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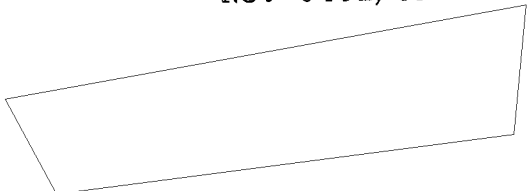
WEEKLY SUMMARY

State Dept. review completed.

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C O N T E N T S

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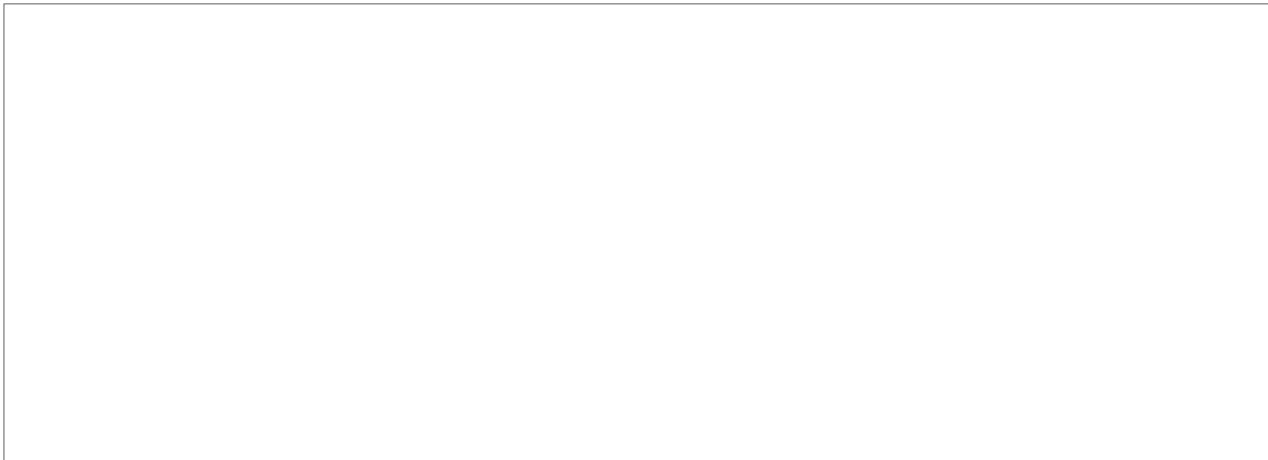
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The new government will replace the interim administration that has governed since the serious riots on the main island of Curacao last May.



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SECRET**FAR EAST**

Last week the long-closed door between the United States and Communist China eased open a crack as diplomatic representatives of the two countries met in Warsaw. Peking's quick response to the US proposal to renew contacts that were broken off in early 1968 holds promise that formal talks might be resumed and is another example of China's expanding diplomatic horizons. An important reason for China's action may be its desire to play on Russian fears of a Sino-US rapprochement and thus put pressure on Moscow to be more conciliatory over border problems.

On the battle front in South Vietnam the Communists are planning a "highpoint" to take place before the holiday cease-fire periods begin. The level of activity, however, is expected to be limited in scope and intensity.

Communist forces have made only slight inroads in their latest round of attacks against government positions in the Plaine des Jarres front in north Laos. A North Vietnamese hit-and-run commando raid against Xieng Khouang airfield, however, inflicted some substantial troop and equipment losses. Intensive enemy logistics activity also indicates that broader offensive thrusts may soon be in prospect.

The shadow-play war between North and South Korea was agitated last week by the hijacking of a South Korean airliner. Pyongyang, surprised to find itself the possessor of a Japanese turboprop that had been leased to South Korea, recovered sufficiently to claim that the pilots had defected in righteous protest against President Pak's puppet clique. Despite earlier reluctance, South Korea apparently has decided to use the channels of the Korean Military Armistice Commission to help secure the return of the plane and passengers.

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VIETNAM

Another "Highpoint" in the Works

The Communists plan to step up military action again before the upcoming holiday cease-fire periods, but their efforts probably will be limited in scope and intensity. Allied military and pacification forces and key lines of communication are most frequently mentioned as primary targets. Some reports also suggest that selected urban centers will be struck, especially in the Mekong Delta area.

[Redacted]

[Redacted] a late December "highpoint" will be conducted in northern III Corps and in the northern delta. Repeating a theme set forth in other intelligence reports, [Redacted] the Communists intend to make the delta a major battlefield during the current winter-spring campaign. The destruction of two major highway bridges near Can Tho on roads linking agricultural areas with Saigon late last week may have been an opening step in the enemy's new drive in the delta.

The threat posed by enemy main-force combat units at pres-

ent is greatest in the southern half of South Vietnam, particularly along the Cambodian border. Up to four North Vietnamese regiments are now in the vicinity of northwestern IV Corps. Elements of the Communist 9th Division are deployed in northern Tay Ninh Province, and the 5th and 7th divisions are maneuvering in Phuoc Long Province north of Saigon.

[Redacted]

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South Vietnam: The Government Responds to Its Critics

President Thieu has taken an uncompromising public posture against some of his political opponents during the past week amid a flurry of coup rumors in Saigon.

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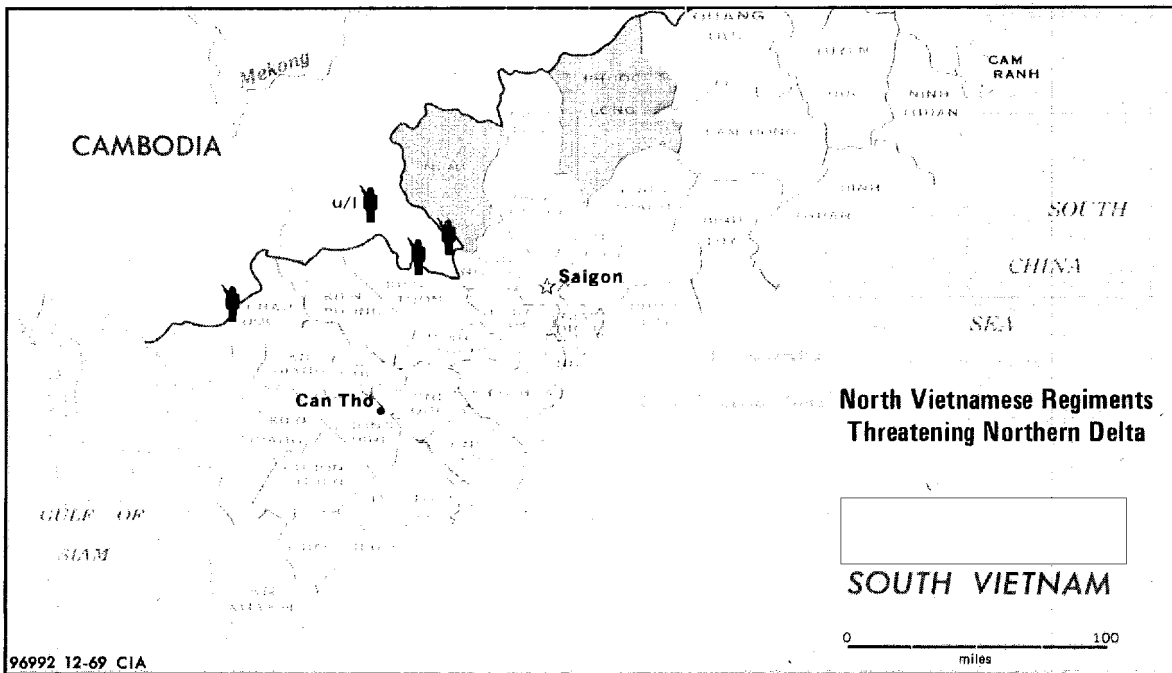
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Thieu has spoken out three times in recent days against left-wing political opponents who are advocating a coalition government or a "middle way" for South Vietnam as a means of ending the war. The President asserted that "there is no third way" to choose between the Communists and South Vietnam's allies, implying that he would act against those who advocate such a position if they go beyond verbal protests. Thieu clearly intended this tough language as a warning to opponents such as

Senator Tran Van Don, General Duong Van "Big" Minh, and the An Quang Buddhists, all of whom recently have increased their appeals for some sort of negotiated settlement to the war.

Thieu also lashed out at three Lower House deputies whom he has accused of supporting the Communist cause. The President, who is seeking House action against the three, suggested that if the Lower House fails to act, "the armed forces and the people" might take care of the problem. These remarks probably will not increase the already slim chance that the Lower House will remove



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the three deputies from office
but may well further inflame
relations between the executive
and the legislature.

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AN OPEN DOOR IN CHINA?

Peking's serious concern over Soviet military and diplomatic pressure, together with China's growing interest in sounding out the US position on bilateral issues and Asian problems, has prompted an initially favorable Chinese response to US efforts to resume diplomatic contacts with Peking. Following a somewhat dramatic US initiative early last week, the Chinese chargé in Warsaw agreed to receive the US ambassador on 11 December and held a cordial, one-hour meeting with him. This was the first high-level diplomatic meeting between the two sides in almost two years, and it may open the way for a resumption of the formal Sino-US talks in Warsaw, which have been suspended by Peking since early 1968.

Peking probably sees a number of indirect benefits in talking with the US, although the Chinese almost certainly have little expectation of significantly improved Sino-US relations. The long-stalled Sino-Soviet border talks in Peking, which are now at least temporarily suspended, have done little to lessen China's overriding concern over the Soviet military presence along the frontier. By playing on the chronic Russian fear of a Sino-US rapprochement, the Chinese probably hope to worry Moscow enough that the Soviets will adopt a more compromising attitude over border problems and reduce its pressure against China. At the same time, several Chinese officials re-

cently have been reported voicing serious concern over the possibility of Soviet-US "collusion" against China, and Peking may hope that meeting with the US will ensure Washington's neutrality in the Sino-Soviet dispute while increasing China's diplomatic flexibility for international maneuver against Moscow.

Moreover, a number of high-ranking Chinese officials during recent months have expressed unusually candid interest in Washington's new policy in Asia, particularly in Vietnam. Peking undoubtedly would like to assess from closer range future US intentions in the area. Chinese officials have cited evidence of "new thinking" in Washington on Asian problems.

Hints of this attitude can be seen in Chinese propaganda. Although maintaining a generally tough anti-US line, Chinese commentary on the US' Asian policy has been more interesting for what it has not said than for its customary cliché-ridden attacks on other subjects. Specifically Peking has refrained from deprecating US moves to ease US trade and travel restrictions to China and Washington's continued calls for renewed talks in Warsaw. Moreover, a few recent propaganda statements have highlighted changes in US posture in Asia and have stated that Washington has become "more passive" toward China in recent years.

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A CLOSING DOOR?

The departure this week for Moscow of the chief and deputy chief of the Soviet delegation to the Sino-Soviet border talks in Peking, ostensibly for the current Supreme Soviet session, follows two months of apparently fruitless negotiations. The departure of the two Russians came against a background of pessimistic Soviet reports of lack of progress, and an apparent Soviet desire to reduce the discussions to a lower level. The Chinese announcement of the move carefully reported that the delegation would be gone about one week and that the talks were "temporarily recessed in their absence." This may be a thinly veiled threat that the talks will break down completely if the two Russians do not return to Peking. The Soviets have announced no timetable for their return.

Reports that the Soviets had intended to recall Kuznetsov have circulated for the past month. A well-informed Soviet official told US diplomats last week that the question of reducing the negotiations to a lower level was then being discussed in Peking, and that two months

of negotiation at the deputy minister level were enough.

The Chinese are reported to have refused to progress beyond a demand that there be a troop withdrawal from border areas and from Mongolia. The Soviets may believe that Kuznetsov's return to Moscow will emphasize their serious concern over the deadlocked issue, and they may send the deputy minister back for one more try before replacing him. In publicly announcing the departure, Moscow sought to make clear the continuing nature of the talks by emphasizing that the remainder of the Soviet delegation is still in Peking.

Continuation of the talks appears to be the one common objective of both sides and there still may be time for a compromise if the level of representation is a crucial issue at this time. At the least, neither side wants to be responsible for the cessation of negotiations. Peking has clearly been nervous about Soviet military intentions and probably feels less apprehensive while talks are in progress. The Russians know that the discussions have probably been a major factor in keeping the border quiet for the past several months, and would like to see that situation continued.

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PYONGYANG HOSTS HIJACKED SOUTH KOREAN AIRLINER

Pyongyang was apparently caught completely by surprise when it found itself on 11 December playing host to the world's latest hijacker and his prize, a South Korean commercial airliner. The only North Korean comment on the incident came two days later in a brief domestic broadcast that attributed the hijacking to the "righteous uprising" of the pilots protesting "US imperialist aggressors and the Pak Chong-hui puppet clique." This appears to have been a hastily contrived "filler" to buy more time for Pyongyang to decide how to handle the situation.

Not only was the whole affair apparently a surprise to North Korea, but the regime was anxious to avoid compounding its seriousness once the deed was done.

The South Korean Government, despite its anger, has reacted with restraint and is trying to resolve the incident via diplomatic channels. Retaliatory action apparently has been ruled out as being a serious error from both the military and the political standpoint. For help in recovering the plane and its passengers, Seoul has turned to the International Red Cross and has also sought assistance from several countries. South Korean officials have not yet asked the US to request a meeting of the Korean Military Armistice Commission. Although such a meeting would provide direct contact with the North Koreans, Seoul is anxious to avoid open US involvement, both because of pride and because

many officials feel this would only stiffen North Korea's stand.

Details of the actual circumstances of the hijacking are still largely unknown.

A similar incident that occurred in 1958 was resolved in less than a month through the mechanism of the International Red Cross and the Military Armistice Commission. The North Koreans, however, never did return the plane and insisted on releasing the passengers only to a South Korean representative, thus forcing direct contact between the two governments. The South Korean representative was obliged to sign a receipt that included reference to the Democratic People's Republic of Korea. Some such concession almost certainly will be required in the present situation to obtain release of the passengers. Pyongyang probably will also insist on working through the Armistice Commission, because this arrangement gives North Korea an independent standing whereas South Korea is technically subservient to the US senior representative. Such a setting for negotiations provides important advantages for the North in the constant jockeying for status between the two countries.

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SECRET**EUROPE**

The current phase of SALT is approaching an end. The US and Soviet delegations are near agreement on the joint communiqué, although the time and place for the next round of talks have not been settled. Meanwhile, Soviet-Egyptian talks in Moscow were probably not as satisfactory as some Arabs have claimed. Although Moscow gave official support for the Arab commando groups and probably promised the UAR more arms, the Egyptians did not obtain the kind of political support they had hoped for. Moscow reaffirmed its intention to press for a political settlement in the Middle East, thus rebuffing Cairo's apparent efforts to win Soviet support for a harder line.

Initial reports on the current Supreme Soviet session reveal the smallest increase in the explicit defense budget since 1965. This is consistent with the image of moderation the Soviets are attempting to project at the preliminary talks on SALT. The low rate of growth planned for industrial production gives little hope for improvement in the disappointing economic performance this year.

There was heavy political activity in the northern tier countries of Eastern Europe this week, mostly in response to the Brandt government's Eastern policy. Poland promised to answer by the end of the month Bonn's proposal for political talks. Hungary let it be known it would like to take advantage of the present climate to initiate long-range economic talks with West Germany, and Czechoslovak party boss Husak laid down his conditions for future political talks with Bonn.

In the Balkans, Bulgarian Foreign Minister Bashev's visit earlier this month to Yugoslavia left relations worse than they were before. On the other hand, Albania agreed to provide textbooks to the Yugoslav University in the Kosmet, which caters to the Albanian minority there. Meanwhile, Romania made known its disappointment with NATO's cool response to the Warsaw Pact's European security conference proposals. Bucharest considers such a conference essential to its independence.

The UN General Assembly adjourned its 24th session this week. Among the resolutions approved during the final week were one on the Soviet omnibus international security proposal, two on outer space, and four on peaceful uses of seabeds.

The Council of the European Communities has been meeting most of this week to discuss new financing arrangements, upon which the members are trying to agree by 31 December. There has been little apparent progress, and many observers suggest that the council may have to "stop the official clock" if the deadline is to be met. The EC Commission's recently revised proposals for giving the Communities their "own resources" and for increasing the powers of the European Parliament will play an important part in the discussion.

The UK this week asked that the International Atomic Energy Agency (IAEA) set up a safeguards committee at its Board of Governors meeting in February. As the time for implementing the Nonproliferation Treaty (NPT) draws near, the IAEA must establish its position on nuclear safeguards arrangements to be concluded pursuant to the treaty

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WEST GERMANY CONTINUES EASTERN POLICY SOUNDINGS

The Soviet Attitude

The focal point this week of Chancellor Brandt's continuing pursuit of rapprochement with the East was the second meeting, on 11 December, between Soviet Foreign Minister Gromyko and Bonn's ambassador in Moscow on a possible renunciation-of-force agreement. In contrast with their earlier, tacit encouragement of Brandt's initiatives, the Soviets now seem to be adopting a more distant posture. The Soviet press has yet to comment on the talks, and has recently sounded a more insistent note in its demands that Bonn prove its good intentions with deeds. The failure of both the Soviets and the West Germans to comment in any detail on the progress of the talks to date suggests that they may be proving more difficult than had originally been anticipated. The Soviets could well be balking at accepting the West German proposal of 3 July as a basis for discussion. The proposed texts for an exchange of statements on the renunciation of the use of force that Bonn submitted at that time did not go beyond disavowing the use of force to alter the existing situation in Europe. The proposal avoided any acknowledgment of the legitimacy and immutability of the existing borders in Europe. This has long been a prime objective of Moscow's German policy, and the Soviets may now be insisting that

Bonn formally acknowledge its acceptance of the "political realities" in Europe in the text of a statement.

A number of factors suggest that the course of the talks will not be as smooth as Bonn might desire. Even though Moscow at this time seems interested in keeping up a dialogue with Bonn, the Soviets are probably still intent on driving a hard political bargain. In addition, Moscow probably will take every opportunity to remind the West Germans that it retains the ultimate power of decision for agreement between Bonn and its Eastern European neighbors, despite its present show of tolerance for bilateral contacts. Moreover, the Soviet negotiating position probably reflects the need to mollify the hardliners--both in Moscow and in East Germany--who still harbor doubts about the idea of talking with the West Germans. In fact, given the welter of conflicting interests which the Soviets must take into account in formulating their European policy, Moscow may eventually find it necessary to slow considerably the current trend toward dealing with Bonn. Nevertheless, it is unlikely to risk torpedoing the Moscow talks.

Bonn's Attitude

Bonn is apparently willing to make sizable concessions in an effort to score major gains in its

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Eastern policy, but Brandt is neither willing nor able to accept all possible Soviet demands. For example, he is believed willing to recognize the postwar borders of Poland and East Germany to the extent of concluding renunciation-of-force agreements applied explicitly to the territory of these states. He will not, however, go so far as to give a "definitive acceptance" of the borders since this would require abandoning Bonn's basic claim that there should ultimately be a peace treaty with Germany that permanently fixes its borders.

Moreover, while already acknowledging the existence of two German states, and indeed calling for binding agreements with East Germany, Brandt maintains that relations between the two Germanies have a special quality and that Bonn cannot give full recognition under international law. Although perhaps disappointed at the initial stand, Bonn officials still seem hopeful about the future of the talks. They will be particularly anxious to discover to what extent progress in talks with one East European state depends on progress in negotiations with others. In any event, even should the Moscow talks on renunciation of force progress very slowly, Bonn will hope for a tolerant Soviet attitude toward its anticipated early bilateral political talks with the Poles and possibly with the East Germans.

Berlin

Reaction to the new aide-memoire presented to the USSR by the three Western Allies this week may shed light on how coop-

erative the USSR will be. The Western proposal of talks aimed at easing the situation in Berlin complements the current West German drive to improve relations with the USSR and Eastern Europe. Moreover, both Bonn and Washington tend to regard concrete steps to improve the situation in Berlin or to improve all-German relations as essential to their participation in the Soviet-proposed European security conference.

East German Attitudes

Meanwhile, the East Germans have moved to engage Bonn in direct talks. The parliament on 17 December authorized both the State Council and the government to take the necessary measures for "conducting relations" with West Germany. The following day a letter addressed from Ulbricht, Chairman of the State Council, to President Heinemann was delivered in Bonn. This message presumably discussed the initiation of talks. Another letter from Premier Stoph to Brandt may be in the offing.

The parliament's resolution did not mention preconditions for beginning talks, nor did Ulbricht in his long speech on 13 December. The East Germans have indicated, however, that they want negotiations to result in agreements that are valid under international law. Ulbricht and other East German leaders have also rejected the idea that East-West German relations can be of some special type.

Because Bonn and Pankow seem far apart concerning the possible legal nature of eventual agreements, no early breakthrough should be anticipated even if high-level talks do begin.

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With Poland and other Eastern states about to follow Moscow's example in negotiating bilaterally with the Federal Republic, the East German actions probably are defensive in nature. During his speech, Ulbricht took the rare tack of acknowledging that Bonn wishes to begin negotiations with Warsaw. His remarks suggest that he was talking to Warsaw, and that the East Germans remain piqued by the Polish proposal that Bonn sign a formal treaty recognizing the Oder-Neisse border.

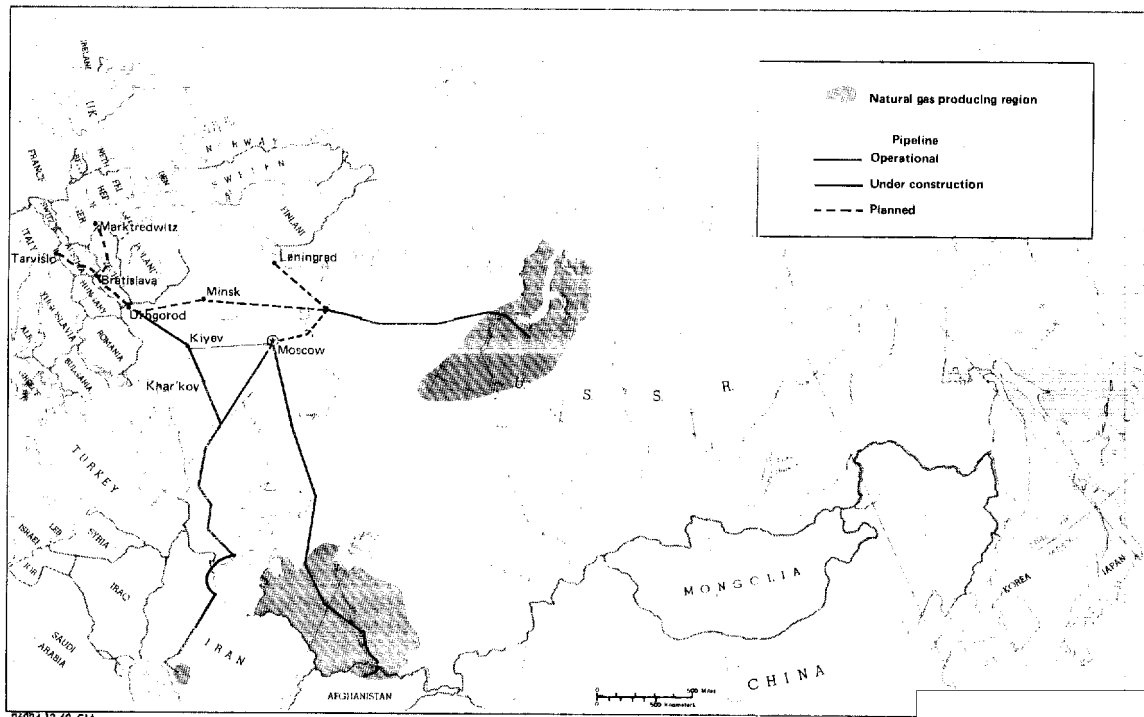
His comments also suggested that the East Germans were willing to await a proposal from Bonn to begin talks. The fact that the East Germans seized the initiative may indicate that they believe it

urgent that they meet with the West Germans before the Poles and others do.

Polish Attitude

Polish Foreign Minister Jedrychowski has indicated again that Warsaw will continue to pursue its own interests. He stated last week that Poland will reply in a positive fashion by the end of December to Bonn's proposal for political negotiations, and hinted that Warsaw will accept a renunciation-of-force agreement so long as it can claim that the agreement amounts to de jure recognition of the Oder-Neisse. Jedrychowski also emphasized that the conclusion of West German - Polish talks need not await developments in East-West German relations.

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SOVIETS ENTER WEST EUROPE'S NATURAL GAS MARKET

Moscow has made a major breakthrough in sales of natural gas to Western Europe after several years of off-and-on negotiations. Long-term agreements have been reached with Italy and West Germany on the exchange of gas for large-diameter steel pipe, and further discussions with France are planned.

The USSR and Italy signed an agreement on 10 December involving the delivery of Soviet natural gas beginning in 1973. Deliveries are expected to total more than 100 billion cubic meters over a 20-year period. The USSR will receive a credit of some \$200 million from Italy for the purchase of pipe and other equipment needed for the expansion of Soviet natural gas pipeline systems. Although details on the price of Soviet gas are not yet clear, Moscow apparently lowered its price to Italy below that already agreed on for sales to Austria and West Germany.

Earlier this month, Moscow concluded a 20-year agreement with a West German firm for the delivery of natural gas to Bavaria. A final contract is expected to be concluded in January specifying Soviet deliveries of gas beginning with 500 million cubic meters in late 1973 and increasing to a maximum level of three billion cubic meters annually within six years. Deliveries of Soviet gas, even at peak level, however, will supply less than 10 percent of Germany's annual energy consumption. [redacted]

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[redacted]

The USSR and France also have agreed in principle to conclude a similar gas-pipe deal. Although many matters, including price and quantity must be worked out before final accord is reached, recent press reports indicate that deliveries of Soviet natural gas to France would start around 1977 and eventually reach a peak delivery rate of about 2.5 billion cubic meters annually. In exchange, the Soviets would receive credits amounting to \$180-200 million for the purchase of steel pipe. The pipeline through West Germany would facilitate delivery to major French consuming areas.

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These deals are particularly advantageous to the USSR because they provide Moscow with Western credits for the early delivery of pipe and other equipment needed to spur the lagging construction of oil and gas pipeline networks from Siberia and Central Asia. By the time Soviet deliveries to West Europe begin in the early 1970s, natural gas imports from Iran scheduled to begin next year and increased flows from Afghanistan will more than offset gas exports to Western Europe. Moreover, these deals come at a time when Soviet hard-currency earnings from petroleum deliveries to the West appear to be leveling off. [redacted]

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GOVERNMENT CHANGE CONSIDERED IN ITALY

Recent bomb explosions in Milan and Rome and the resulting casualties have increased speculation about an early change in government. The minority Christian Democratic government, installed last August, had been intended to serve until regional and local elections could give a new reading on popular attitudes toward the various political parties. These elections are now expected to take place in March or April.

In reaction to the explosions, Prime Minister Rumor on 15 December met with the secretaries of the Christian Democratic, Socialist, Unitary Socialist, and Republican parties that made up the center-left coalitions of recent years. This was the first time the party secretaries had met since the Socialists divided into two political parties last July. The leadership of the four parties agreed to look into Rumor's proposal that they return to a coalition.

An atmosphere of instability has surrounded the Rumor government, fostered by the continuation of a series of short strikes. Although several of the most important labor contracts have now been signed, the metalworkers'

federations have not yet come to an agreement with management except in the state-owned sector. The strike pattern this year has led to a greater total loss of output than in the disruptive negotiations of 1962-63 although losses in time worked are less. Labor productivity increases in recent years, however, appear to be sufficient to permit substantial wage raises of 25-30 percent over the next three years with only marginal effect on Italy's competitive position in world markets.

Another factor in the uncertainty surrounding the Rumor government has been a continuing discussion of the possibility that the Communist Party may gain a greater role in Italian political life. Such speculation is central to differences between the two Socialist parties. Recently a disagreement among Italian Communists, which resulted in the ouster of "new left" leaders, highlighted the preference of one important faction of the party for following Soviet direction, while another prefers revolutionary action. Both positions are repugnant to most Italian non-Communist leaders, and discussion of their working more closely with the Communists has thus been curtailed for the time being.

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DISARMAMENT IS HIGHLIGHT OF UN MEETING

The 24th UN General Assembly session, which completed its work this week, considered a number of resolutions on disarmament issues. Many of them indicate that the smaller states intend to continue to prod the superpowers to take further measures.

The Assembly voted 82-0 in favor of a Mexican draft resolution calling upon the superpowers, as an urgent preliminary measure during the Helsinki talks, to negotiate a moratorium on further testing and deployment of new offensive and defensive strategic weapons systems. The US and the USSR abstained, having supported in the political and security committee a Dutch amendment that was rejected by a narrow margin. That proposal called on all nuclear weapon states merely to refrain from actions prejudicial to the success of SALT.

A Swedish draft resolution challenging the US contention that the Geneva Protocol of 1925 does not ban the use of tear gas and herbicides in war was adopted 80-3 by the General Assembly. Only Portugal and Australia joined the US in opposition; most West European countries abstained. Only a last minute East-West agreement permitted a nonprejudicial disposition of the several draft treaties on chemical and biological warfare (CBW). All were referred to the Geneva disarmament talks, with specific and equal citation of the Soviet draft CBW convention, which lacks verification measures, and the British

draft convention, which is restricted to controls on bacteriological weapons.

The US and the USSR were among the 34 co-sponsors of a resolution on the proposed treaty limiting the use of seabeds for military purposes. Approved 116-0 in the General Assembly, the resolution returns the treaty to the Geneva disarmament conference and requires its resubmission to the Assembly in 1970. This is considerably less than the endorsement the superpowers had hoped for when the treaty was presented at New York in late October. The Soviets have yet to reply to the US suggestions for revisions designed to gain Canadian and Argentine support for the treaty.

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NEGOTIATIONS ON NORDIC ECONOMIC UNION CONTINUING

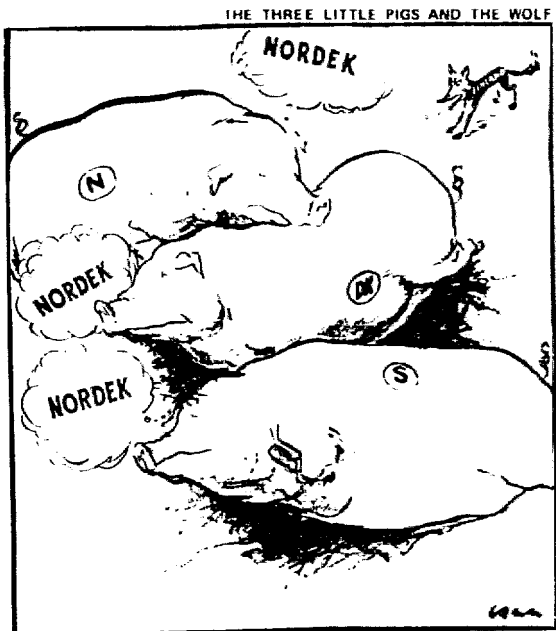
As a concession to Finnish internal political considerations, the governments of Denmark, Norway, and Sweden agreed to postpone the date for bringing the proposed Nordic Economic Union (NORDEC) into being, but the four governments will not suspend negotiations on the project.

Prior to the meeting of the Nordic prime ministers late last week, Finnish Prime Minister Koivisto had advised his Scandinavian counterparts that lack of unity within his government prevented further Finnish participation in the negotiations at least until after the March parliamentary elections. In addition he questioned the validity of the NORDEC scheme in the light of the European Communities (EC) decision to reopen discussion of the Danish and Norwegian applications

for membership. The Danish and Norwegian response to Koivisto was a reaffirmation of the NORDEC idea, if necessary without Finland, and a call for adherence to the original negotiating timetable, which aimed for presentation of the treaty to the February meeting of the Nordic Council.

Faced with the possibility that these differences might seriously damage the project, Sweden persuaded the Finns to call a meeting of the prime ministers. After heated debate they agreed to relax the negotiating timetable. In addition, the prime ministers reiterated that NORDEC was an independent concept with unique economic and social value for all four countries and was not merely a cloak to cover entry into the EC, as some Finnish opponents have maintained.

The prime ministers' decision not only relieves the Finns of embarrassment arising out of their pre-election political infighting, but also shores up the Norwegian and Danish governments' positions against their Social Democratic opponents. The latter have strongly backed the NORDEC idea and have frequently charged their governments with a desire to sidetrack the project and substitute entry into the EC. The postponement of the deadline also gives the four governments another chance to avoid a dispute building up over Swedish insistence that a common external tariff be introduced from the outset.



Dagens Nyheter
7 December 1969

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SECRET**MIDDLE EAST - AFRICA**

Shooting along the Middle East cease-fire lines has continued this week at about the normal rate. Egyptian claims of inflicting heavy losses on the Israelis along the Suez Canal have been refuted by Tel Aviv.



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A new wave of anti-Americanism appears to be building up in Turkey. Unions of striking leftist schoolteachers have demanded that Peace Corps volunteers leave Turkey, and student groups demonstrating in support of the teachers are planning anti-American demonstrations during the current visit of the US Sixth Fleet to Izmir. In possibly related incidents, an attempt was made to dynamite the American Officers' Club in Ankara, and a US Air Force bus was attacked by student demonstrators in Istanbul. A Turkish official has advised Americans in Turkey to "lie low" for the next few days. Turkish leftists seize almost any opportunity, such as discontent and fleet visits, to attack the US presence in Turkey.

Greek Premier Papadopoulos, in his speech to the nation on 15 December, charged that pressure against Greece in such organizations as the Council of Europe was really an effort to bring back former Greek politicians. The tone of the speech was unyielding and indicated the regime's unwillingness to bow to foreign pressure.

The UN Security Council this week extended the mandate of the UN peacekeeping force in Cyprus for six months. Secretary General Thant reported that a resolution of Greek Cypriot - Turkish Cypriot communal differences is "still not in sight," and that there was no alternative to the extension.

In India the Congress Opposition Party's All-India Committee will convene on 19 December in Gujarat State, an old-guard stronghold. The meeting will provide the clearest indication to date as to whether the smaller opposition group has significant strength throughout the country or whether its support is simply confined to local pockets. Political activity has slowed considerably in recent weeks because both factions of the party have avoided a confrontation.

Emperor Haile Selassie's latest attempt to get Nigerian peace talks started has broken down over a procedural question. A Biafran delegation arrived in Ethiopia on 16 December, following a public statement by General Ojukwu that he had been assured that the talks would not be held within the framework of the Organization of African Unity (OAU), which has consistently backed federal Nigeria. A federal spokesman then insisted that any talks must be under OAU auspices, however, and the Emperor himself publicly linked the negotiations to the OAU. The Biafran delegation left Addis Ababa, having scored a propaganda victory by appearing eager to negotiate.

Dahomey's divided army officers this week continued their search for a political accommodation that will give the country at least a modicum of stability. The return from exile of three ex-presidents, each of whom has an important regional power base, is likely to make the task more difficult.



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ARAB SUMMIT FACES DIFFICULT ISSUES

The Arab summit meeting scheduled to convene on 20 December in Rabat is unlikely to resolve the dilemmas facing the Arabs.

It now appears that virtually all of the heads of the Arab states will attend the coming conference. The meeting is slated to concern itself primarily with strengthening the Arab military posture against Israel. The tone of the summit promises to be militant because all Arab states are increasingly skeptical about a political solution to the Middle East impasse. There will be some pulling and hauling even on this issue, however, as the more moderate Arabs such as Jordan attempt to keep the door open for a peaceful solution if future circumstances warrant.

Specific military measures to be discussed may include such things as attempts to improve the joint Arab commands, larger military commitments by states more remote from the front lines, and closer coordination between the Arab air forces.

Financial problems also will probably be one of thornier issues covered.

The fedayeen, which will probably be represented at the summit by Yasir Arafat head of the Palestinian Liberation Organization and Fatah, will probably also press for greater financial and political support.

The US will almost certainly be the target of considerable verbal abuse from all the participants. More tangible expressions of Arab displeasure with the US may also be discussed, such as diplomatic or economic sanctions, but they are not likely to be particularly effective even if agreed upon.

A side issue that could cause further discord at the meeting is the recent border fracas between Saudi Arabia and Southern Yemen. The Southern Yemeni foreign minister has been making the rounds of the Arab states, apparently to drum up support for his country. The problem may be discussed at the foreign-minister level prior to the summit, but Saudi Arabia's King Faysal will probably fight to keep the subject out of the summit.

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LIBYA'S PRO-EGYPT REGIME TAKES HARD STAND IN BASE TALKS

Libya has been negotiating with the US and the UK this week on the status of their bases in the country. In discussions with the US over Wheelus Air Base, the Libyan delegation, headed by junta leader Qaddafi, rejected a US proposal to phase withdrawal from the base over a one-year period. The Libyans asserted there was no justification for a continued US presence in the country. They demanded that all US forces be voluntarily evacuated well before the end of 1970.

Charges were made during the negotiations that the US had used Wheelus to train Israelis as well as to engage in smuggling and sabotage. An incident in which a Wheelus schoolteacher was involved in smuggling out a Libyan Jew was specifically mentioned.

The discussions with the UK were equally harsh. The Libyans opened the talks by stating that the sole purpose of the negotiations was to arrange for the immediate withdrawal of all British troops. The Libyans refused to discuss side issues. In the second session the British proposed, and the Libyans accepted, a withdrawal date of 31 March 1970. The Libyans reportedly will allow some noncombatant British troops to remain after that date to complete the evacuation of British military installations. The communiqué issued at the end of the talks, however, noted at British insistence,

the fact that withdrawal will permit the building of a "new" relationship between the two countries.

Domestically the Qaddafi regime appears uneasy over its security position.

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CONFUSION STILL REIGNS IN DAHOMEY AFTER ARMY COUP

Cotonou remains in a state of general confusion as Dahomey's divided military attempts to sort things out. The return from exile of three civilian ex-presidents adds to the muddle and the potential for long-term instability.

Little has been heard from the three-man military directorate that was formed late last week following the ouster of President Zinsou. The triumvirate is headed by Lt. Col. De Souza, whose sole qualification seems to be that he is least offensive to various army factions. The other members are Lt. Col. Kouandete, ringleader of the coup, and Lt. Col. Sinzogan, an ambitious and opportunistic army officer who commands the gendarmerie. Kouandete, who suffered a setback when he was not named to head the junta, retains his key position as army chief of staff, but he appears to be losing ground as discussions among the officers continue.

The military remains divided over a number of issues, including demands from some officers that former president Alley, Kouandete's archrival and predecessor as chief of staff, be released from jail. A key armored unit has quit Cotonou in disgust and has returned to its base in a nearby town. The unit's former commander, a brash young officer who played a major role in the army take-over in 1967 that toppled General Soglo, is reportedly en route to Cotonou

from a training stint in France.

All ministers in Zinsou's government, who had initially agreed to stay on, resigned this week. They had earlier taken advantage of the disarray in the military by refusing to cooperate unless Zinsou was released. Zinsou was freed on 13 December. Although the ministers claimed their resignations were to protest the army's refusal to discuss with Zinsou the reasons for the coup, they reportedly feared they were about to be sacked by the army.

The three civilian ex-presidents--Maga, Apithy, and Ahomadegbe--have returned to Cotonou and have been met by large crowds, despite an army ban on public demonstrations. They are expected to meet soon with army leaders to discuss the formation of a provisional government that presumably would make preparations for elections. These three ambitious and mutually antagonistic politicians, each of whom has an important regional power base, have rarely been able to agree, however. Their presence in Cotonou at this time makes all the more difficult the task of working out a political accommodation that will give Dahomey a semblance of stability

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WESTERN HEMISPHERE

Panamanian strong-man General Omar Torrijos, on returning in triumph to Panama City after foiling of an attempt by dissident officers to topple him from power described the unsuccessful coup as "subversion" and promised a full investigation of the matter. Coup leaders Colonels Ramiro Silvera and Amado Sanjur have been jailed. Torrijos is apparently trying to avoid further dividing the National Guard, however, and any additional arrests will probably be highly selective.

In Guatemala, a spate of violent incidents over the past week may relate to Communist intentions to create tension during the presidential election period. At least six police officials and two terrorists have been killed in two gunfights in Guatemala City, and a prominent rightist politician has been assassinated.

In Chile, rumors of coup plotting have diminished for the present. Court-martial proceedings against retired General Roberto Viaux ended with the recommendation that he be exiled for 18 months for leading an army mutiny in October. Officers charged with him received minimal punishment, but several probably will be involuntarily retired.

The month-long teachers' strike in Ecuador has flared into violence. Striking teachers, with student support, are attempting to bring down the minister of education. Clashes between demonstrators and police, in addition to an announcement by military leaders in support of presidential strong-arm measures to break the strike, have lessened chances for a peaceful settlement. A government announcement on 17 December extending the Christmas vacation, however, may afford a cooling-off period.

The Portuguese Government has recalled its chargé d'affaires from Havana as a result of an incident in which a Cuban Army captain was captured while operating with a guerrilla force against Portuguese Guinea. Apparently no decision has been made to break diplomatic relations, however.

In Brazil, former President Arthur da Costa e Silva died on 17 December. His successor, General Emilio Medici, who was selected by the top military command following Costa e Silva's stroke in late August, has proclaimed a week of mourning for the former chief executive.



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ATTEMPTED COUP SQUASHED IN PANAMA

Panamanian strongman General Torrijos has survived the first significant challenge to his authority and, in fact, appears to have emerged stronger than before.

The attempt to oust Torrijos from his position as Commandant of the National Guard and de facto head of government occurred last Saturday evening while he was on a pleasure trip to Mexico. The coup attempt was organized by Chief of Staff Colonel Sanjur, who had the support of the Deputy Commandant, Colonel Silvera. Both officers had begun to fear they were losing influence with Torrijos and apparently took this pre-emptive step to protect their positions. They probably were also genuinely concerned by Torri-



STRONGMAN OMAR TORRIJOS

jos' appointment of leftists and progressives to cabinet positions.

Torrijos returned to Panama late Monday night and successfully rallied his supporters in the western provinces. When word of his return reached Panama City, loyal troops moved on Guard headquarters and arrested Sanjur and Silvera. By Tuesday evening, Torrijos was back in the capital where he exuded confidence during his televised press conference.

Although calm has returned to Panama, leftist extremists may try to keep the pot boiling

Torrijos, however, has been trying to avoid further division of the country or the Guard, and wholesale arrests have not been made.

A period of readjustment and reorganization will follow as Torrijos attempts to consolidate his position. Changes in the Guard hierarchy and in the government are likely in the next few weeks. Colonels Silvera and Sanjur will be tried for subversion. Colonels

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Pinilla and Urrutia, the titular leaders of the Provisional Junta Government who went along with Torrijos' ouster, have been confined to the Presidential Palace but have not been removed from office as yet.

Torrijos' distrust of the oligarchy has almost certainly been reinforced by indications that members of the oligarchy supported his ouster. The general will probably go ahead with plans to form an official party that would exclude the traditional oligarchy-dominated parties from participation in the political process. As part of this attempt to build a civilian base of support, Torrijos had been planning to organize a government-controlled labor federation with compulsory union membership. Before his Mexican trip, Torrijos had backed off from this proposal under stiff business and labor opposition, but he may not be as willing to compromise now as he was before the ouster attempt.

Torrijos' new confidence in the domestic front may be matched



Coup Plotters Colonels Sanjur and Silvera

by a more aggressive approach in foreign policy. Although there is no indication that he will do anything to jeopardize continued foreign investment, he may be more willing to tackle the full range of policy issues with the US. These include renewal of the Rio Hato base agreement, the Canal treaties and the acquisition of additional military equipment. Rumors have been circulating that the US Government was somehow involved in Sanjur's attempted coup, and the US Embassy believes that this could have a complicating effect on US-Panamanian relations.

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GUATEMALAN ELECTION CAMPAIGN PROCEEDS AMID TERRORISM

The governing Revolutionary Party (PR) is displaying growing confidence as the presidential campaign progresses. Terrorist incidents in Guatemala City, however, may be the beginning of the Communists' effort to disrupt the electoral scene.

Buoyed by a recent poll showing a substantial lead over opposition candidates, the PR's standard bearer, Mario Fuentes Pieruccini, has pledged publicly his intention to decline the presidency if he fails to win a plurality of the popular vote in the election on 1 March. If no presidential slate obtains an absolute majority, the electoral law requires the legislature to select between the two slates that received the most ballots. Fuentes has also undercut the opposition parties' contentions that the election will be fraudulent by requesting President Mendez Montenegro to ask the Organization of American States to send a team to observe the election.

A resurgence of terrorism in Guatemala City over the past week,

however, is undermining the government's attempt to build public confidence in the electoral process. The Cuban-oriented Rebel Armed Forces (FAR) has made a series of retaliatory attacks on security officers for the killing of two FAR members in a shoot-out on 12 December. The police are nervous and frustrated by the attacks, in which six of their number have died. The political situation has become unsettled since the assassination on 17 December of rightist leader and candidate for mayor of the capital, David Guerra Guzman. Unless the government makes a strong and effective response to the terrorist threat, the possibility of an extralegal counterattack from rightist extremists will grow.

Meanwhile, a band of FAR guerrillas in the northwest continues to evade counterinsurgent forces that have been pursuing them since late November. The guerrillas apparently have suffered some casualties, but none has been captured as yet.

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TEACHER'S STRIKE IN ECUADOR CHALLENGES VELASCO

Striking teachers and the Velasco government appear headed for a showdown over whether the minister of education will keep his job.

The month-long strike for the minister's removal and the payment of back salaries, which has closed 75 percent of the country's public schools, flared into violence last week despite efforts by President Velasco to deal tactfully with the teachers, who traditionally enjoy considerable public support. In an unusual display of moderation, Velasco tried to end the strike by announcing on 1 December that he was borrowing from next year's budget to pay teachers delinquent salaries. Despite this offer, the tenure of the minister of education remained the central issues and the strike continues.

The growing number of clashes between teachers and student demonstrators and the police have added to public pressure for the minister's removal while at the same time hardening the government's stand into what Velasco has termed a principle of authority. The President has received the public support of his military leaders, who have let it be known that they would sanction strong-arm measures to break the strike. The government's announcement on 17 December that the Christmas vacation will be extended may afford a cooling off period.

During past attempts to govern Ecuador, Velasco has not been prone to compromise. It appears, however, that a peaceful settlement of the strike calls for just this course.

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POLITICAL STALEMATE BROKEN IN NETHERLANDS ANTILLES

A government finally has been formed after months of intensive political wrangling. The new government will replace the interim administration that has governed since the serious riots on the main island of Curacao last May forced the resignation of Minister-President Kroon and his cabinet. Former Finance Minister Ernesto Petronia, who will head the new government, has been trying to form a coalition since the elections on 5 September in which no party received a majority. The coalition is composed of the Democratic Party (DP), its traditional ally the Aruba Patriotic Party (PPA), and the Workers Front.

The Workers Front, a leftist party formed after the riots, has

been awarded two ministerial posts for cooperating in the formation of the government. The DP and the PPA, which are both relatively moderate--will receive three cabinet seats each. The inclusion of the Workers Front in the new government should reduce the chances of a recurrence of serious disorders, but discontent in the labor movement will continue because of high unemployment and the lack of adequate government social welfare programs.

There will be no easy or rapid solution to the island's economic and complex political ills. If the new government is to ensure stability, it will have to develop new policies.

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