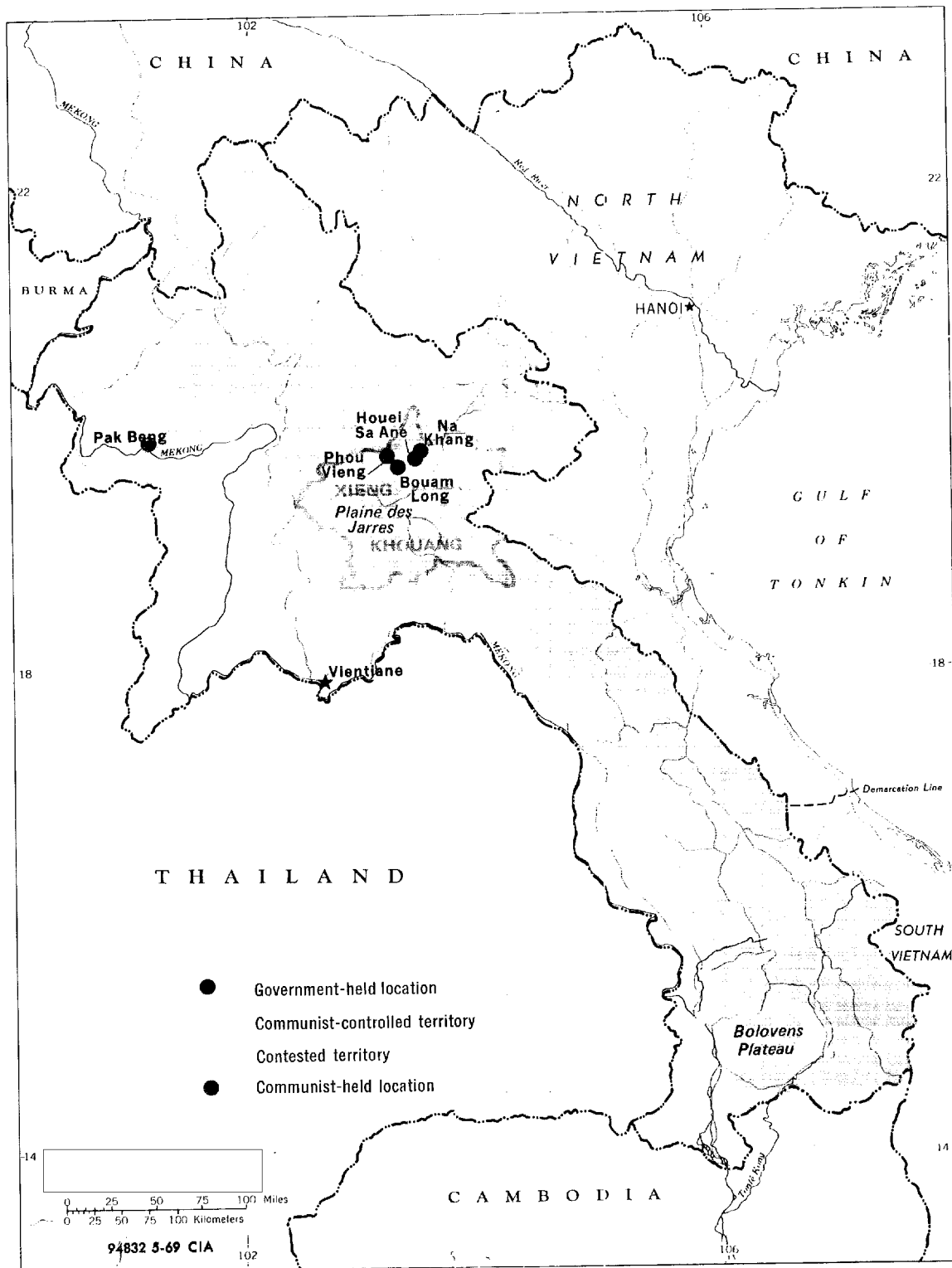
Traditional political factionalism, meanwhile, continues to prevent better cooperation in the provinces. In I Corps, competition for provincial leadership has prevented the formation of an anti-Communist alliance among the Revolutionary Dai Viet, the VNQDD, and the Nhan Xa parties. The Dai Viets, with the assistance of a cousin of the I Corps commander, "purged" members of rival political groups from key provincial and district positions in the two northernmost provinces of the corps area.

The expected return to Paris of Hanoi's chief negotiator, Le Duc Tho, after unusually long consultations at home, could bring some new developments in the peace talks. Tho left Paris before the latest Viet Cong offensive in early February and in his absence the Communist negotiator showed little interest in any allied efforts to move the talks off dead center. Tho's return probably means tht Hanoi has concluded its initial assessment of the Nixon administration's attitude toward Vietnam and has reviewed its own negotiating strategy.

Tho is returning via Peking and Moscow, and is holding the usual conversations with Hanoi's two major allies.

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### COMMUNISTS INCREASE PRESSURE MODERATELY IN LAOS

The Communists are applying some pressure against government positions in northeast Laos, but otherwise the military situation continues relatively quiet.

North Vietnamese and Pathet Lao troops hit the government guerrilla base at Bouam Long three successive nights last week but were unable to drive the defenders from the area.

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this may be the beginning of a push that has been anticipated since the Communists captured Na Khang almost two months ago.

The enemy is still reacting cautiously to the government's

counteroffensive south of the Plaine des Jarres, but there are signs that as many as three Pathet Lao battalions may have recently moved into the area. The counteroffensive has caught the enemy off guard and has helped raise the morale of government forces; it has not, however, achieved its principal objective of forcing the enemy to divert troops from operations in northern Xieng Khouang.

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In the northwest, government troops have reoccupied the Mekong River town of Pak Beng, which the enemy had captured in early April. Government forces hold a number of outlying defense positions but elements of two Pathet Lao battalions dug in on the surrounding ridgelines continue to threaten the town.

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## CHINESE COMMUNIST CONGRESS REFLECTS CONTINUING IMPASSE

The Chinese Communist Party's ninth congress adjourned last week after naming a new central committee. The composition of this body, and of the politburo "elected" at its first plenary session, shows that no single interest group in Peking has yet managed to win a decisive victory, and reflects the existing balance of forces within the Chinese Communist leadership. Although the congress legitimized the political situation that has prevailed in China since late last summer, its unexpected length suggests that the delegates engaged in wide-ranging debate on a variety of disputed personnel and policy issues.

One sign of the continuing impasse is the failure, for the first time in party history, to reveal the relative standing of members of the politburo. Instead, the 25 members are listed in the Chinese equivalent of alphabetical order, except for Chairman Mao Tse-tung and Vice Chairman Lin Piao, who head the list. The five-man standing committee, composed of Mao, Lin, and three others, leaves it unclear whether Chou En-lai retains his traditional number three spot.

The remainder of the new politburo reflects the balance between newly important military men and Maoist radicals who have been closely associated with the Cultural Revolution. Some of the military members were severely

criticized early in the Cultural Revolution. The presence of military leaders--from both the People's Liberation Army central headquarters and the provincial military regions--signals an attempt to legitimize the army's role in the party and attests to the army's importance in running the state. A major surprise in the new politburo is the absence of most of the central government ministers who served in the previous politburo. This may indicate some diminution of Chou En-lai's influence, but it is too early to be sure of this.

In short, this politburo, like the congress, seems to be a reflection of the stalemate that has persisted in China for some time. It indicates a general withering of the normal administrative machinery of the state and party, an increase in strength of army personalities, and a continuing important role for Mao's closest "radical" associates. But even here, there are ambiguities. Some of the military men included on the new politburo have benefited by the upheavals of the Cultural Revolution and have been identified with its excesses. Moreover, factions cannot be clearly defined, balances shift, and a general unwillingness or inability to resolve fundamental questions of authority appears to be the order of the day.

The new central committee, comprising 170 full members and

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109 alternates, is much larger than its predecessor and will be too unwieldy to play a major political role. The number of "model heroes" and minor officials on the new committee--about one fourth of its membership--will further reduce its political significance. Presumably, they were included primarily to symbolize an infusion of new blood into the leadership after the turmoil of the Cultural Revolution.

Aside from the make-up of the new ruling bodies, little is known about the proceedings of

the congress. Peking has released virtually no information on the debates that undoubtedly characterized the working sessions, and the three communiqués issued by the congress secretariat as the sessions proceeded all seem designed to conceal rather than reveal. Even Lin Piao's "political report"--the most important speech delivered at the congress--is reticent on many subjects. Its vague and generalized rhetoric appears to leave many doors open--either by design, to prepare for further shifts in policy, or by necessity,

**THE NEW POLITBURO OF THE CHINESE COMMUNIST PARTY**  
 (elected 28 April 1969, at first plenum of 9th central committee)

**MEMBERS OF THE STANDING COMMITTEE OF THE POLITBURO**

Mao Tse-tung	Chairman, Central Committee, CCP
Lin Piao	Vice Chairman, Central Committee, CCP
<b>Other Members:</b>	
Chen Po-ta	Chairman, Cultural Revolution Group, (CRG)
Chou En-lai	Premier; heretofore listed third
Kang Sheng	"Adviser" to CRG

**OTHER MEMBERS OF POLITBURO**

Yeh Chun	Lin Piao's wife	Li Tso-peng	Member, MAC; Navy Commissar
Yeh Chien-ying	Old marshal; member Military Affairs Commission (MAC)	Wu Fa-hsien	Air Force chief
Liu Po-cheng	Old marshal; probably unimportant	Chang Chun-chiao	Deputy head, CRG; Chairman, Shanghai Municipal RC
Chiang Ching	Mao's wife; 1st Vice Chairman, CRG	Chiu Hui-tso	Member, MAC; director, General Rear Services Department
Chu Te	Former head of army; probably unimportant	Yao Wen-yuan	CRG member; Vice Chairman, Shanghai MRC; reputed son-in-law of Mao
Hsu Shih-yu	Commander, Nanking Military Region; Chairman of Kiangsu Provincial Revolutionary Committee (PRC)	Huang Yung-sheng	Chief of Staff; former Commander, Canton Military Region
Chen Hsi-lien	Commander, Shen-yang Military Region; Chairman Liaoning PRC	Tung Pi-wu	Deputy chief of state; no longer politically important
Li Hsien-nien	Minister of Finance	Hsieh Fu-chih	Chairman of Peking MRC; Police minister

**ALTERNATE MEMBERS OF POLITBURO**

Chi Teng-kuei	Vice Chairman, Honan PRC; former party secretary; aligned with radical supporters of Cultural Revolution
Li Hsueh-feng	Chairman, Hopeh PRC; former head, North China Party Bureau; brought down by Red Guards in late 1966; restored to present lesser post in February 1968
Li Te-sheng	Chairman, Anhwei PRC; commander, 12th Army
Wang Tung-hsing	Vice Minister, Public Security; longtime bodyguard to Mao

*Names listed in the Chinese equivalent of "alphabetical order"  
 New members in blue*

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because no consensus could be reached on important questions.

The prime policy issues discussed in detail were the vexing question of how to deal with officials criticized during the Cultural Revolution and the need for renewed attention to increasing production. On both these matters, Lin took a moderate stance. Regarding personnel, he prescribed the "rehabilitation" of large numbers of cadres; this may mean that a considerable number of middle- and lower-level government and party officials will be restored to their posts. Lin

was exceptionally strong in his praise for the army, calling it the "pillar of the state."

Although the worst excesses of the Cultural Revolution are clearly over, there is no real sign that the congress marks a return to pragmatic normality. The immediate post-congress period, at least, is likely to be characterized by intense political maneuvering as the contending elements in the ruling structure search for advantages and attempt to enhance their positions.

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### CAMBODIA PLANS RENEWED RELATIONS WITH THAILAND

Phnom Penh is moving ahead with plans to re-establish diplomatic relations with Bangkok.

Cambodia's initiative appears to be part of Prince Sihanouk's current effort to widen his diplomatic options by adopting a more balanced neutrality. Moreover, Sihanouk is increasingly concerned over the military threat along his eastern border with South Vietnam, and no doubt would like to ease tensions along the Thai border, where a substantial part of Cambodia's security force is now stationed.

Although substantive differences between the two countries are minimal, a number of minor issues, including personal animosities between Sihanouk and Thai Deputy Prime Minister Praphat, will have to be kept in check if a rapprochement is to be achieved.

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### NORTH KOREA SEEKING FOREIGN SUPPORT ON PLANE INCIDENT

Pyongyang has shown increased frustration over its failure to obtain foreign support for its version of the shootdown of the US reconnaissance aircraft.

North Korea's limited foreign propaganda probably is related to the lack of international support its version of the incident has received. During the week, the regime began prodding its allies and friends to back publicly its claim that the US aircraft was shot down after it had violated North Korean airspace.

Moscow's first editorial comment on the incident finally

appeared on 27 April, after the US naval task force had left the Sea of Japan. The editorial claimed that the "Soviet people" condemned the "dangerous actions" of the US in the Korean area. This comment, which is the closest the Soviets have come to a clear endorsement of North Korean actions, probably was stimulated by Pyongyang's urgings.

Only one broadcast from Pyongyang during the past week attempted to exploit the shoot-down. Pyongyang radio on 24 April focused directly on Japanese fears of being dragged into a new Korean conflict because of the Japan-US security treaty. The statement criticized the Japanese Government's support of the US reaction to the incident as "openly taking a hand in moves for the provocation of a new war in Korea." Pyongyang has as yet made no comment on the removal of the US naval task force from the Sea of Japan.

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## ECONOMIC STAGNATION FRUSTRATES NORTH KOREANS

Premier Kim Il-song has taken the extreme step of committing his personal prestige on reviving the sluggish North Korean economy. Kim apparently believes the economy must support increased military power as well as overcome the unfavorable contrast with the rapid economic development taking place in South Korea. Civilian economic needs appear to be a secondary consideration and are being met only on the austerly level.

As the economy probably has been supporting a near-maximum military burden for many years, it is doubtful that military expenditures can climb rapidly in the future unless the size of the economy increases. Pyongyang has said that military spending has been consuming about 30 percent of the national budget during the past two years.

Although these figures cannot be taken at face value, there is no doubt that military spending has been very heavy. The Pueblo and EC-121 incidents, furthermore, may have induced more spending than was planned. On 24 April, North Korea announced that defense expenditures will increase 11 percent this year, an action that may be connected with the EC-121 shutdown.

In seeking to foster faster economic growth, Kim has publicly argued with his economic advisers, who claim that "diminishing resources" make an annual rate of growth of six or seven percent the best that can be ex-

pected. Kim believes that a socialist country can achieve continuous growth rates of 15 to 20 percent annually. Under-scoring this assertion, the press has dubbed it one of the "perfect Marxist-Leninist answers" that Kim's "genius" has provided to "break entirely new ground in socialist economic theory."

In actuality, North Korea's rate of growth is estimated to have averaged less than 5 percent annually in the 1960s. South Korea's growth rate overtook North Korea's in 1962 and reached 13 percent in 1968, or about three times the North Korean rate last year. North Korea's sensitivity to comparisons with the South is reflected in Pyongyang's economic reports, which regularly devote up to half their space to disparaging the South Korean economy.

North Korea would have performed better in this decade if Soviet aid--the bedrock of the 1961-67 plan--had not been cut off in the early 1960s because Pyongyang sided with China in accusing the USSR of using aid to control other countries. In lieu of Soviet aid, the North Koreans have sought to promote growth by a series of administrative improvements, such as reorganizing ministries, revamping the planning process, and recasting control organizations in the countryside. Although these measures have not been particularly successful, Kim continues to prescribe the same treatment.

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**EUROPE**

Frenchmen accepted president De Gaulle's departure with composure; the chaos that he had predicted did not appear. Elsewhere in Western Europe, there were some misgivings, but the dominant reaction was one of relief and new hope for European unity.

Moscow broke sharply with its May Day tradition in an effort to advance a "peaceful image." The military section of the parade was canceled, and party chief Brezhnev, rather than the defense minister, gave the principal address. The speech was conciliatory, placing primary emphasis on disarmament, easing of international tension, and peaceful cooperation. It specifically endorsed "peaceful coexistence." Brezhnev did not mention either the US or China, but it is probably a sign of Moscow's thinking that the anti-Mao placards carried in the parade out-numbered the anti-American ones.

In Czechoslovakia, Husak's firm initial moves toward orthodoxy appear to have brought about a period of uneasy calm characterized for the most part by a popular mood of hopelessness, frustration, and watchful waiting. Last week, Husak met with his Eastern European counterparts during the four-day CEMA summit meeting in Moscow, and—except for the East Germans—seems to have won their support.

Continued student unrest in Yugoslavia and the possibility of demonstrations are causing concern in official circles. Belgrade was alarmed enough to have precipitously postponed the long-scheduled visit in early June of Indonesia's President. Regime leaders fear that the presence of the anti-Communist leader could lead to an outburst of disorders on the first anniversary of last year's riots. Student dissatisfaction centers on the government's failure to deliver on its promises to reorganize university education and to improve employment opportunities for graduates.

Politburo rapporteur Honecker—Ulbricht's right-hand man—speaking to the tenth plenary session of the East German party's central committee this week revealed that there will be no change in East Germany's hard-line policy toward Bonn. Official alarm was evident over continuing domestic economic and ideological problems.

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## FRANCE CALM AS LEADERS PREPARE FOR PRESIDENTIAL ELECTIONS

Contrary to De Gaulle's prediction on the eve of the abortive referendum that "shocks" and "upheavals" would follow his departure, France has remained calm in the week following his resignation. Political leaders have spent the week jockeying for position in the presidential race, which most observers expect to take place on 1 June. Several candidates have their hat in the ring already, including the former Gaullist prime minister, Georges Pompidou, and the moderate Socialist mayor of Marseilles, Gaston Defferre.

Pompidou, the front runner, is making significant headway in his effort to win over essential support from the center and from those in the Gaullist camp who defected in the referendum. The decision of Independent Republican leader Valery Giscard d'Estaing--who broke ranks with the Gaullists over the referendum and later implied he could not support the candidacy of his former cabinet boss--to rally to the Pompidou banner may well prove to be the critical factor in Pompidou's drive for election. According to centrist leader Pierre Sudreau, Pompidou offered Giscard a top post in a future government.

Pompidou's efforts to cultivate the center also appear to be bearing fruit. Sudreau said that the leader of the centrist parliamentary group, Jacques Duhamel, is virtually "on board the Pompidou train." For both centrists and Independent Republicans, who

together hold almost 100 seats in the 487-seat National Assembly, one persuasive argument probably was that Pompidou's election would make the election of a new parliament unnecessary. Any presidential successor other than a Gaullist might find it necessary to dissolve the present assembly, in which almost three fourths of the seats are held by Gaullists and their allies.

Pompidou is further aided by the fact that both the left and the center are badly divided. Gaston Defferre, who hopes to appeal to that broad spectrum from the left to the center which lies between the Communists and the Gaullists, has complicated the task of those who want to come up with a generally acceptable centrist candidate or a single candidate of the left. One result of Defferre's announcement has been to lessen the likelihood that interim President Alain Poher, who also hoped for center-left support, would put forth his candidacy.

Defferre's candidacy has dealt a sharp blow to the Communist Party, which is now railing against a center-left coalition and calling instead for a joint Communist-leftist candidate. The party would prefer not to run its own candidate because standing alone would not only symbolize a "redescent into the ghetto" but might also reveal that the party, in fact, commands less votes than it traditionally claims.

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EUROPEANS RELIEVED BY DE GAULLE'S DEPARTURE

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The West Europeans have received the news of De Gaulle's resignation with some apprehension, but more noticeably with relief and renewed hope for European unity; there has been almost no expression of regret. Officials for the most part have commented discreetly, leaving the more forceful national reactions to the press.

Some concern has been registered about the prospects for a smooth transition to a new French leadership and for future French political stability. There is more worry about the stability of the franc over the long term and the impact on other currencies of a devaluation.

The predominant reaction, however, has been relief at the departure of a man whose ideas and style of governing were uncongenial to his European partners. It is widely conceded that Gaullism did not go out with the general, however, and it is not believed that his successor will abruptly alter France's course. Nevertheless, possibilities are seen for a more positive French policy toward Europe and NATO.

Italian Foreign Minister Nenni expressed the opinion that a new dialogue on Europe was about to open with France. The Italian press, exultant over the change, pointed to the timeliness of the Anglo-Italian declaration on European unity issued on 28 April.

In the West German press, expectations for the future of Europe were generally reserved but hopeful. Foreign Minister Willy Brandt said that he hoped "the coming period will make it possible to strive for new progress in European policies."

Moscow has betrayed some discomfiture over De Gaulle's resignation. Izvestia praised him for having provided an alternative to "Atlanticism" and expressed hope that the "realism" of French foreign policy will not depart with him. The Soviets have been at pains to stress that the defeat for De Gaulle should not be construed as rejection of his rapport with Moscow and his show of independence from the US and NATO.

The current pre-election period in France may be a trying time for Moscow. The USSR has put considerable diplomatic effort into building a special relationship with France and will not gamble these gains on the long shot of a Communist share of power in a new French government. Although the Soviets will support the electoral bid of the French Communist Party, they will use caution in attacking those whose chances of governing are better.

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## CZECHOSLOVAK LEADERS MEND FENCES ABROAD, CLAMP DOWN AT HOME

Party first secretary Husak last week garnered support for his new regime from most of his conservative Soviet bloc counterparts, an important step that will help him establish greater control in Czechoslovakia.

During his visit to Moscow last week to attend the CEMA summit, Husak met separately with the party bosses of each of the invading powers, as well as with Rumania's Ceausescu. The import of these meetings was to make clear that he will base his rule on Soviet power and the Warsaw Pact, but also that he expects to have some leeway in his foreign relationships. As if to underscore these points, while Husak was in Moscow, other Czechoslovak delegations were sent to

resume contacts with both hard-line and more liberal Eastern European regimes.

Husak's trip to Moscow--his first since becoming party chief--precipitated rumors that he and Brezhnev had worked on a schedule for the withdrawal of Soviet occupation troops from Czechoslovakia. There is, however, no reliable information to this effect. There may be token withdrawals, but Moscow is unlikely to consider a major reduction of its occupation forces or to commit itself to a firm timetable. A Czechoslovak expert on Soviet bloc affairs, commenting on a possible Soviet withdrawal, said that it would be a smart move from the Soviet point of view, but he doubts they are that smart.



Czechoslovakia's new party chief Gustav Husak (hatless) and Premier Cernik are met at Moscow Airport by Soviet leaders Brezhnev and Kosygin.

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The Czechoslovak leadership also took steps last week to reduce the corps of Western correspondents in Prague, to impose new restrictions on the press, and to discourage further united action by the students by declaring their parliament "illegal." To avoid potential trouble, the annual May Day parade in Prague was called off and celebrations were restricted to easily controlled district and factory meetings. As a result, May Day--a trigger for youthful dis-sidence in the past--passed with only scattered anti-Husak or anti-Soviet incidents.

Husak's firm initial moves have brought about a period of uneasy calm, characterized to a large extent by hopelessness and frustration, but also by a grow-

ing public curiosity inspired by the new party leader's reputation as an ardent nationalist and a victim of Stalinism. Husak received, for example, an unexpected boost from the still outspokenly liberal youth daily, Mlada Fronta, when its editor-in-chief lauded his capabilities.

There are many people, however, as yet unreconciled to Husak's ascendancy, as is evident in acts of vandalism, the refusal of the national students' organization to join the Communist-dominated National Front, and in a notable number of resignations from the Communist Party. Some party organizations, especially in northern Bohemia, have withheld their endorsement of Husak until they judge how far he intends to go.

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## EAST GERMANS TO MAINTAIN HARD-LINE POLICIES

Politburo rapporteur Erich Honecker's speech before the tenth plenum of East Germany's party central committee on 28 April made clear not only that Pankow is unprepared to change its hard line toward Bonn but also that the leadership is alarmed about continuing domestic economic and ideological problems.

Honecker lashed out at West Germany, and its Social Democratic Party in particular, charging Bonn with increasing tension and preventing progress on European security, and the Social Democrats with betraying West German workers. He repeatedly asserted that diplomatic recognition of East Germany was an absolute condition for European security and also reiterated other long-standing--and unacceptable--demands on Bonn that were contained in the Budapest appeal of the Warsaw Pact.

Honecker confirmed that East Germany favors closer polit-

ical and military integration of the Warsaw Pact countries, and that it continues to have reservation about the new Czechoslovak leadership. His remarks suggested that Pankow also does not fully concur with the draft document that is to be discussed at the forthcoming international Communist conference.

Honecker devoted half of his speech to criticism of the party's economic apparatus, stating that party members were "persistently impatient" over continued production difficulties and other shortcomings. His disparagement of "convergence theories," "reformers," and "revisionists" was directed to his domestic audience, rather than to the Czechoslovaks, and indicated the party's continuing concern over cultural and ideological deviations. Honecker's speech and remarks by other party officials suggest that the party intends to take further steps to ensure ideological conformity and to maintain tight control of the economy.

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## CEMA SUMMIT MEETING ACCOMPLISHES LITTLE

The eight CEMA countries failed to agree on any immediate reforms of the organization at their long-heralded summit meeting that ended on 26 April. Although the session probably was held at this time to avoid a continuing display of political disunity, disagreement on economic integration was evident throughout the meeting.

The focus of the conference was on the narrow issue of the development of intra-CEMA trade and financial relations. The member states plan to intensify these relations at a time when their share of trade with the free world apparently has passed its peak. The participants decided to establish an investment bank to finance specific projects and to work out improvements in CEMA's existing International Bank for Economic Cooperation. Unless substantial progress is made in solving problems of prices and currency convertibility, however, the proposed investment bank will not be able to play an effective role.

If new methods were devised to lead to meaningful economic cooperation, they were not announced at the meeting. Pravda reported only that CEMA's executive committee will draft measures to implement the session's decisions, which will be reviewed at the next meeting of the executive committee later this month.

The vaguely worded communiqué stated that proposals are to

be worked out for enhancing CEMA's role in promoting economic cooperation. In the past, CEMA has been most successful in technical areas--such as a railway freight-car pool--because these efforts avoid the political controversy caused by conflicts of national economic interests.

The communiqué admitted that "the session raised many problems concerning deepening relations be-

In certain member countries...there is talk of need for integration, for creation of supranational organs.... [Rumania] is not an advocate of integration and does not wish to participate in joint supranational organs.

*Rumanian party Secretary General  
Ceausescu on CEMA in a speech  
to students on 18 April*

tween the national economies," a phrase that indicates continued disagreement on the desirability of economic integration. Rumania's Ceausescu again stated that his country "resolutely opposes" any integration within CEMA that would restrict the sovereignty and economic autonomy of member states.

Support for integration differs markedly among the other CEMA members. Moreover, measures to make CEMA a more effective organization apparently must still be drafted and then approved by the members, a prospect that is long range at best.

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## WINTER GRAIN OUTLOOK BETTER IN EASTERN EUROPE THAN USSR

Prospects for the winter grain harvest are mediocre in the Soviet Union but relatively good in Eastern Europe. Although winter grains usually account for about half of the USSR's bread grain production, in Eastern Europe they constitute roughly 90 percent of the total.

Winter grain crops in the USSR were seeded on about 39 million hectares last fall, slightly less than in the previous year. Fall sowing weather was good, precipitation was well above normal in most regions, and good fall growth was reported. Intense cold and inadequate snow cover during the winter, however, heavily damaged fall-sown grains in parts of the Ukraine, the central black soil zone, and the northern Caucasus.

Although the damage apparently was not as widespread as initially reported, it will require significant reseeded with spring grains, which generally have a lower yield. A vigorous press campaign is currently under way urging farmers to reseed with corn because of its alleged higher yield, particularly in the southern areas.

Barring further setbacks in growing and harvesting both winter and spring grains, the USSR should be able to meet its export commitments to Eastern Europe, Cuba, and certain free world countries. Nevertheless, the Soviets may elect to purchase at least a portion of the four million tons of wheat remaining

under a three-year agreement with Canada.

Current prospects for the important winter grain crops of Eastern Europe--wheat, rye, and barley--are relatively good, although not as favorable as a year ago when bread grain production in this area set a new record. Throughout Eastern Europe, winter grains were sown later than usual because of delayed harvesting of fall crops and rainy weather. Soil moisture was sufficient for germination but freezing temperatures began before good root development and snow cover could afford protection from winter-kill. The weather last winter was more severe than in 1967-68.

Soil moisture levels as of 1 April were near normal throughout Eastern Europe and were better than a year ago in the Balkans, but a cold, snowy March prevented the timely seeding of spring grains and retarded growth of winter grains. Normal precipitation and warm temperatures during the late spring months could significantly improve yield prospects because both the area sown to higher yielding wheat and allocations of fertilizer increased except in Czechoslovakia.

Eastern Europe's demand for imported grain in fiscal 1969 is expected to approximate the 6 million tons of a year ago. Imports of grain from the free world may reach the lowest level in a decade, however, as the USSR will be supplying over 75 percent of the area's needs this year.

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## ALBANIA PLEDGES SUPPORT FOR YUGOSLAVIA AND RUMANIA

In an article in the party daily Zeri I Popullit of 11 April, Albania pledged support to Yugoslavia and Rumania in the event of Soviet aggression. This contrasts sharply with the vituperation Tirana has heaped on the Yugoslavs for most of the last 20 years and seems designed to take advantage of the community of anti-Soviet feelings in Yugoslavia and Rumania to score propaganda points against the USSR.

Tirana stammered in the wake of the invasion of Czechoslovakia last summer, apparently undecided how to treat its old antagonist, Yugoslavia, which was vociferously condemning the USSR. The indecision was apparent even last month when the Yugoslav party congress--normally a prime target for Tirana's tirades--met without drawing any Albanian commentary. Probably with Peking's acquiescence if not approval, Albania clearly has not decided to shunt aside, if only temporarily, its differences with Yugoslavia in view of the common fear of the Soviet Union.

The Rumanians have tried to remain on good terms with Albania since it broke with the Soviet Union in 1961 and, since August, Tirana has set Bucharest apart from its criticism of the Warsaw

Pact. Rumania is the only Eastern European country to which Albania has sent a delegation for May Day celebrations.

While softening its approach toward Belgrade, Albania has increased its polemics against Sofia. It continues to criticize Bulgaria's role in the Czechoslovak intervention and to accuse Sofia of being the "Kremlin's mouthpiece." Albanian-Bulgarian relations have been bitter since last July when Bulgaria threw out Albania's ambassador and most of his staff for "illegally" distributing Marxist-Leninist propaganda.



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Peking's part in Albania's policy shift is unclear, but the possibility that China encouraged Tirana to identify with Belgrade and Bucharest cannot be ruled out. Peking would, in any case, not look askance at the three independent-minded Balkan Communist regimes loosely coalescing in opposition to Moscow.

Albanian-Yugoslav antagonism is deep-seated, however, and Ti-

rana's old polemics could easily return. In the meantime, the Albanians--without sacrificing their doctrinaire interpretation of the Marxist-Leninist ideology or their alliance with Peking--are displaying unusual flexibility in spelling out common interests and concerns with the unorthodox Yugoslavs and independent-minded Rumanians.

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MIDDLE EAST - AFRICA

Lebanon's political crisis, touched off by violent popular reaction to President Hilu's efforts to curb Arab commando activity, remains unresolved. In Jordan, the Palestinian terrorist groups appear to be preparing for a showdown with King Husayn. Commando-inspired clashes occurred with increasing frequency along all the Arab-Israeli borders, particularly in the Suez Canal area, and Israel retaliated with a punitive raid deep into Egyptian territory.

Iran has temporarily faced down the Iraqis in the dispute over navigation rights in the Shatt al-Arab, and is now awaiting an Iraqi response to its offer to renegotiate the treaty governing the boundary river. Another test could come if Iran decides to force third-country ships to fly the Iranian flag on the river. The Baghdad government has lodged a strong protest against Iranian policy with the UN Security Council, and many Iranians resident in the country allegedly have been arrested.

India's Congress Party had a discouraging week as it continued to try to recover from setbacks in the February mid-term elections. Disagreements dominated the party's annual convention, and no important resolutions were adopted. In Tamil Nadu, Congress lost its dominant position in the state's municipal councils to the south Indian regionalist Dravidian Progressive Federation, the party that won control of the Tamil Nadu state government in 1967.

In the Nigerian civil war, federal forces now hold Umuahia, the former secessionist administrative center, but federal supply lines to the town are very vulnerable, and there are many organized Biafran army units in the area. The Biafrans [redacted] [redacted] recaptured the important road junction town of Owerri last week. De Gaulle's resignation has made continued French assistance to the secessionists uncertain. [redacted]

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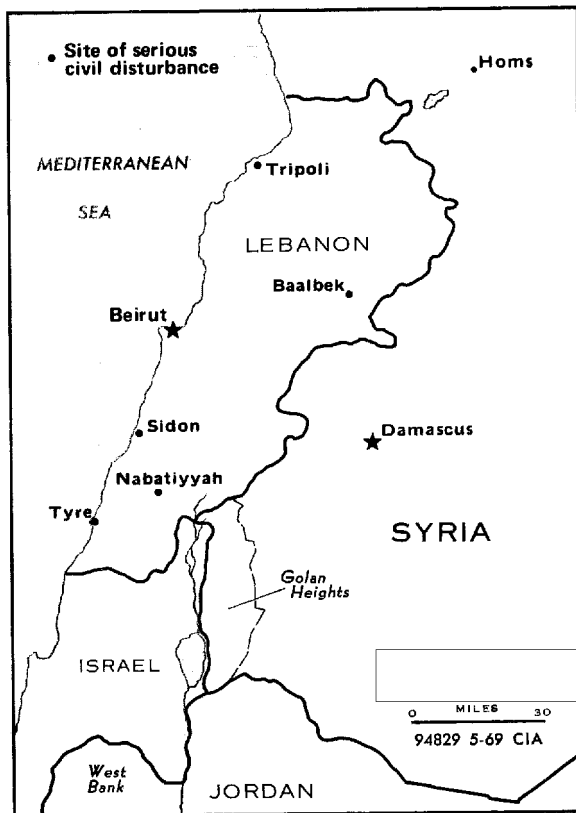
## COMMANDO ACTIVITY SHARPENS MIDDLE EAST STRIFE

The political situation in Lebanon remains unresolved, a government-fedayeen clash may be shaping up in Jordan, and Israeli commandos raided upper Egypt.

In Lebanon, President Hilu has failed in his attempts to find a successor to Prime Minister Rashid Karami, who resigned on 24 April. Karami's resignation came in the wake of two days of clashes between Lebanese security forces and demonstrators from Palestinian refugee camps who were protesting the government's recent moves to restrict fedayeen activities in southern Lebanon. Seventeen people were killed and over 100 injured in incidents in Beirut,

Tyre, Tripoli, Sidon, Baalbek, and Nabatiyyah. A four-day state of emergency and the imposition of curfews in the six cities did much to quiet the situation.

Hilu decided to move against the fedayeen after their rate of infiltration into Lebanon from Syria increased sharply during the last of March and early April. He apparently saw this as his last chance to stand up to the terrorist groups before they became too powerful to control. As the number of fedayeen grew larger, the general staff had become increasingly pessimistic about the army's ability to keep them in check.



In his resignation speech on 24 April, Karami noted that the issue of what action the government should take regarding the fedayeen was dividing the country. He and other Muslim political leaders have told Hilu that there must be a national consensus on future fedayeen policy before they would be willing to participate in the government.

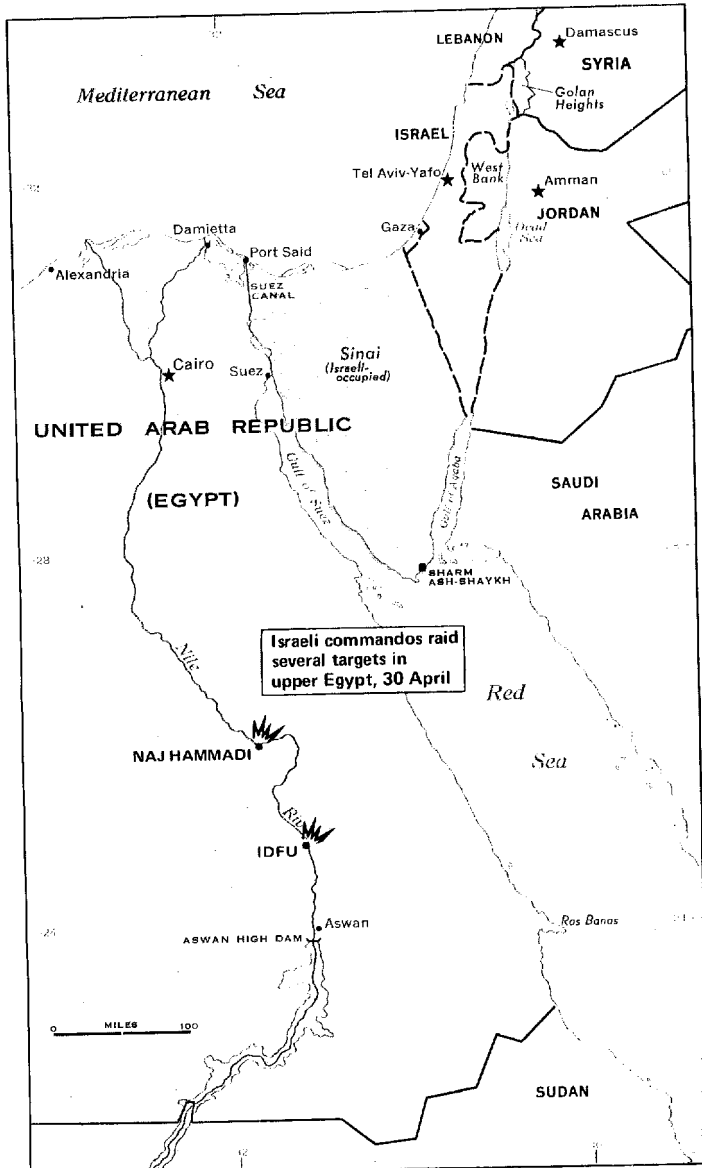
Meanwhile, leaders of Fatah and the Palestine Liberation Organization (PLO), meeting in Beirut early this week, apparently decided not to exacerbate the situation any further for the time being.

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This may be no more than a tactical move, however, to gain them a little breathing time before their next move.

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The fedayeen, already apprehensive of government reaction to their criticism of Husayn's six-point peace plan, have been preparing for a showdown. There are some indications that fedayeen supporters are approaching Jordanian security and army personnel, asking them to remain neutral in any future clash. The growing tension is illustrated by an incident between fedayeen and the military police on 29 April in Amman in which five persons died in an abrupt exchange of fire.

Incidents along the Arab-Israeli borders continued at a high level all week, the most serious being on the Egyptian front. Daily shooting across the Suez Canal and Egyptian commando raids in the area provoked an Israeli raid into upper Egypt on 30 April. According to press reports from Tel Aviv, Israeli commandos struck at sites along the Nile River, hitting a low dam, some power lines, and a bridge. Egypt denies that any damage was done. Although Nasir may be under pressure to mount some kind of retaliatory strike, Cairo is playing down the importance of the Israeli raid and has to reckon with the likelihood of still harsher Israeli reprisals if further military action is taken.

In Jordan, the Palestinian organizations have put more pressure on King Husayn, increasing the chances of a major clash between the commandos and the regime.

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## POLITICAL ACTIVITY PICKING UP IN PAKISTAN

Political activity in Pakistan is on an upturn, highlighted by President Yahya Khan's recent meetings with opposition political leaders. Meanwhile, the new government has announced proposed reforms in its continuing efforts to win the support of labor and students.

On 22 April, President Yahya Khan, kicking off a political fact-finding tour, told reporters in Lahore that he hoped to appoint a new chief election commissioner soon and predicted "early" elections.

As of 29 April, he had avoided meeting with leftists and extremists in West Pakistan, or with Maulana Bhashani, one of the most important political figures in the eastern wing.

Meanwhile, West Pakistani opposition leaders Nasrullah Khan and Asghar Khan visited Dacca and, with the apparent approval of the government, investigated prospects for forming a new nationwide political party. This proposed organization reportedly would include conservative East Pakistani elements opposed to a loosening of ties between the two provinces and would exclude the

only two significant parties in the East wing, Mujibur Rahman's Awami League and Bhashani's National Awami Party/Left. This effort appears doomed as it is unlikely to find much support among the Bengalis.

Mujibur Rahman, emerging from almost a month of relative seclusion, gave a press interview on 22 April in which he dismissed talk of any union between East Pakistan and the Indian state of West Bengal. He affirmed that he was prepared to discuss with the new government those aspects of his six-point political program which seemed unsatisfactory to the military, including the degree of autonomy for East Pakistan, but not his demand for division of West Pakistan into four provinces, which is opposed by powerful Punjabi elements in the military.

Deputy Chief Martial Law Administrator Nur Khan has been meeting with labor heads, school administrators, and student leaders in anticipation of recommending reforms. On 25 April, he presented outlines for a new labor policy that would include guarantees of the right to strike as well as minimum wages. Following a number of sessions with teachers and student leaders, Nur Khan proposed the basis for a new educational policy providing greater participation by students in university affairs, more emphasis on scientific and technical training, and maximum autonomy for universities. Such reforms could answer many of the grievances that contributed significantly to the unrest prior to the imposition of martial law.

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## PERSIAN GULF FEDERATION EFFORT UNDER STRAIN

Recent statements by Britain's Conservative Party leader Edward Heath have complicated the situation in the Persian Gulf area at a time when local rulers are still moving slowly to make their federation something more than a paper entity.

In a trip to the gulf area in early April, Heath announced his party's intention to reverse the present Labor government's decision to terminate Britain's military presence there.

The announcement has already drawn fire from the Iranians and several radical Arab states, however. It could have even more harmful consequences; should the Saudis place too much reliance on the prospect that Britain will remain, they will be less motivated to persevere in the delicate business of cooperating with the Iranians.

In addition, Britain's original decision to leave had taken some of the wind out of the sails of the gulf's proliferating subversive groups. With the overriding issue of Israel effectively distracting the Egyptians, Syrians, and Iraqis, the absence of a flammable anti-imperialist cause has helped keep the area relatively tranquil. A reversal of the decision now, or even the widespread conviction that such a reversal was in the works, could provide new fuel for incendiary radicals.

Meanwhile, the rulers of the Federation of Arab Emirates and its subordinate councils continue their periodic and inconclusive meetings, bedeviled by the key problem of the Iranian claim to Bahrain. Time and again, the sultanates have backed away from a scheduled meeting in Bahrain out of fear of Iran's reaction--most recently in the case of the next rulers' meeting slated for 25 May. The Bahrainis are disillusioned at the lack of support for them, and now seem to be trying to force the others into a public and definitive acceptance of Bahrain as a full and equal member of the federation. They have seized on the recent tour of gulf states by a high-powered Iraqi delegation to press their case.

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**SECRET****WESTERN HEMISPHERE**

As leaders of many Latin American nations gather in Bolivia for the funeral of President Rene Barrientos, killed in a helicopter accident, an early unconstitutional change of government in that country seems increasingly likely. Vice President Siles was allowed to assume the presidency immediately following Barrientos' death, but armed forces Commander in Chief Ovando has been pressing demands to gain de facto dominance of the government. He may be satisfied only with Siles' resignation or ouster.

The Velasco government in Ecuador is also under growing pressure from many sources. The latest in a series of cabinet resignations is that of Defense Minister Andrade, who had been under attack from young officers; Government Minister Larrea probably will be the next to go. Velasco is hard put to find competent replacements, and if congress fails to adopt measures to finance the unbalanced national budget before adjournment on 4 May, a fiscal crisis could further weaken his position.

In the Caribbean, Trinidad's Prime Minister Williams is facing a rare challenge in the form of a nationwide strike by the Transport and Industrial Workers Union. The union hopes to secure abolition of legal restrictions on labor's right to strike in addition to wage increases. The government is considering declaring a state of emergency.

The Castro regime, on the other hand, has received an unusual display of support from the leadership of the Cuban Catholic Church. All top members of the hierarchy joined in a pastoral letter denouncing the US economic denial policy toward Cuba. In all likelihood, the statement resulted from pressure from Castro, who continues to be frustrated by economic failures.

Tension between Costa Rica and the military regime in Panama is building up to the point where Costa Rica may again break relations or appeal to the Organization of American States. A break precipitated by the military coup in Panama last October ended only two months ago. The Costa Ricans are incensed at repeated border incursions by the Panamanian National Guard in search of antijunta insurgents, and over the shabby treatment accorded the chief of the Costa Rican Civil Guard when in Panama City to discuss outstanding problems.

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## INSTABILITY IN BOLIVIA AFTER BARRIENTOS' DEATH

The death of President Barrientos in a helicopter crash on 27 April has removed an important element of stability from the Bolivian political scene. Luis Adolfo Siles Salinas, who as vice president constitutionally succeeded Barrientos, lacks any broad political support. Armed forces Commander in Chief Alfredo Ovando probably would have won the presidential election scheduled for May 1970. It now appears, however, that Ovando is unwilling to wait that long, and he may move to oust Siles very soon.

Ovando met with Siles on 29 April and presented him with a list of demands including selection of certain cabinet officers by Ovando, a nationalistic policy, and guaranteeing Ovando's election in 1970. Siles refused to

agree to all these demands because to do so would have made him a puppet president. The two men agreed to postpone a final decision until 2 May after Barrientos' burial. Mutual dislike between Siles and Ovando exacerbates the situation. Ovando has a low opinion of Siles, and Siles believes that Ovando would usher in a "blatant military dictatorship" even if he were elected constitutionally.

Pressure is building on General Ovando to move quickly. The powerful Bolivian National Peasants Confederation on 30 April called for Siles' immediate resignation, and as many as 25,000 to 30,000 anti-Siles peasants were expected to be in Cochabamba for Barrientos' burial.

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Armed Forces Commander in Chief  
Alfredo Ovando

President  
Luis Adolfo Siles Salinas



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## CONCERN EXPRESSED OVER VENEZUELAN PACIFICATION EFFORTS

Opposition to the manner in which President Caldera is trying to bring an end to almost seven years of insurgency in Venezuela is crystalizing in some political and military circles.

High-ranking military officers are quite concerned over the government's recent actions that legalized the Communist Party (PCV) and freed a number of important extremist leaders. Moreover, the government's ready acceptance of an offer by the cardinal archbishop of Caracas and other prominent individuals to mediate between the rebels and the government is looked upon as giving the insurgents a respectability and publicity they had not previously enjoyed. Army officers complain that the government does not bother about the interests of the junior officers still on the alert in the field who have battled the insurgents for years with no such publicity. They resent the fact that their success in reducing insurgency to its present low ebb may be canceled by political compromises the government may have to make in order to achieve its goal of a cease-fire.

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President Caldera has been quietly sounding out officers of all the services regarding their attitudes on recent government moves toward accommodation with the PCV and the guerrillas. These opinions have reportedly revealed enough concern to warrant a second look by the government at what it is

doing and at the vigor with which some of its pacification programs are being advanced.

Although government officials insist that the insurgents will be ruthlessly suppressed if they reject their proposals, there is a general feeling in the military that the Caldera administration will not carry its warnings through. Officials of the opposition Democratic Action Party are also taking a hard look at the government's actions and are exploiting the military's concern.

An additional irritant to the military is the possibility that their share of the budget--an austere 8.5 percent--may have to be reduced even further if the government is going to meet current operating expenses. There is considerable grumbling among air force and naval officials, who may bear the brunt of the cuts. The air force chief of staff has complained that projected cuts will prevent the acquisition of new aircraft this year and will force a halt in construction of the new air force headquarters. The navy is also faced with the necessity of finding money to meet expenses already obligated.

Although military concern has not reached the point where it is a threat to the government, military leaders can be expected to keep a close watch on further moves by the new administration.

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## PERU'S INTERNAL PROBLEMS GROW

Minister of Interior Artola and the witch hunt he is leading against former officials of the Belaunde government have become the primary targets of those opposed to Peru's Velasco administration. Many respected former officials have been forced to seek asylum in various embassies or exile in other Latin American countries.

Until recently, the opposition press had been forced to support the Velasco government in its confrontation with the US or run the risk of being charged with treason but now it seems to have found an issue on which it can criticize the government. General Artola has so far borne the brunt of this for his seemingly exaggerated charges of corruption against well-liked people. The criticism, however, is indirectly aimed at the entire military government, suggesting in effect that the Velasco regime is just another repressive military dictatorship.

It is unlikely that this growing dissent will seriously affect the functioning of the government, but there are indications that President Velasco is sensitive to such charges. In recent public statements, he has made a point of appealing for national unity in the face of an allegedly serious threat from the US. General Artola is one of Velasco's most ardent supporters, and the President will probably keep him on unless he becomes a serious political liability.

In any event, Artola represents a convenient scapegoat.

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Meanwhile, the government is keeping the public stirred up over the International Petroleum Company (IPC) issue, using the continuing nationalistic reaction to consolidate the military's hold. There are indications that some government leaders would like to avoid the economic consequences of an imposition of sanctions by the US, but it is probably politically impossible for them to make the necessary compromises. A ruling on IPC's appeal to reduce or eliminate the company's alleged \$690 million debt is expected before 6 August, but it seems doubtful that the ruling will satisfy either the company or US law.

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## NEW PURGES MOUNTED IN BRAZIL

President Costa e Silva appears to be having trouble restraining Brazil's military hard liners, and the prolonged purging process also is beginning to cause uneasiness among the government's civilian supporters.

On 29 April, the National Security Council issued the longest purge list to date, bringing to nearly 300 the number of persons cassated by the government since it assumed broader powers under an institutional act in December 1968. Over one fifth of the federal legislators have lost their political rights, including many members of the government party. Nearly 42 other persons, including 12 diplomats, were forcibly retired from the Foreign Ministry.

None of those on the latest list were men of significant national stature, but their punishment and the prolonged nature of the purging process is beginning to

cause uneasiness, even among those civilians who have supported the government's efforts to root out corruption. Moreover, the government's recent summary retirement of 44 leading educators, many of national and some of international reputation, has aroused widespread criticism and reportedly has badly shaken the scientific community as well. It is almost certain to prove a setback to educational reform efforts and may well contribute to the "brain drain" about which the government claims to be worried.

It seems clear that Costa e Silva is not able to resolve the differences between hard-line activists who want even more widespread purges of politicians and more moderate leaders who want a return to at least some form of constitutional normality. The president is apparently not strong enough to deny the hard-liners' demands, and it seems likely that additional purges of political and educational leaders will occur. 25X1

## COSTA RICAN COMMUNISTS MAKE STRONG BID FOR LEGALITY

Costa Rica's Communists are well on their way toward making their party the only legal Communist political organization in Central America.

In December 1968, the Communist front--the Bloc of Workers, Peasants, and Intellectuals (BOCI)--petitioned the National Electoral Tribunal for inscription as a national political party. The tribunal has the authority to ban any

Communist party, but side-stepped the issue and referred it to the legislature, which reconvened on 1 May. The parties represented have freed their deputies to vote according to their own conscience, and the two thirds vote necessary to proscribe the BOCI will be difficult to muster.

The Communists have skillfully played on Costa Rican distaste for denying rights to minority groups.

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In addition, last year's sale of excess coffee to the USSR, negotiated by Communist chief Manuel Mora, has added to the Communists' respectability. Mora, who heads both the regular Communist Party and the new front, has threatened to resign if the BOCI is turned down. He has fostered the idea that his departure would give control to revolutionary extremists in the party.

An indicator of the Communists' effectiveness is that the 600-member party had 21,000 signatures on

their petition for registration and may have up to 15,000 in reserve. With even a small representation in the next legislature, the Communists' bargaining position would be enhanced because no party is likely to have a majority. It is also possible, however, that Costa Rica's several vigorous Anti-Communist organizations, which have so far limited their activity to propaganda in the public media, might incline toward violence to oppose Communist intrusion on the political scene.

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### JAMAICA FACES POSSIBLE CRISIS OVER SUGAR INDUSTRY

Prime Minister Shearer appears headed for a confrontation with the Jamaican sugar industry that could compound political problems already heightened by violence and public dissatisfaction.

The island's largest sugar estate, Monymusk has threatened to close down at the end of this crop season unless the government, which controls the price of sugar for domestic consumption, grants major concessions to the industry, including a guaranteed price increase.

Since 1965, the sugar industry, which accounts for approximately 30 percent of total agricultural production, has stagnated; even the large producers have been unable to show profits. A two-year drought is partially responsible for the decline in production, but the industry also suffers from high production costs and lack of mechanization. Several estates have closed down, and approximately 4,000 inde-

pendent farmers have been forced out of production.

The Jamaican Government has ignored the recommendations of the Sugar Inquiry Commission, published in October 1967, to encourage mechanization and greater managerial efficiency. Prime Minister Shearer opposes mechanization because he fears that unemployment--already 18 percent--will increase and that the skilled labor necessary to handle the machines would be organized by a union affiliated with his major political rival, the Peoples National Party (PNP).

A confrontation now between the government and the sugar industry would add to Shearer's increasing political problems occasioned by the growing strength of the political opposition and by an increase in the already high crime rate that has generated some public hysteria. Michael Manley, the PNP leader, has already called for significant policy changes to stimulate agricultural development.

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