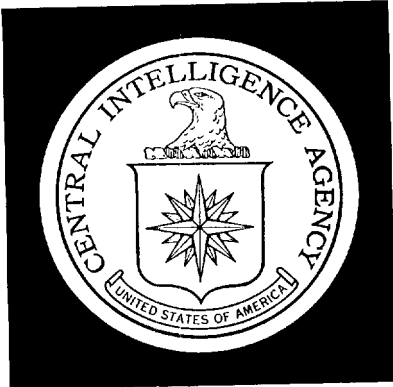


Secret

25X1



DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

Secret

43

23 October 1970

No. 0393/70

State Dept. review completed

Page Denied

CONTENTS

(Information as of noon EDT, 22 October 1970)

Page

FAR EAST

Vietnam: Good Weather Means More Fighting 1

Communist China: Lagging Leadership 2

Cambodia: Confidence Growing 3

SINO-SOVIET RELATIONS AFTER A YEAR OF TALKING



EUROPE

France-USSR: Pompidou Visit Satisfies 4



Brezhnev Campaigns for Local Support 7

Yugoslavia: New Party Conference to Meet 8

Norway: Coalition Differences Sharpen 9

MIDDLE EAST-AFRICA

UN Focuses on the Middle East 10

Egypt: Sadat Forms a New Cabinet 11

New Fighting Flares in Jordan 11

SECRET

25X1

25X1

MIDDLE EAST - AFRICA (CONTINUED)

Syria-Iraq: Room at the Top? 12
Libya: The Enigma of the RCC 13
Chad: Insurgency May Be Worsening 14
Somalia: Military Regime Completes First Year 15
India: Mrs. Gandhi's Bandwagon Hits Rut 16

WESTERN HEMISPHERE

Chile: Prospects for Allende Government 17
Bolivia: Pressures on President Torres Increasing 18
Cuba: Woos Pro-Moscow Latin American Communist Parties 18
Uruguay: Government Problems Mount 20
Uncertainty in Argentina 20

NOTES: Burma; France; Sierra Leone; Nicaragua; Surinam; Costa Rica

25X1

SECRET

SECRET

FAR EAST

Vietnam: Good Weather Means More Fighting...

The weather will begin to improve soon for military operations over most of Indochina, as the rainy southwest monsoon gives way to the relatively dry northeast monsoon. The southwest wind, now tapering off, brought heavy rains and flooding to southern South Vietnam, most of Cambodia, and the panhandle of Laos. This weather develops during the summer when winds from the southwest pass over the Gulf of Siam and bring rains to most of Indochina except the northern half of South Vietnam, which is protected by the western highlands. During the winter, winds from the northeast absorb moisture from the Gulf of Tonkin, and hard rains and heavy clouds are generally restricted to the exposed flatlands east of the mountains, the coastal plains of lower North Vietnam, and upper South Vietnam.

The clear, dry weather prevalent in much of Indochina during winter months normally benefits allied operations, especially in the air, but Communist forces also have conducted major operations during this time. Captured documents have noted that improved roads and living conditions make fighting in the field much easier for Communist ground troops. These considerations apparently outweigh the risk of heavier allied air attacks.

New Assembly Settles In

The government should be in a good position to influence the legislature as a result of the

recent organizational elections in the National Assembly. Progovernment legislators won most of the leadership positions in the Lower House and aligned with independents to take the bulk of the slots in the Senate. President Thieu's aides were effective, particularly in the Lower House, in marshaling support for progovernment candidates.

The government's strong showing does not necessarily mean that its relations with the legislature will be smooth. Many opposition deputies in the Lower House reportedly are upset by the alleged use of undisguised pressure in the form of financial payoffs by Thieu's aides to influence the elections. The deputies believe these tactics have damaged the prestige of the House and lowered the morale of many deputies.

In the Senate the Independents, who represent the largest voting bloc, may not vote consistently with regime backers. Opposition leader Vu Van Mau has expressed bitter disappointment with the outcome of the voting for Senate committee officers. His ten-man ticket had won more votes than any other in the recent countrywide election for 30 Senate seats, and he expected substantial support from the Independents in his bid to head up the Foreign Affairs Committee. When he lost badly in the organizational elections, however, he issued a strongly worded statement charging that an alleged plot aimed at dividing "nationalist forces" had influenced the results.

25X1

SECRET

SECRET

Communist China: *Lagging Leadership*

Peking is becoming increasingly concerned that overburdened civil and military authorities are falling out of step with the regime's policies in many localities. The inadequacies of local officials are becoming a recurring theme in domestic propaganda, and a major article in the authoritative party journal *Red Flag* this week lashed out at those who constantly complain that "they have too much to do." *Red Flag's* repeated references to the failure of top leaders and senior cadre to adhere to Mao's "revolutionary line" point to an apparently widening gap between the demands of the central authorities and local performance and suggest that the bargaining that now must be carried on between Peking and powerful local interests is not going smoothly. Moreover, there are signs that a campaign is under way to subject local leaders to a new dose of intensified ideological pressure, a move with distinctly radical overtones that is likely to exacerbate existing strains between conservative and militant forces throughout the leadership hierarchy.

Many of China's current leadership problems are of Peking's own making. Undermanned local governing organs are being urged to push a host of post-Cultural Revolution reconstruction campaigns often containing contradictory aims. Rural leaders, for example, are being asked to step up production drives while carrying on unpopular political campaigns that interfere with normal peasant routine. Civil officials are being urged to perform lengthy stints of manual labor on farms and in factories while at the same time directives are pouring in from Peking, and office work is piling up. Finally, reports from provincial military conferences suggest that there is also little letup in the pressure on professional army men to continue carrying the heavy burden of civil administrative, political, and production tasks they assumed during the Cultural Revolution.

The result of these varied demands is that harried local authorities are often taking refuge in

inertia or returning to bureaucratic practices that were roundly condemned by Mao during the Cultural Revolution. Such tactics, in turn, have apparently led some militant elements in the regime to urge that the way to deal with recalcitrant local officials is to increase rather than decrease the pressures on them. Thus, the *Red Flag* article and several subsequent radiobroadcasts argue that officials who have adopted "go-slow" tactics and have become "half-baked revolutionaries" must now be subjected to a new campaign to study Mao's thought to show which cadres "have really learned something" from the Cultural Revolution. Such radical-sounding arguments have not appeared in authoritative pronouncements for some time. The precautionary tone of the message is reminiscent of the fact that many party and government bureaucrats who fell during the Cultural Revolution were initially charged by their opponents with deficiencies in interpreting Mao's thought.

A further question raised by the current antibureaucratic furor is the extent to which the various pressures experienced by local officials are affecting the top levels of the regime. It now seems likely, for example, that Mao's more radically inclined associates have been chafing over some of the reconstruction programs the regime has pushed over the past year, and differences at the top as well as between the center and the provinces over policy implementation probably necessitated the convening of the major party central committee plenum held in Peking last month. The plenum's failure to produce any new policy guidelines, coupled with Peking's continuing delay in convening the long-awaited National People's Congress as well as the recent propaganda stress on leadership problems, all attest to the seriousness of the difficulties confronting the regime.

25X1

SECRET

Cambodia: *Confidence Growing*

Taking advantage of the present lull in significant Communist military action, Cambodian Army forces have been on the offensive in various sections of the country during the past week in order to reduce enemy pressure against several major roadways. According to a government spokesman, a sweep operation along Routes 2 and 3 south of Phnom Penh, employing some 6,500 troops, has blunted "a major Communist drive" against the capital. Large numbers of enemy troops still are active in areas near the two highways, however. At midweek, government forces ran into stiff resistance after they had pushed beyond Takeo town toward the South Vietnamese border. Earlier the Cambodians had claimed that they had killed 20 Communists and had captured sizable amounts of enemy materiel.

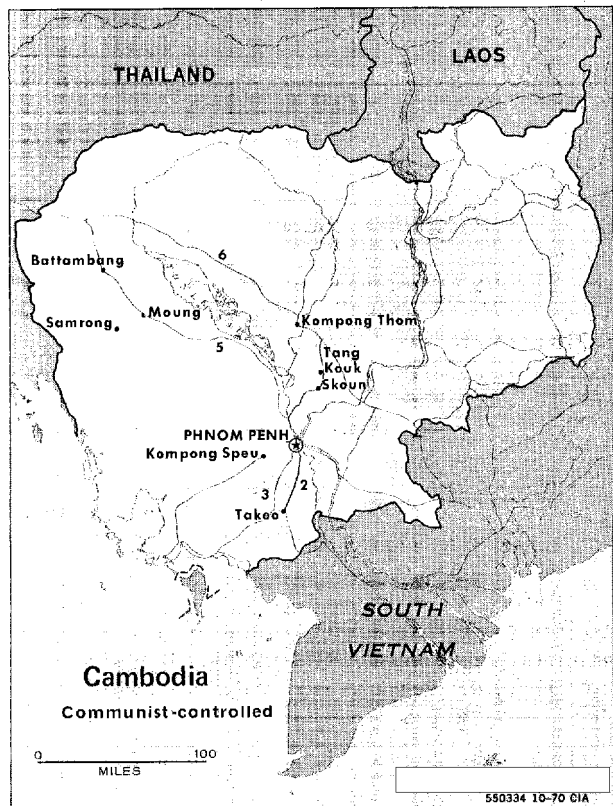
In Battambang Province, two tactical groups, each composed of at least two battalions, were engaged in clearing a 20-mile area south of the town of Moung on Route 5; two of the battalions were retrained recently in South Vietnam. In the most significant action in that province to date, rear elements of one group encountered major resistance from Communist forces near Samrong. The Cambodians sustained losses of eight killed and 20 wounded, but reported that they killed at least 42 enemy troops, most of whom were North Vietnamese.

There were signs that the government's massive operation to reopen Route 6 to Kompong Thom city may go on at least until the end of the year. Phnom Penh apparently intends to make sure it has thoroughly consolidated its control over the column's immediate area of operations before pushing beyond Tang Kouk in force. The task force commander has virtually committed his troops to remain in their present positions strung out between Skoun and Tang Kouk by pledging to protect local villagers during the coming rice harvest. In an effort to instill a greater sense of participation and patriotism among government officials, most civil servants in the capital are

being required to spend 15 days on active duty with the column, where they draw arms and perform routine military functions. The enemy has been maintaining its sporadic harassing fire against elements of the column, although few casualties have resulted.

The relative calm in the military situation also appears to have acted as a tonic on some government leaders, who have been venturing into the countryside to improve the regime's neglected contacts with the rural population. The acting chief of state visited Takeo town to commend its residents and provincial officials for their courage in the face of Communist harassment, and the interim president of the National Assembly carried messages from Phnom Penh to his constituents in Kompong Speu Province.

25X1



25X1

SECRET

SECRET

BURMA: Exile leader U Nu may intend to announce over his clandestine radio the start of active military opposition to the Ne Win regime. Although he may still be in hiding in Bangkok, his lieutenants claim that he has gone underground in the Thai-Burma border area. This, however, may be no more than a maneuver designed to prevent

embarrassment to Thai officials who granted him asylum more than a year ago with the stipulation that he not engage in political activity. Although U Nu's present military capabilities are limited, his apparent access to additional funds may well improve his longer run capability for troublemaking.

25X1

♦ ♦ ♦

EUROPE

France-USSR: *Pompidou Visit Satisfies*

Both Paris and Moscow have reason to be pleased with President Pompidou's week-long visit to the USSR, even though neither country gained or gave away anything of great importance. The only tangible political product of the visit was a protocol regularizing consultations. This provides for semiannual talks as well as emergency consultations should a threat to the peace arise. Each country, however, attached importance to promoting and expanding the "special relationship" carved out by De Gaulle in 1966.

For Pompidou, the visit was an opportunity to demonstrate that despite De Gaulle's departure the Soviets were still interested in close links with France. The French President is now so firmly in control that he no longer has to defer to De Gaulle loyalists in the government and parliament. Thus, his continuation of Gaullist policy toward Moscow stems not from fear of alienating this segment of his domestic support but rather from a conviction that France's ability to play any significant role in Europe will in part depend on its success in cementing its ties with Russia.

Moscow, recognizing Pompidou's sensitivity to Bonn's Ostpolitik challenge and concern over inadequate consultations during the recent spate of detente activity, was eager to allay French fears on that score. The attention lavished on

Pompidou, including an almost unprecedented airport reception by Soviet party chief Brezhnev and a rarely permitted glimpse of the Soviet space center at Baikonur, was indicative of Soviet interest in underscoring the value Moscow attaches to good relations with Paris.

The protocol on political consultations should also be viewed in this light. It is unlikely that Moscow attaches much practical significance to it, but it does serve as a symbolic reaffirmation of the "special" character of Franco-Soviet relations. The prompt acceptance by the Soviet leaders of Pompidou's invitation to visit France in 1971 also serves this end.

Pompidou, in return, affirmed French support—albeit conditional—for Soviet positions on the Middle East, Vietnam, and European security. The communiqué's language on the desirability of convening a "properly prepared" all-European security conference (CES) aimed at East-West detente tended to impart new impetus to such a convocation, especially inasmuch as Pompidou failed to make the usual link between a CES and progress on Berlin. French support was hedged, however, by a reference to adequate preparatory work and the avoidance of any specific time frame.

SECRET

SECRET

Despite the joint effort of both sides to put their economic relations in the best possible light, the communiqué and attendant commentary are long on principles and intentions, but notably brief on specifics. Both parties recognized that the resistance of French businessmen to increasing imports of largely unsuitable Soviet goods as rapidly as their exports to the USSR expand continues to be the major obstacle to a substantial upswing in trade. Past increases in trade have been achieved largely on the basis of the Soviet need for technologically advanced industrial goods and Paris' willingness to supply long-term credits to finance such exports. French exports to the USSR last year amounted to \$264 million compared with imports of only \$200 million.

The new long-term trade agreement for 1970-74 signed during the Pompidou visit pro-

vides for French participation in building the mammoth Kama River truck plant, but the communiqué does not indicate whether France is to be the prime contractor in the consortium of West European manufacturers that Moscow is trying to put together to undertake this project. The Soviets also played on the French desire for new sources of industrial raw materials and fuels, although the notation that some of these contracts could lead to "preferential cooperation" suggests that France may have to assume some of the investment costs entailed in developing sources of supply in the USSR. Finally, in a reversal of the normal flow of technical assistance, the communiqué states that the Soviets will help build a metallurgical complex in France. If this project is actually implemented, it presumably would be based on a new Soviet blast furnace technique that has already been licensed to the Japanese.

25X1

◆ ◆ ◆

FRANCE: The government received an overwhelming vote of confidence from parliament last week following Prime Minister Chaban-Delmas' state-of-the-union message. Although it was not required, the vote gave the Pompidou regime an opportunity to win public acknowledgement of the success of its programs and to involve the legislature actively in building the "new society." In his speech, devoted primarily to domestic af-

fairs, Chaban-Delmas stressed the importance of reform through the common effort of all socioeconomic groups. The government has in fact made great strides during the past year, largely because of innovations introduced to improve the economy, labor relations, and education. As a result, France is now more stable than it has been for some time.

25X1

◆ ◆ ◆

SECRET

Page Denied

Brezhnev Campaigns for Local Support

Soviet General Secretary Brezhnev evidently engaged in considerable politicking on his own behalf while attending the 50th anniversary celebrations in Kazakhstan and Azerbaydzhan this summer and fall. As a result, he appears to have picked up additional support from some important local party bosses. Despite these gains, however, there are other regional party organizations that remain neutral or even hostile to him, reflecting the continued existence of rival factions within the leadership.

The ceremonies in Alma-Ata and Baku afforded Brezhnev maximum public exposure. He had the opportunity for extended personal contacts, not only with local officials, but with regional leaders throughout the Soviet Union who gathered for the celebrations. After leaving Alma-Ata, Brezhnev made a ten-day swing through the four Central Asian republics where he toured enterprises and conferred with various party and government administrators. His four-day trip to Baku in early October appeared to be equally political in nature.

Beneficial effects of this campaigning were evident at the Baku meeting in the noticeably warmer attention he received from many of the Caucasian and Central Asian leaders than on previous occasions. For example, Uzbek party boss Rashidov, who is also a candidate member of the politburo and has avoided anything more than a neutral reference to Brezhnev in the past, devoted most of his brief speech in Baku to praising the leader's "brilliant, exciting" speech.

The Azerbaydzhan party boss, new to the job a year ago, was particularly laudatory. In his speech in Baku he repeatedly addressed his remarks to "you personally, Leonid Ilich," and, unlike his predecessor, gave every sign of being

solidly in Brezhnev's camp. The Armenian party boss also demonstrated his political allegiance to the general secretary by referring to "the politburo headed by comrade Brezhnev." The latter's protegé, Kazakh party boss Kunayev, had previously been the only important party official to give Brezhnev this title.

Speakers from other regions, however, maintained their traditional aloofness. Brezhnev's speeches were ignored at both meetings by representatives from Belorussia, Estonia, Lithuania, and Leningrad. The new party boss from Leningrad even ignored him in Baku. Leaders from these areas have been remarkably consistent in their coolness to Brezhnev over the years.

A clear picture of Brezhnev's standing with the various regional party organizations has thus emerged. He is evidently on his way to consolidating his position in Central Asia and the Caucasus. He has strong support in Moldavia and the Ukraine, although Ukrainian party boss Shelest seemingly remains neutral. In the Russian Republic, Brezhnev can apparently count on the allegiance of Moscow city leaders, but officials with ties to Voronov, the premier of the republic, have remained silent. Brezhnev seems to have no support in Leningrad, Belorussia, or the Baltic, with the possible exception of Latvia.

One aspect of this hostility to Brezhnev, at least among leaders of such highly developed areas as Leningrad and Estonia, is the belief that his views on economic administration are not sufficiently modern. There is the danger, therefore, that Brezhnev's increasingly close political association with the less developed regions of the south may only strengthen this view, thus hardening divisions within the leadership.

25X1

SECRET

Yugoslavia: *New Party Conference to Meet*

The Yugoslav party conference—created at last year's ninth party congress—faces a plethora of major problems when it meets for the first time from 28 to 30 October. The 280 delegates gathered in Belgrade will have little time to devote to the mechanics of their constituent session, but instead will immediately tackle the nation's serious economic problems, as well as the governmental reorganization necessitated by Tito's proposals for a collective presidency.

The divergent opinions on these subjects encountered among the party presidium, which met on 16 October, are a good indication of the potentially divisive nature of the issues at hand. Speaking to the 52-member body, ranking Macedonian party official Krste Crvenkovski delivered a report on the current sociopolitical situation in Yugoslavia. Crvenkovski's draft was adopted only after an extensive discussion during which some ten members of the presidium spoke. This apparently unexpected and time-consuming debate forced postponement of Foreign Minister Tepavac's previously announced address until the next meeting.

The full text of Crvenkovski's report has not been published, but a newscast indicated it dealt with self-management, the future role of the republics in the Yugoslav federal system, national defense, and in particular, the state of the Yugoslav economy.

In addressing themselves to current economic problems, several presidium speakers indicated that some uncomfortable "belt-tightening" may be in the offing. New measures will probably include added restrictions on credit and

budgetary spending, as well as new price and import controls. The regime will be careful, however, to avoid the harsh restrictive measures that brought on the severe 1967 recession. In fact, senior government officials have already indicated they will not return to centralized, administrative economic controls.

Yugoslavia, however, is fast approaching an inflationary crisis similar to those of 1961 and 1964. During the first nine months of 1970, wholesale and retail prices rose by approximately 10 percent and the cost of living currently is increasing at an annual rate of 12 percent. Enterprise managers in various sectors of the economy are reported to be on the verge of requesting additional price increases.

Increased investments and a marked growth in personal incomes have brought additional pressure on domestic prices and have caused a surge in imports—both of which aggravate the country's spiraling inflation. Despite a good export performance, the hard-currency trade deficit already is well above the level for all of 1969. As a countermeasure, the government several months ago imposed a temporary 5 percent tax on imported goods, but this half-hearted action has not yet had any effect.

The five-year plan for 1971-75 has been delayed by these problems, and interrepublic squabbling over preferential aid to Yugoslavia's underdeveloped republics has postponed the plan even further. Enactment of a new long-term plan soon is not likely, but a medium-term plan is reportedly being prepared. All of this points to a potentially heated party conference.

25X1

SECRET

SECRET

Norway: *Coalition Differences Sharpen*

Prime Minister Borten's center-right government begins the new parliamentary year divided over the extent of its commitment to membership in the European Communities (EC) and challenged by a resurgent opposition Labor Party, which may be willing to form a minority government if the coalition stumbles.

The four-party coalition, initially installed in 1965, acquitted itself favorably, during its first four-year term in office, aided by a rapidly developing industrial economy and a strong international demand for Norwegian shipping. On the eve of the 1969 elections, however, the combination of a slight softening in the economy and the enactment of a value-added tax that threatened a jump in the cost of living redounded to the advantage of the Labor Party. That party also successfully reoriented itself to the left, attracting to its ranks dissidents who earlier had wasted their votes by supporting radical splinter groups. The 1969 elections thus resulted in a razor-thin, two-vote parliamentary majority for the bourgeois coalition.

Of the parties in the government, the Conservatives and Liberals, disappointed in their showing in the elections and facing considerable problems in realigning relationships among their leaders in government, parliamentary, and party positions, replaced most of their men in the cabinet during 1970. Their principal aim was to shore up their constituencies and to engage the interest of the voters, looking toward the 1973 elections. Even so, voter sentiment, as measured in monthly public opinion polls, showed a small but persistent shift of support away from the bourgeois parties, especially the Liberals, and in July the Labor Party topped the four coalition parties

combined for the first time since 1965. The swing to Labor may have been prompted by the nine per cent increase in the cost of living from mid-1969 to mid-1970 that resulted from the introduction of the value-added tax.

Compounding the coalition's problems at this time has been a growing dissatisfaction among Conservatives and Liberals with the stewardship of Prime Minister Borten. There have recently been active behind-the-scenes efforts to persuade him to step down voluntarily, but he has refused. He is meanwhile wrestling with powerful elements in his own agrarian-oriented Center Party who are determined to obstruct negotiations for Norway's entry into the EC, which he, as government leader, has reluctantly approved. Pushing hardest for EC membership are the Conservatives, representing shipping, banking, and big-business interests. Their prolonged and ultimately victorious battle with Borten for the dominant negotiating role in Brussels earned the prime minister the sympathy of all the other parties' youth groups, who are unanimous in their opposition to Norway's entry.

Even without the Labor opposition's publicizing the disarray in the government, the steady fraying of intracoalition relations in such matters as the role of religion in the schools could lead to a parliamentary reverse. The government's fate may well hinge on the Labor Party's assessment of whether it would be more advantageous to take over the reins of government now, requiring a potentially divisive reimposition of party discipline on its own young mavericks, or to count on growing voter discontent to give the party a clear majority in 1973.

25X1

SECRET

SECRET

MIDDLE EAST - AFRICA

UN Focuses on the Middle East

The Arabs, led by Egypt, have received approval of their request that the General Assembly begin debate on the Middle East on 26 October following completion of the UN commemorative ceremonies. Certain to be a focal point of the debate are the countercharges over cease-fire violations, but tangential issues, such as the status of the UN Relief and Works Agency (UNRWA), may also be affected by the anticipated acerbic discussion.

In pressing for the debate, Egypt has taken the line that it must have an Assembly resolution calling for continuation of the cease-fire and early resumption of the Jarring talks before it can agree to extend the cease-fire beyond 5 November. Such a low-key resolution would probably get an overwhelming majority.

Under pressure from the radical Arab states, however, Egypt may press for language calling for Israeli withdrawal from all territories occupied in the 1967 war as a precondition of any settlement and for restoration of the "rights" of the Palestinians. The US mission in New York believes such wording might well obtain a majority in the Assembly, although probably not the two-thirds vote required if the issue is declared an Important Question. A new resolution on the Middle East at this critical juncture would have an unsettling impact both on the 1967 Security Council resolution, the basic document in the search for a

settlement, and the currently languishing Big Four talks.

Any extended discussion of Palestinian "rights" is likely to have repercussions adverse to UNRWA, which provides welfare services in Middle East refugee camps. Considerable concern over the fedayeen's ability to utilize the camps in Lebanon and Jordan—and thus, UNRWA aid—is the chief factor behind the tepid international response to the current urgent appeal for funds by the agency. UNRWA needs about \$5.1 million to cover its 1970 operating deficit and an estimated additional \$2 to 3 million for rehabilitation of the camps in Jordan in the wake of the army-fedayeen warfare. Some 30-35,000 students lack school facilities in the camps as a result of the heavy damage and looting.

Although the agreement between fedayeen leader Arafat and the Jordanian Government remains tenuous, Amman can hardly fail to join the other Arab states at the UN in vigorously supporting Palestinian interests.

25X1

SECRET

SECRET

Egypt: Sadat Forms a New Cabinet

The appointment this week of Mahmud Fawzi as prime minister was apparently calculated to forestall infighting among Nasir's heirs. Fawzi is acceptable to all the major domestic power interests and has not been publicly identified with either the USSR or the West.

Fawzi's retention of virtually all of the previous administration's cabinet members is in turn designed to minimize any fears of a break with Nasir's policies and to extract maximum political mileage from the strong hold that the memory of Nasir has on the Egyptians. By settling on Fawzi, a career diplomat who has no political following of his own, Egypt's leaders avoided an immediate struggle within the ruling circle that might have been touched off had the choice fallen on either Ali Sabri or Zakariya Muhyeddin, who have been tagged as pro-Soviet and pro-Western, respectively.

The new Egyptian President also sought to forge a link with Nasir's policies in the Arab Socialist Union (ASU), Egypt's only political party, by naming Abd-al Muhsin Abu-al-Nur as its secretary general. Abu-al-Nur has been the ASU's

assistant secretary general since the June 1967 war.

The formation of the new government leaves the transitional collegial leadership essentially intact with the instruments of power still in the hands of Sadat, Minister of State Sami Sharaf, Interior Minister Sharawi Jumah, and Ali Sabri. Despite his apparent exclusion from the top posts in the government, Sabri, a senior member of both the National Defense Council and the ASU Executive Committee, presumably has the personal power to play a role in all key decisions.

The Soviet Union is unlikely to be antagonized by the new faces in the government. To maintain its position in Egypt, Moscow is concerned only that there be a stable, pro-Soviet regime in Cairo; its interests are not tied to any one individual. Cognizant of Moscow's minimum requirements, the Egyptian Army at this point is likely to agree to any governmental lineup that is acceptable to the Soviets and thus provides for a continued flow of arms to Cairo.

25X1

New Fighting Flares in Jordan

Sharp and occasionally heavy exchanges of gunfire have been taking place intermittently in north Jordan since last weekend. Although each side has predictably blamed the other, the fighting seems to have been touched off by the army's efforts to improve its position. On 17 October, army units apparently moved to new locations

west of Ramtha on the Syrian border, and the fedayeen attempted to force them to withdraw. The army was probably trying to seal off the Syrian border area in order to prevent supplies and reinforcements from reaching the fedayeen in the north.

SECRET

SECRET

Repeated local cease-fires arranged by the Arab truce committee have held for varying lengths of time, only to fall through. The intensity of the clashes seems to be ebbing, however, and the committee may be bringing the situation under control.

King Husayn seems to be trying to strike a pose of firmness and flexibility at the same time. On the one hand, Zaid bin Shakir—who is notoriously hardnosed on the fedayeen issue and was previously dismissed from his army post at fedayeen insistence—has been promoted to major general and given a position on the joint military committee charged by the Arab truce team with implementing provisions of the agreement of 13 October. At about the same time, however, in a move possibly aimed at reassuring the Palestinians, the King announced that Prime Minister Tuqan had been made military governor general in place of Field Marshal Majali. Another civilian was appointed Tuqan's deputy, and Jordan's incumbent civilian governors will now act as regional military governors. Although the provisions of martial law remain in force, they will be administered by civilian authorities.

25X1



25X1

♦ ♦ ♦

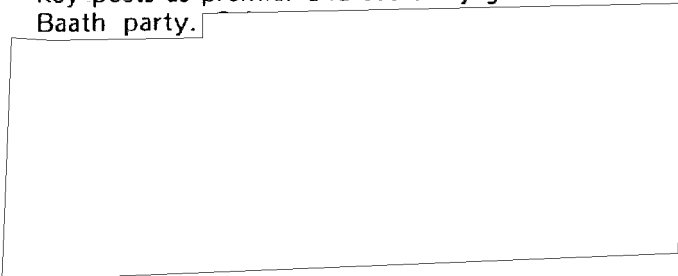
Syria-Iraq: *Room at the Top?*

The political situation in Damascus is far from clear. Press sources in midweek said that Defense Minister Asad had forced the resignation of Atasi from the presidency and from his other key posts as premier and secretary general of the Baath party.

has displayed only apathy over the political machinations of the "leaders."

There has been speculation that the struggle arose over Syria's recent involvement in the Jordanian crisis. Asad is said to have opposed this and—as the representative of the military wing of the party—tried to downgrade the role of the civilian and so-called Marxist members of the regime. Press sources also allege that Asad has clamped down on Saiqa, the Syrian fedayeen organization, and has placed other influential persons under house arrest; there is no confirmation of these reports, however.

25X1



Whatever the real situation among the leadership, the populace appears to be little bothered. US and foreign press observers inside Damascus have detected no undue tension, and the public

In Iraq, the status of the apparent power struggle is no less hazy. Hardan Tikriti has been relieved as vice president, a post he attained last spring when he was removed as defense minister

SECRET

SECRET

and when his downward slide from power probably began. Speculation is strong in the press that he was dropped because of his opposition to direct Iraqi involvement on the side of the fedayeen in the Jordan crisis. The real reason, however, may have more to do with a personal

struggle for power than any real substantive differences between those at the top. The Jordan situation may be just a convenient expedient for removing Tikriti—a rival of others in power who happened to be in Spain on his way to attend the UN General Assembly sessions. [redacted]

25X1

Libya: *The Enigma of the RCC*

The Revolutionary Command Council (RCC) has abruptly made important but ambiguous changes in the cabinet that it appointed only last month. Simultaneously, it announced death sentences for four officers who had been retried on treason charges for which they had received only light sentences last summer. [redacted]

What has really happened, however, is far from clear. Although Interior Minister al-Huni was dropped from the cabinet, he resumed his former position as chief of intelligence. [redacted]

The treasury minister, Muhayshi, has assumed the post of prosecutor-general for the People's Court, set up to try enemies of the state—more specifically, the numerous members of the former regime who have been languishing in jail for more than a year. Muhayshi may also have already held his present assignment before he left the cabinet. Thus, not only is the timing of these various appointments in doubt but, given the present rubber-stamp character of the cabinet, it is uncertain whether or not leaving the ministers' posts constitutes demotion in the current RCC

pecking order. The new minister of interior is a lackluster RCC member known primarily for his closeness to Premier Qaddafi. The treasury functions, but apparently not the ministerial post, have been assumed at least temporarily by Deputy Premier Jallud in his role as economy minister.

The moves could be related to the sentencing of the convicted officers, but the connection may be less momentous to Arab than to Western eyes. Nevertheless, the death sentences—if they are indeed carried out—will be very unpopular. The government may therefore concentrate on a large show trial of other "traitors" of the former regime in order to divert the public and, particularly, the army. In such an effort, the post of prosecutor-general would assume greatly increased importance for the state. Al-Huni may have been interested chiefly in dissociating himself from the execution of brother officers, which would have been his responsibility as minister of interior.

In any event, there is nothing at present to suggest that the series of announcements indicates any serious opposition to Premier Qaddafi in the RCC or any lessening of his control over the Libyan Government. [redacted]

25X1

25X1

25X1

SECRET

Chad: *Insurgency May Be Worsening*

After a long lull, Muslim dissidence has picked up in northern Chad amid unconfirmed reports of Libyan involvement and some signs of renewed rebel activity in the east. Nevertheless, Paris is not likely at present to alter its plans to reduce its direct role in counterinsurgency operations.

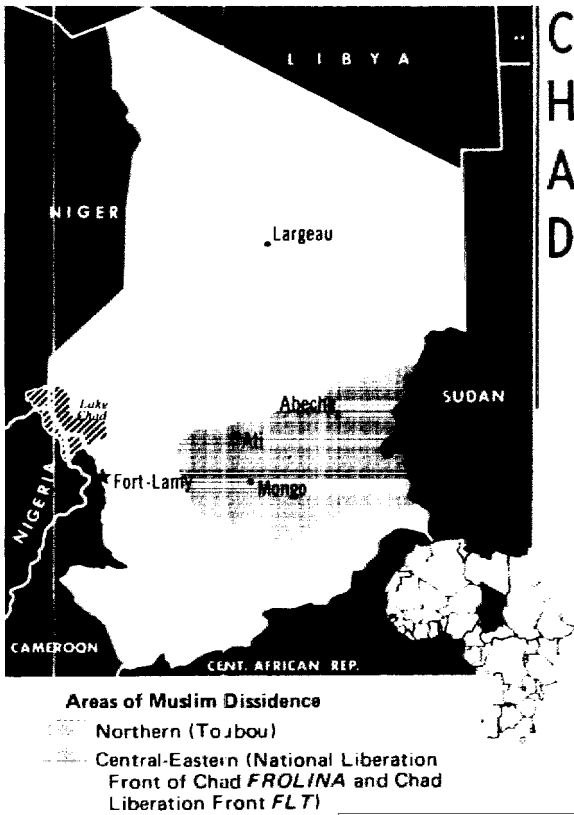
Libya's recent expulsion of some 2,000 Toubou tribesmen has apparently rekindled rebel aggressiveness in the north, which is populated mostly by these nomads. Minor skirmishes have increased over the past month and two ambushes

have cost government forces relatively high casualties. Eleven French soldiers were killed on 11 October, the heaviest single loss sustained by French troops since they intervened in April 1969. Relief forces captured arms similar to those used by the Libyan Army, leading the French to conclude that Tripoli is aiding the Toubou. President Tombalbaye has long suspected Libyan complicity. The weapons, however, may well belong to those Toubou who constituted the bodyguard of the deposed Libyan king and who probably were expelled along with their brethren.

In eastern Chad, a major new offensive has suddenly been prepared against other Muslim dissidents, causing at least a two-month delay in the scheduled withdrawal of the remaining French foreign legionnaires. The cease-fire in the central area remains in effect, but military leaders are now somewhat pessimistic over the forthcoming peace talks with rebel chiefs.

The French command doubts the ability of the Chadian forces to assume the fighting next year. It has probably pressed Paris to extend the mid-1971 deadline for the final pullout of combat troops. French officials in Paris, however, face mounting criticism at home over the unpopular intervention and believe that the situation outside the north is basically under control. They have therefore reaffirmed the policy of phased troop withdrawals and expanded advisory assistance.

President Tombalbaye is deeply alarmed and fears that the French will leave him in the lurch. Under the circumstances, he may feel compelled to come to political terms with the insurgents before the French depart.



25X1

SECRET

SECRET

Somalia: *Military Regime Completes First Year*

The military Supreme Revolutionary Council that seized power in October 1969 observed its first anniversary this week. During the year, the regime has steadily strengthened its grip on the machinery of government. Militarization of local and regional administration is now complete and the council dominates the civilian bureaucracy. Tough internal security laws, periodic arrests of former civilian officials and politicians, and the unprecedented use of occasional public executions have helped discourage antigovernment activity. Opposition that surfaced following the coup is still present among former politicians, some tribal groups, the police, and in the army itself, but it has not coalesced into an effective force.

Despite some initial popular approval of the coup, the council is now generally unpopular, and its attempts to solve Somalia's staggering social and economic problems have produced only meager results. Although considerable effort has been made to win public support for various reform programs, the impact appears to have been minimal and the constant outpouring of propaganda and rhetoric has taken on a tone of growing frustration.

In keeping with its attempts to create a "revolutionary" image, the regime has moved decidedly leftward in implementing what it calls a "positive neutrality" in foreign policy. Relations have been established with North Korea, North

Vietnam, and East Germany, and recognition has been extended to the Viet Cong and to exiled Prince Sihanouk. Although Somalia is a Muslim state with long-standing ties to the Middle East, the council presently identifies more closely with the Arab states than has any previous government. These moves are partly ideological but have also been motivated by a desire to tap new sources of economic assistance, which the country desperately needs.

Closer to home, the government has been very cautious in dealing with neighboring Ethiopia and Kenya, and has made no effort to undo the detente established with these countries in 1967 by ousted prime minister Egal. Relations with the US, however, have drifted steadily to their lowest level in the ten years since independence; the outlook for any immediate improvement remains dim. The Soviets now maintain the most substantial foreign presence in the country: there are approximately 250 military and 100 civilian advisers and technicians on the scene.

With the regime apparently well entrenched, any changes that might occur seem more likely to come from within the council, the inner workings of which are still unclear. There have been persistent rumors of discord among the leaders over the past year but, for the present, the 24 army and police officers on the council appear willing to submerge their differences and stick together. [redacted]

25X1

SIERRA LEONE: Prime Minister Stevens gained an important political victory this week when Parliament voted to ratify his state of emergency declaration of last month. The ratification gives the government sweeping powers and boosts Stevens' stock and that of party extremists who advised the current crackdown on opponents of the regime. Stevens also is continuing to con-

solidate his control over the security forces. He probably will order further arrests or dismissals, possibly including those of the army and police chiefs. Although the prime minister has thus preserved his immediate position, the basic divisions that produced the recent political violence persist. [redacted]

25X1

SECRET

SECRET

India: Mrs. Gandhi's Bandwagon Hits Rut

Severing a recent unbroken chain of political victories for Prime Minister Indira Gandhi, the opposition Organization Congress Party managed this week to hand her a particularly galling defeat in her home state. Uttar Pradesh is not only India's most populous state but also is a key to the prime minister's future electoral strategy. More immediately, the support of its nearly 40 progovernment legislators in the national parliament is essential for the continuance of Mrs. Gandhi's minority government in New Delhi.

For over a year, Mrs. Gandhi has been engaged in a bitter contest to gain control of Uttar Pradesh. In February 1970, her Ruling Congress Party joined a coalition government led by a regional group, the Indian Revolutionary Party (BKD), in the hopes of eventually being able to dominate the coalition. The BKD, however, resisted all the Ruling Congress' efforts to merge the parties. Eventually, in a particularly blatant move to install her party in power, Mrs. Gandhi arranged to have the coalition dissolved and on 1 October to have "President's Rule"—direct control from New Delhi—clamped on the state.

She had apparently been misled, however, by overly optimistic reports from the Ruling

Congress' state leaders regarding the party's strength. Her supporters sought to entice sufficient opposition legislators to defect to her banner to create a majority in the state assembly, but a five-party opposition coalition, led by the opposition Congress Party, beat her at the numbers game. On 18 October she was forced to allow the hostile coalition to assume control.

The defeat has put a damper on the bandwagon psychology Mrs. Gandhi has been trying to build and it has also damaged her nationwide prestige. Her high-handed tactics in Uttar Pradesh were widely criticized throughout the country. Although her capitulation has taken some of the sting out of the opposition protests, Mrs. Gandhi will probably face a serious test over a censure motion when the national parliament reconvenes next month. She may yet make another attempt to recapture her home state, but her recent experience is likely to prompt her to move with greater caution. Nevertheless, her popularity apparently remains high and the prime minister is banking on her government's "progressive" image to carry her successfully through national elections—which must take place by February 1972—despite some local defeats along the way.

25X1

25X1

SECRET

WESTERN HEMISPHERE

Chile: *Prospects for Allende Government*

Problems and pitfalls that will face Allende's government are increasingly apparent to members of his coalition, some of whom are already established in key administration offices.

The intransigent attitudes of Allende's own Socialist Party (PS) and its determination to assert major influence in the Popular Unity (UP) coalition may be one reason for a delay in announcing the new cabinet. At a recent PS plenum the party hardened its stand that a Socialist must be named minister of interior, the top cabinet post and in effect Chile's vice presidency. The PS also reiterated opposition to any deals with the Christian Democrats, although the other UP components consider such deals politically useful. The Socialists resolved to expand their paramilitary organization, which is largely trained by the terrorist Movement of the Revolutionary Left (MIR). In discussing this enlarged "popular militia," party members were careful to claim that its function is to protect the Allende government, not to replace the Chilean armed forces.

Socialist leaders are expressing deep concern, both in propaganda and party councils, over the economic problems that they believe the new administration will face. They accuse Chilean and foreign business interests as well as the Frei government of actions seriously damaging to the country's economy.

Communist leaders also have a gloomy view of the economic prospects for the UP government, in which they will play an important role. They fear that important programs will have to be postponed for lack of resources and that this situation could cause popular resentment harmful to the UP in municipal elections set for March 1971. The Communists are planning to expand their party's political base as rapidly as possible during the early months of the Allende government.

The Communists are convinced that rightist and leftist extremists in Chile are in league in efforts to create an impression of social and economic chaos. Their recently reiterated intention to eliminate the MIR is probably linked to their suspicions that the Socialists will try to dominate the government at Communist expense.

The Congressional runoff on 24 October seems certain to go smoothly for Allende, as his erstwhile political opponents have fallen into line. Runner-up Jorge Alessandri has asked his supporters not to vote for him in order to restore calm. Although National Party members may not honor his request, the Christian Democratic Party (PDC) leadership has instructed its 75 legislators to vote for Allende, which will give him an overwhelming majority.

The attempted assassination of Army Commander in Chief Rene Schneider on 22 October has raised tensions but is unlikely to affect the congressional confirmation of Salvador Allende as president-elect on Saturday. General Carlos Prats, who is serving in Schneider's post until he recovers, has resisted all efforts to enlist him in plots against Allende and will use the emergency powers that have been invoked to maintain order.

♦ ♦ ♦
SECRET

Bolivia: Pressures on President Torres Increasing

President Juan Jose Torres is under pressure from both the military and the left, but he has given no firm indication that he intends to grant demands being made by either side.

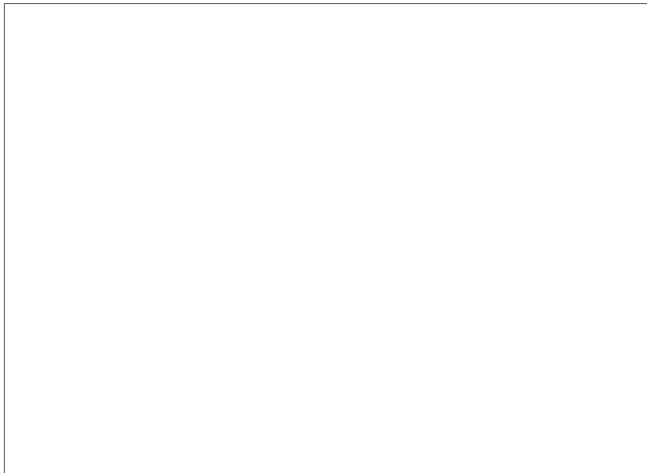
The military demands, made public on 19 October, came from the commanders of two key units in La Paz and were supported by the head of the military college. The two commanders called for elections in the near future, the withdrawal of military officers from government positions, and assurances that Bolivia would not become a "second Cuba." According to the press, one commander said that unless these and other "proposals" were met, his unit was prepared to "confront the government in defense of the nation and of the [military] institution."



25X1

In a recent press interview, however, Torres appeared to rule out the possibility of elections in the near future. Apparently expanding on his criticism of existing political parties, he expressed opposition to unrealistic and "obsolete" democratic systems and committed his government to the creation of conditions for an "adequate and opportune" solution to the problem of elections.

Labor's other demands include the establishment of workers' militias, a general political amnesty, the "cooperativization" of a major La Paz daily newspaper, which was seized by workers and students in the course of Torres' take-over, and greater labor control of the mining industry. Torres has refused to consider the idea of militias, appears to have ruled out a general amnesty, and has named commissions to study the newspaper and mining issues. Labor's position on one of its demands, the nationalization of the US-owned Matilde Mine, has been undercut by the mine union concerned, which has publicly asked that no such action be undertaken until all the implications have been studied. National mine federation leaders told a US Embassy official that the Matilde miners do not favor nationalization because they obtain better wages and supplementary benefits than do employees of the state mining company.



25X1

25X1

Castro Woos Pro-Moscow Latin American Communist Parties

Evidence is increasing that Havana has decided to try to improve its relations with pro-Moscow Communist parties in Latin America. The Cuban approaches apparently began as early as the meeting in June 1969 of Communist and workers' parties in Moscow.

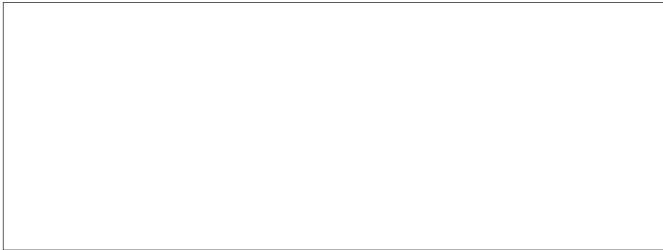


25X1

SECRET

SECRET

25X1



Armed Forces Minister Raul Castro and Interior Minister Sergio del Valle, also in Moscow in April, had talks with Orlando Millas, a member of the political commission of the Chilean Communist Party (PCCh). These contacts eventually resulted in the "re-establishment" of ties between the PCC and the PCCh. An accord was reached last June when PCCh Senator Volodia Teitelboim had extensive talks with Fidel Castro in Cuba.

Also in June, PCC relations with the Communist Party of Argentina (PCA) seemed to improve. The PCA executive committee ordered that criticism of Fidel Castro and his policies cease immediately and that a campaign of pro-Castro propaganda begin the following month. In an unusual show of solidarity, the PCA sent one of its central committee members to Cuba to take part in the sugar harvest.

During this same period, the Cubans reportedly sent an invitation to Manuel Mora Valverde, secretary general of the Communist Party of Costa Rica, to go to Cuba to discuss plans for furthering revolutionary objectives in Central America with Fidel Castro. Two members of the political bureau of the Communist Party of Panama were in Cuba for the annual 26 July celebrations and were accorded red-carpet treatment, as were Rodney Arismendi, first secretary of the Uruguayan Communist Party, and Alfonso Sandoval, a member of the secretariat of the central committee of the Dominican Communist Party.

The sincerity of Havana's efforts to effect a rapprochement with these parties is open to question, however, and the moves may be occasioned more by opportunism and a desire to adopt a stand more acceptable to the USSR than by a genuine interest in developing closer ties. Castro can be expected to keep his options open by retaining his ties with promising revolutionary groups at the same time he is attempting to draw closer to the pro-Moscow Communist parties.

25X1

◆ ◆ ◆

NICARAGUA: The government recently has been faced with growing student and labor activism. Last week, in response to a teacher's strike, President Somoza closed all primary and secondary schools for the balance of the academic year, which ends in late November. Last month he had to deal with university students and liberal priests who were protesting alleged government mistreatment of political prisoners. In both instances

Somoza acted with dispatch to defuse a potential crisis that might have interfered with his current trip to the US for the UN General Assembly ceremonies. Only symptoms have been treated, however, and political tensions are likely to increase—particularly as attention focuses on the 1972 presidential succession question and as government plans to amend the constitution develop.

25X1

◆ ◆ ◆

SECRET

SECRET

Uruguay: *Government Problems Mount*

The beleaguered Pacheco administration is facing yet another test as a result of last week's rejection by congress of the government's economic stabilization program.

On 14 October, the General Assembly overturned most of President Pacheco's earlier vetoes of legislative increases in the budget, triggering a mass cabinet resignation, a government-declared bank holiday, and the extension of press censorship to financial matters. The congressional rebuff could double next year's estimated deficit of \$30 million, thereby fueling the inflation that Pacheco has been striving to control.

The prospective deficit also increases pressures for devaluation, a move that would be regarded as an admission of the failure of the austerity program. Pacheco instead, has announced he will use stopgap measures, such as the tightening of credit and exchange controls and the imposition of additional import duties, in an attempt to offset the legislature's action. The President has not yet accepted any of the proffered resignations of his cabinet ministers, the president of the central bank, and the director of budget and planning. The resignations were for the most part a show of support for Pacheco's policies, but the President may use the opportunity to reshuffle his advisers.

Unhappiness with the government's austerity measures—which deserve a share of the credit for the relative financial stability of 1969-70—recently has manifested itself in labor circles. Last

week, the major Communist-dominated federation led an effective general strike that closed business, transport, and public media in Montevideo. The Communist federation was joined by several non-Communist groups in the stoppage, which was basically a protest against wage freeze policies.

With general elections scheduled for next year, labor may grow more restive. Pacheco will also find it increasingly difficult to find legislative support for unpopular programs.

The Tupamaros have continued low-level terrorist activities. The only recent major action was the firebombing last week of a US-associated firm, causing an estimated \$250,000 in damages. The Tupamaros continue to hold the US agronomist and Brazilian consul who were kidnaped more than two months ago. The government still refuses to negotiate with the terrorists or to meet their principal demand—publication of a political manifesto by all news media—in return for release of one of the hostages. The manifesto has been read in congress and published by two weekly periodicals without incurring government sanctions, but these actions have brought no response from the guerrillas. Officials are probably concerned that the Tupamaros will step up their activities in an attempt to gain further publicity. A special OAS committee dealing with inter-American trade relations is scheduled to meet in early November in Punta del Este, the resort city targeted for leveling in a recently intercepted Tupamaro document referring to "operation hot summer."

25X1

Uncertainty in Argentina

Political and economic uncertainty have gripped Argentina as a result of the resignation of two key cabinet ministers and of extended labor unrest.

Interior Minister McLoughlin and Economy Minister Moyano Llerena resigned last week, apparently in a dispute with the Levingston govern-

ment over long-range policy planning. The government, which has held power for more than four months, has been slow to define its policies, and criticism of this drift has developed recently.

McLoughlin appears to have sought an earlier return to normal political life than the "four or five years" that the government and its

SECRET

military backers are prepared to accept. Moyano charged that the government was too weakened by ambiguities and contradictions to implement significant "revolutionary" programs. His successor, former minister of public works Aldo Ferrer, is known for his interest in rapid national development, even at some cost to the economic stabilization program.

The cabinet crisis has coincided with a continuing period of economic malaise. A general strike on 9 October—reportedly the most effective since the days of ex-president Peron—was called to back labor's demands for higher wages in the face of rising prices. Although the strike was peaceful, security forces fear that another strike, set for 22 October, could lead to violent demonstrations or provide a peg for new terrorist actions.



25X1

Most military men probably are reluctant to consider removing Levingston—if only because they have few other options. They put him in power and fear that his removal not only would injure Argentina's image abroad but also would cause a crisis of confidence at home. Major demonstrations or severe economic problems, however, probably would cause the military to reassess this support.

25X1
25X1



SURINAM: The teacher's strike that began on 15 October appears to be developing into a serious challenge to the government. The strike was called over the replacement of a Creole (Negro) supervisor by an East Indian. Antagonisms between the two groups have been heightened, and the issue now is being regarded as basically racial. Black power elements and other radicals, who played a leading role in the initial stages, now are

attempting to capitalize on the labor unrest and racial friction. Minister-President Sedney, who is a Creole but leads a coalition dominated by East Indians, has postponed his visit to the United Nations to work on the problem. The dispute has provided a focus for uniting opposition forces and appears to be supported by a growing Creole antipathy for the East Indians' governmental role in general.

25X1

COSTA RICA: Four guerrillas, including the leader of the Nicaraguan Sandinist National Liberation Front (FSLN) Carlos Fonseca Amador, were released from imprisonment in Costa Rica and flown to Mexico as demanded by hijackers of a Costa Rican airliner. The Costa Rican Government, which has been eager to be rid of the guerrillas and the continual threat their would-be

rescuers have presented to public security, leaped at the opportunity to make a "humanitarian" gesture in meeting the hijackers' terms for passenger safety. The air pirates' nationality has not yet been determined. They represented themselves as members of a united Central American revolutionary group.

25X1

SECRET

Page Denied

Secret

Secret

Secret

25X1



DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

Special Report

Sino-Soviet Relations After a Year of Talking

Secret

No. 44

23 October 1970

No. 0393/70A

83-228542/1

Page Denied

SECRET

25X1

SINO-SOVIET RELATIONS AFTER A YEAR OF TALKING

One year ago on 20 October, Soviet and Chinese negotiators sat down in Peking to discuss the Sino-Soviet border dispute. Prior to the beginning of the talks, relations had reached their lowest point since the two antagonists had begun to quarrel openly. In the wake of border clashes in March 1969, skirmishing occurred at many locations along the frontier, military preparations were intensified, propaganda warfare reached a new intensity, and bilateral trade and diplomatic contacts dwindled. The Soviet leadership may have been weighing the advisability of stronger military action against China, and Moscow had embarked on a campaign calculated to convince Peking that this option was under active review.

In entering negotiations, each side was seeking to cool the situation for its own reasons. Peking sought to damp down tension along the border lest it lead to, or provide a pretext for, a Soviet attack against which it could not successfully defend. Moscow, concerned that an "open sore" on the exposed frontier meant prolonged border skirmishing and fearful that such a development would weaken its international position, sought to defuse the explosive border situation and to search for a limited accommodation.

A year of negotiation has failed to produce progress toward a border accord and has not led to any easing of the fundamental ideological and political hostility between Moscow and Peking. Nevertheless, both capitals have partially satisfied their objectives in undertaking the talks. The absence of fighting along the border has led to a marked reduction of tension in a situation that had threatened to get out of control. Some steps have been made toward re-establishing diplomatic contacts, and both sides have significantly lowered their voices. Despite these moves toward a tenuous stabilization, the efforts of both the USSR and China to improve their military and international positions indicate that relations will continue to be strained. Peking and Moscow seem ready to accept a prolonged stalemate in the border talks, however, to avoid a slide back toward open conflict.

SECRET

SECRET

25X1

Why They Continue to Talk

The factors that induced Moscow to press for negotiations on the border dispute in the spring and summer of last year have generally remained operative despite the lack of movement toward agreement. The most compelling of these continues to be Moscow's fear that resumption of open conflict along the border would produce either a prolonged drain on Soviet resources or pressures to escalate the fighting. Although frustrated by the impasse in negotiations, Soviet leaders find some satisfaction in the conversion of exchanges over the border from bullets to words.

The air of relaxation that the talks impart to Soviet relations with China is particularly valuable in easing Moscow's international position. Diminishing tension has made less obvious Moscow's fear that third parties such as the US would take advantage of its conflict with China and has lessened its concern that the conflict might hasten a possible rapprochement between Peking and Washington. Continuation of the talks also precludes accusations from Moscow's socialist allies, particularly Hanoi, that it is sacrificing the interests of international Communism to its conflict with China.

Moscow has been exploiting the talks to identify trends in Chinese policy and to look for splits in the leadership. In addition, the talks have contributed to an atmosphere in which some obvious shortcomings in Sino-Soviet relations, such as broken diplomatic contacts, can be mended.

China's acquiescence in the talks was motivated mainly by anxiety over Soviet military intentions. Although this concern has been somewhat muted over the past year, it still exists. Peking considers the contact provided by the talks vital, as it did not in 1964, when it broke off bilateral border talks with Moscow, and does not seem prepared to risk the unpredictable outcome of a break. Furthermore, the Chinese see the talks as a medium for divining future Soviet intentions.

The Chinese also wish to escape the onus of halting or disrupting the talks to avoid creating grist for the Soviet propaganda mill. In addition, they see value in appearing "reasonable" to the rest of the world—particularly the socialist camp—while engaging in widespread diplomatic activities. All this does not mean that Peking is ready to abandon its quarrel with the USSR or is sanguine about prospects for the talks. Indeed, the Chinese have said they expect "irreconcilable differences" to prolong the meetings for months, even years.

What Are They Talking About?

It is a measure of the importance that both Moscow and Peking attach to the talks that neither has broken an agreement to avoid a full-blown public presentation of their discussions. Nevertheless, both have resorted to occasional press or diplomatic leaks to communicate their own, frequently distorted, version of the negotiations. These have obviously been designed to put the other side in a bad light, but there has been general concurrence on the points preventing progress.

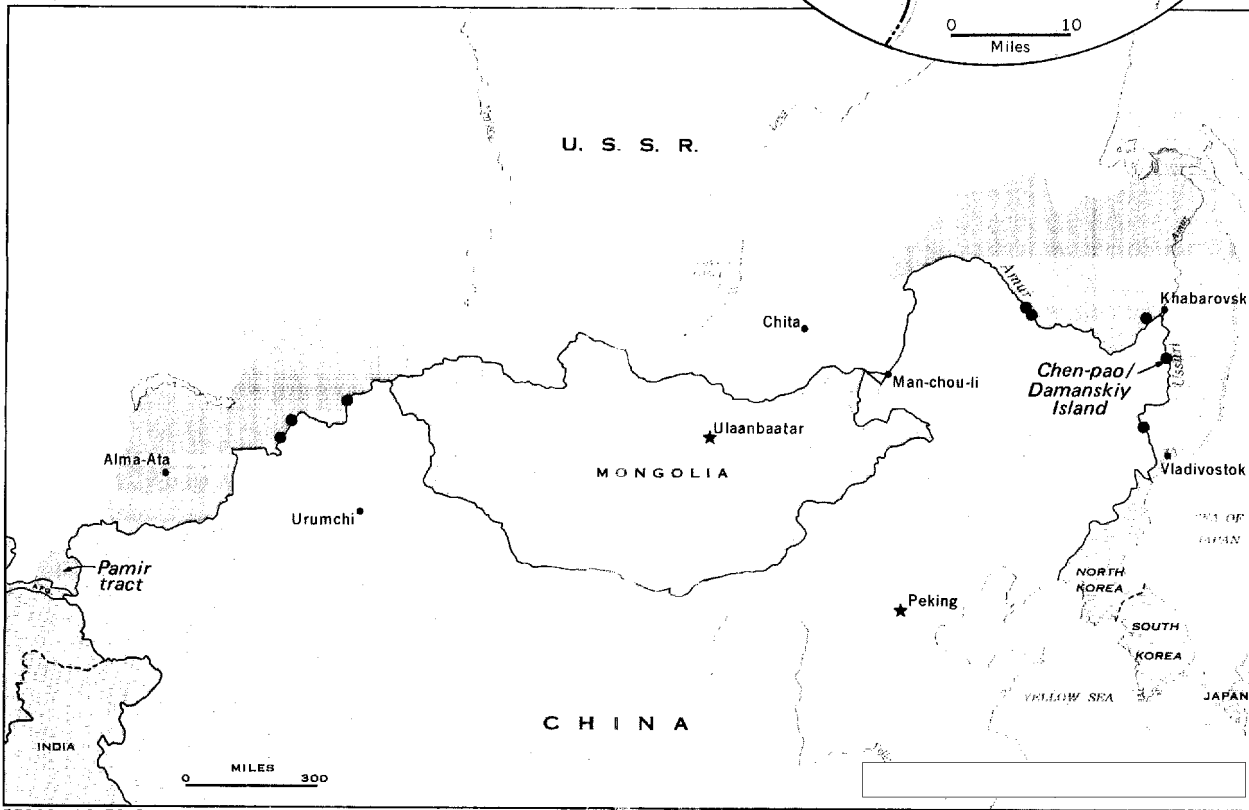
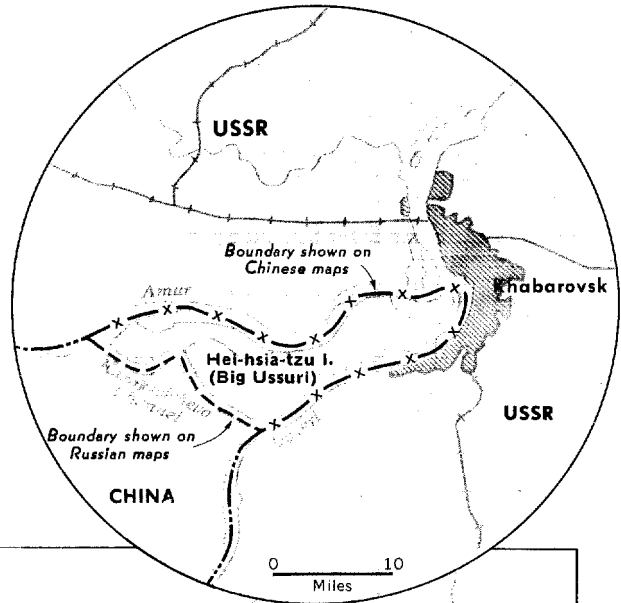
Chinese proposals have clearly reflected Peking's primary concern to reduce the Soviet military threat. Peking has demanded agreement on mutual withdrawal of major military units from the frontier, of armed personnel from disputed areas, and of Soviet forces from Mongolia as a precondition to discussing territorial issues. Because most Soviet forces are deployed close to the frontier while Peking's troops are not, these proposals mainly work to the detriment of the USSR. The Soviets have therefore steadfastly resisted them because in addition to diminishing Moscow's military advantage they would open the border areas to possible Chinese "marauding," and lend legitimacy to Chinese territorial claims.

Moscow also resists the Chinese demand that it acknowledge that the tsars "unfairly" forced Imperial China to yield some 590,000 square miles of territory in Siberia and Central Asia.

SECRET

Disputed Sino-Soviet Borders Areas

- ◻ Areas of "unequal treaties"
- Border incident (1969)



550281 10-70 CIA

SECRET

25X1

Both Peking and Moscow have long tacitly recognized that the present border provides the probable basis for any future frontier agreement, but the USSR will not open itself to revanchist Chinese claims by admission that its boundaries are based on "unequal treaties." Another sticking point has been a Chinese proposal that both sides agree to a nonaggression treaty covering both conventional and nuclear forces. Moscow sees this as a backhanded attempt to force an admission that it has employed military pressure on Peking. Moscow has sought to turn the tables on Peking on this issue by making a Soviet agreement on the nonuse of force dependent on the Chinese signature of a border accord.

The Soviets have attempted to gloss over the issue of their military activities and turn the negotiations to a discussion of frontier demarcation. They have tried to get Peking's agreement on the identification of uncontested sections of the frontier and have proposed that procedures be established to adjudicate the disputed territories. These sections include 8,000 square miles of wasteland in the Pamirs, a 375 - square mile area at the Man-chou-li railhead in northwest Manchuria, and about 700 contested islands in the Amur and Ussuri border rivers. The Soviets have also proposed that both sides agree on a protocol for regulation of the economic use of frontier areas by herdsmen and fishermen, and on procedures for settling future differences.

Although the Soviets appear ready to make territorial concessions—they have even privately indicated that they would give up "blood soaked" Damanskiy/Chen-pao Island, scene of the major border clashes of March 1969—they are unwilling to acknowledge the Chinese position that the boundary in the Far East follows the main channel in the Amur and Ussuri rivers. Although this principle has a firm basis in international law, Moscow adamantly resists accepting it mainly because it would then lose control of the strategic island—named "Eig Ussuri" by the Soviets and Hei-nsia-tzu by the Chinese—located at the confluence of the Amur and Ussuri rivers opposite

Khabarovsk, a principal city in the Soviet Far East. The Soviets contend that Chinese control of this island would place the boundary "down the main street of Khabarovsk" and last August emphatically stated their intention to retain it by publicizing plans for its development.

Developments on the Frontier

Although the situation along the frontier is tense, there appears to be no actual combat. Both sides have apparently abided by the informal understanding reached during the Chou-Kosygin meeting in September 1969 to employ restraint and to refrain from sending troops into disputed territory occupied by the other. Moscow, for example, has reluctantly tolerated Chinese occupation of Damanskiy/Chen-pao Island, according to statements by Soviet diplomats.

Although border forces of both countries apparently have instructions to act prudently, the border situation remains highly volatile, and the makings of a confrontation are at hand should either side choose to touch it off. Soviet diplomats have recently claimed that Chinese herdsmen and fishermen are using Soviet territory "without permission."

Normalization of State Relations

Given the failure of Moscow and Peking to make substantial progress in resolving their political differences, the absence of rapid improvement in other aspects of bilateral state relations has not been surprising. Chou En-lai apparently gave grudging agreement when Premier Kosygin said during their meeting in September 1969 that a return to more businesslike procedures in diplomatic, trade, and other state contacts would facilitate the easing of tensions. Infusion of meaning into this principle has been painfully slow, however, and characterized by mistrust and vindictiveness.

Moscow's protracted effort to return an ambassador to Peking has exemplified the problem.

SECRET

SECRET

25X1

Chou and Kosygin apparently agreed in principle to restore ambassadorial relations, which were disrupted in 1966 during the early stages of the Cultural Revolution. When Moscow named its man in March of this year, however, Peking pro-



**Vasily Tolstikov, new
Soviet Ambassador to China**

crastinated in accepting him, evidently suspecting a move to downgrade the border talks to ambassadorial level and resenting Soviet selection of a man identified with anti-Chinese polemics. Moscow eventually obtained Peking's agreement by indicating its intention to continue the talks at the deputy ministerial level and selecting a different candidate, Vasily Tolstikov, formerly boss of the Lenin-grad party apparatus. Although Tolstikov arrived

in Peking on 10 October, the Chinese have remained silent about reciprocating.

The annual Sino-Soviet river navigation talks, which began in July, also have run afoul of the failure to improve the political climate. Normally, these talks deal with technical matters relating to use of the border rivers for shipping, such as dredging and navigational aids. Navigation matters may have become linked with the territorial dispute, particularly ownership of contested riverine islands. The continuation of the navigation talks for more than four months without any indication of progress raises the possibility that, as in 1967 and 1965, no agreement may be reached.

Trade negotiations have also dragged, and a significant increase in economic exchange seems unlikely as long as political differences remain unresolved. The failure to conclude a Sino-Soviet trade agreement last year, along with the disruptive effect of the border fighting, reduced

economic exchange to a record low of \$57 million. This contrasts with 1959's record high of over \$2 billion. This year, trade discussions between low-level commercial representatives in Peking have evidently resulted in a general agreement to increase trade somewhat. The agreement has not yet been formalized, however, and 1970 trade thus probably will remain well below the 1968 level of \$95 million.

The moderating of Sino-Soviet tempers during the last year, nevertheless, has produced a few symbolic developments. For example, the Moscow-Peking "hot line," which was disrupted by the Chinese at the height of the border tension last year, has apparently been restored. Children of Soviet diplomats have returned to Peking for the first time since the Cultural Revolution. In addition, low-level barter trade talks were conducted last summer between local Chinese and Soviet groups in the Far East. Such steps, however, have mainly flowed from the dampening down of tension along the border rather than from political reconciliation.

The USSR's opening this month of a permanent air route to Hanoi via India suggests that some bilateral arrangements may never exist as they did in happier days. Prior to the Cultural Revolution, Moscow-Hanoi flights went through Peking, but they were terminated in 1967 when Soviet passengers were beaten by Red Guards. Moscow evidently is not confident that such harassment has permanently ended and consequently has opened the alternative route.

Needless to say, contacts between the Soviet and Chinese Communist parties are nonexistent and show no sign of being re-established. Ideological differences—as demonstrated by Peking's major attack on Moscow's marking of Lenin's centennial last April, and Moscow's bristling rejoinder a month later—continue to contribute to the aggravation of relations. Although both sides have suppressed direct ideological polemics during the past several months, it seems likely that they will resurface periodically.

SECRET

SECRET

25X1

POLEMICS FOR ONLY 8,000 YEARS?

Mao has often been quoted as saying that Sino-Soviet ideological polemics would last "for ten thousand years—even after Communism has been achieved." A Soviet expert on China recently said that during the Kosygin-Chou En-lai meeting in September 1969, "the Soviets proposed a reduction to nine thousand years. Subsequently, the Romanians suggested five thousand. Mao finally compromised on eight thousand."

25X1

USSR Continues to Amass Military Forces Opposite China

Moscow continues to view its military strength along the border as an essential element of its policy toward China and has continued its military build-up at a deliberate pace while the talks in Peking are under way.

The Soviets last November publicly acknowledged the creation of a Central Asian Military District (MD) designed to consolidate control of forces opposite Sinkiang that formerly were subordinate to the Turkestan MD. Considerable Soviet military activity has also taken place in Mongolia during the past year. Marshal Grechko's visit to Ulaanbaator this past September was the first by a Soviet defense minister since 1966 and demonstrates the importance Moscow attaches to its military position in Mongolia. In the Trans-Baikal and Far East MDs, the Soviets have apparently continued to expand and fill out their forces during the past year.

Since 1965, Soviet forces along the border are estimated to have more than tripled. Approximately 37 divisions are thought to be in place opposite China but it is highly unlikely that all are combat ready. These forces and their support units total about 325,000 men and are backed up with heavy concentrations of artillery and tactical nuclear weapons.

The Soviet build-up has been gradual and deliberate, suggesting that at the time the decisions were being made the Soviet planners perceived no immediate danger from the Chinese. Rather, they appeared to be building a force intended to counter any future Chinese threat and to fill political needs. There has been no evidence indicating an appreciable change in the rate of deployment in the past year, suggesting that Moscow has not attached additional urgency to the border build-up as a result of the 1969 border fighting.

25X1

In addition to its military rationale, the Soviet build-up against China has important political motivations. The overwhelming force deters Chinese "adventurism" along the border and assures the Soviet leadership that it is negotiating with Peking from a position of strength. These forces—as shown last year—can be used to intimidate Peking. Continuation of the build-up heightens Chinese apprehensions over Soviet intentions and makes Peking somewhat more susceptible to diplomatic pressure. The Soviet leadership also probably views the force as a possible element of leverage in any post-Mao leadership struggle.

Special Report

- 6 -

23 October 1970

SECRET

SECRET

25X1

*Chinese War Preparations:
Symbolic and Real*

The Chinese obviously view the Soviet build-up with some apprehension. An important aspect of China's strategy against the Soviets has been its own "war preparations" campaign. Some aspects of the campaign serve to bolster national unity while others, such as efforts to increase industrial and agricultural production and to disperse population and industry, promote long-standing policies. A principal goal, however, has been to deter the Soviets by stressing that China is prepared to fight no matter what the odds. Some of the well-publicized quasi-military measures—such as extensive construction of air-raid shelters and trenches, stockpiling of strategic materials and food, and emphasis on regional self-sufficiency—seem aimed at underscoring for Moscow's benefit the fact that Peking plans an in-depth defense of its territory. At the same time, the "war preparations" theme furthers Peking's propaganda line that Moscow is the potential aggressor in the dispute. As Peking has become more relaxed about the Soviet threat, however, it has given less emphasis in its propaganda to the continuing campaign.

*Peking Attempts to Break out of
Its International Isolation*

Peking probably judges that it can counter the Soviets at present through an active, traditional diplomacy more effectively than through polemical exchanges and a hermit-like attitude toward the rest of the world—as was the case when the 1969 border clashes took place. The general thrust of Peking's strategy since the Peking talks began, therefore, has been to reduce its vulnerability to Moscow's military and diplomatic pressures through positive diplomatic action.

A major aspect of this has been China's successful efforts to expand and improve its international contacts, most clearly illustrated by the return of 28 ambassadors to posts vacated during the Cultural Revolution. In particular, China's ties with France, Romania, Yugoslavia, North Vietnam, and North Korea have blossomed during the past year. Peking has also broadened its efforts to develop new friends, such as Canada, Italy, Peru, and Chile, and has made its international presence felt by a variety of friendly gestures to a heterogeneous group of states. The Chinese have also revealed a strong interest in taking their "rightful place in the UN," which would allow them a prestigious forum for presentation of their case against Moscow as well as the West. Most dramatically, they resumed contacts in Warsaw with the US in January of this year. The talks have been suspended since the US intervention in Cambodia, but Peking has made clear its intention to resume them. They are probably no longer quite so important to China in the Sino-Soviet context, however.

The Chinese return to the international arena is designed, in the first instance, to counter Soviet attempts to perpetuate and if possible to increase the self-imposed diplomatic isolation into which China drifted during the Cultural Revolution. This relative isolation in itself made China

SECRET

SECRET

25X1

vulnerable to Soviet pressures, and its termination was obviously to Peking's advantage. But in addition, more extensive and closer contacts abroad have probably allowed Peking to gain greater insight into Soviet intentions by assessing the views of third parties, while at the same time they have given China a wider forum in which to present its own case. To achieve this end, Peking has gone to some lengths to appear "reasonable"—primarily by maintaining a general polemical standdown on Sino-Soviet bilateral issues since the Chou-Kosygin meeting.

Moscow Seeks to Keep Peking Bottled Up

Moscow has, in turn, continued to press to "contain" China internationally despite the easing of bilateral tension. Just as Peking suspects, this policy is aimed at increasing Chinese vulnerability to Soviet political and military pressure. It encompasses continued emphasis on "socialist unity" to isolate China ideologically, efforts to increase Soviet influence in Asia at Chinese expense, and attempts to foster Peking's continued exclusion from the international community.

Moscow's efforts to press for closer "socialist unity" have taken a particularly anti-Chinese cast in Eastern Europe, where the USSR has vigorously pushed its interpretation of the Warsaw Pact as applicable against China. It has pointedly claimed that treaties renegotiated last year with Czechoslovakia and Romania, as well as earlier ones with Hungary and Bulgaria, commit each contracting party to come to the other's aid in the event of attack by "any state." The Soviets have also indoctrinated East European leaders with their interpretation of the "China problem" through consultations, and by visits to Mongolia and the Soviet Far East.

Moscow wants to impress on the East Europeans that geographic, strategic, and political realities dictate their support for the USSR in the event of a Sino-Soviet conflict. In addition, Moscow is seeking to put its East European allies on notice that even now excessive flirtation with Peking is not acceptable.

**MOSCOW ON CHINESE
REVOLUTIONARY TACTICS**

The Peking leaders are responsible for imposing their adventuristic tactics on some detachments of the Communist and national liberation movement in Asia and Africa, thus dooming them to defeat and rout. On believing advisers from Peking, tens of thousands of courageous fighters have to pay with their lives and the revolutionary movement in some countries was pushed far back. Such is the result of the adventuristic intrigues and provocations of the Peking "ultra-revolutionaries."

Pravda, 18 May 1970

In Asia, Moscow has sought to intensify fear of China through assiduous efforts to portray Peking as aggressive and adventuristic. Asian Communists have been warned that Peking will subordinate their interests to its own goal of "Chinese hegemony over Asia." A steady stream of Asian visitors has been greeted in Moscow, and the Soviets have made diplomatic and commercial demarches in states such as Thailand, Singapore, and the Philippines, where Soviet influence has heretofore been minimal.

Moscow's handling of events in Indochina following Sihanouk's ouster dramatically demonstrated the intensity of Soviet concern over Chinese influence in that area. The Kremlin has persistently indicated that it will not endorse Sihanouk's provisional government as long as the Prince is under Peking's domination. Although this position has put Moscow out of step with Hanoi on an important issue, the Soviets calculate that as long as they give Hanoi the military and economic assistance it wants, they will retain their influence there. In any event, Moscow is still counting on North Vietnam to counter Peking in Indochina over the long run.

SECRET

SECRET

25X1

Moscow's efforts to isolate Peking took a new turn this fall when the USSR privately threatened to oppose Belgium's candidacy for a Security Council seat if it presented a resolution at the UN that might have fostered China's entry. Heretofore the Soviets have not employed strong-arm tactics on the issue of Chinese representation.

Moscow's relations with the West have also been subtly but significantly affected by its continuing difficulties with China. Although speculation is often overdrawn that last year's border fighting spurred Moscow to seek diplomatic agreements with the West in order to "obtain a free hand against China," the USSR is working to avoid a simultaneous heightening of tension on both its eastern and western flanks. Such policies as pursuit of a Soviet - West German accord, advocacy of a European security conference, and exploration of a strategic arms agreement have a long history and logic of their own. Their coincidence with Moscow's desire to devote additional resources to its China problem, however, is certainly a point in their favor. In addition, Moscow relishes the jitters created in Peking by the specter of an East-West detente.

Nevertheless, Moscow's unwillingness to make concessions indicates that it is not going to sacrifice important interests, or, as in the Middle East, to curb efforts to expand its influence, simply to secure agreement with the West. Finally, Moscow realizes that the relationship between its policies toward China and toward the West is a two-edged one. Moscow is acutely sensitive to any suggestions that the West is attempting to take advantage of Soviet concern with China to improve its position vis-a-vis the USSR. Thus, Moscow has sought to temper its dispute with Peking in part to ensure that it does not have to yield to the West on significant positions.

The View From Peking

The deep suspicion and preoccupation over long-range Soviet military and diplomatic inten-

PEKING VIEWS THE SOVIET MILITARY BUILD-UP

Social-imperialism greedily eyes Chinese territory. It has not for a single day relaxed its preparations to attack China. It claims that it poses no threat to China. Why then does it mass troops in areas close to Chinese borders? Why has it dispatched large numbers of troops into another country which neighbors on China? Why does it frenziedly undertake military deployments to direct its spearhead against China? It is clear that social-imperialism, like US imperialism, says that it poses no threat to China only to weaken our vigilance, to fool the people of its own country and the world.

*Joint Peking editorial marking
43rd anniversary of the
People's Liberation Army
1 August 1970*

tions that China demonstrated earlier this year remain as strong as ever and color Peking's current diplomatic activities world-wide. The Chinese, however, probably consider that the reduction of tensions in the immediate border region will allow them to avoid any concessions in the Peking talks.

Nevertheless, Peking probably judges that the Soviets are focusing their efforts on finding an opportunity to compel a humiliating Chinese retreat on the frontier question, and that military pressure will continue to be a major tactic. For this reason, it probably expects the Soviets to continue filling out and improving their forces along the border. Peking apparently does not rate very high the likelihood of either an early Soviet "surgical strike" against Chinese advanced-weapons facilities or a general and full-scale invasion of China, but clearly it has not ruled out these possibilities entirely. Indeed, in assessing Soviet intentions, it seems likely that the Chinese do not

SECRET

SECRET

25X1

feel they can be certain just what Moscow will do. Chinese statements, both public and private, have frequently alluded to Soviet "perfidy" and untrustworthiness. Moreover, Peking may well consider that the Soviets could at any time respond with a harsh local reprisal to normal Chinese patrolling in the border area, and that such a clash could quickly escalate, either through miscalculation or as a result of deliberate Soviet aggressiveness, into a major confrontation. An attempt to forestall such a possibility was a major Chinese objective in the Chou-Kosygin agreement last year, and it remains an important Chinese motive in keeping the dialogue going in Peking.

The Chinese probably also anticipate continued Soviet diplomatic pressures aimed at isolating and weakening them as a complement to the Soviet military "threat." They clearly view current Soviet diplomatic activities as indicative of such an approach. Moscow's recent public gestures toward China suggesting a conciliatory attitude to bilateral problems have been interpreted by the Chinese as an attempt to lessen Chinese vigilance against possible future "surprise attack" and to justify such an action internationally by branding Peking as hostile and intransigent. By the same token, Chinese charges that Moscow's recent diplomatic moves in the Middle East and with regard to Germany were designed to free Soviet hands "for moves against China" were probably at least partially believed at home. Above all, Peking seems convinced that Moscow is working hard all around the world to paint China in the darkest possible colors to ensure that, isolated diplomatically, it will be vulnerable to continued and perhaps increased Soviet pressures.

If the Soviets should step up the pressure, China will probably react as it did last year, conceding only what is necessary to deflect the immediate threat without prejudicing its over-all claims. Peking's increased confidence in its ability to control tensions along the border and its improving international position will probably be major factors supporting continued resistance to Soviet demands.

The Outlook From Moscow

The Soviet leadership probably takes some satisfaction from the reduction of Sino-Soviet tensions that has occurred during the past year. Moscow probably hopes that Peking's own moves toward domestic and international moderation will incline the Chinese to stabilize relations further. It is doubtful, however, that Moscow has a great deal of confidence that this will be the case with the "unpredictable" Chinese.

Moscow realizes, however, that it has little positive leverage that could impel Peking toward an agreement on the border or improvement of other aspects of state relations. Although the USSR might consider a more belligerent line involving increased military pressure attractive in view of its success in getting Peking to the negotiating table, the Kremlin appears to have concluded that sabre-rattling is only likely to stiffen Peking's resolve while impeding Soviet efforts to project a favorable international image of its conduct in the dispute. A more bellicose posture might also lead to collapse of the talks themselves or produce a resumption of fighting along the border, in which case the USSR would be right where it was over a year ago.

On the other side of the coin, Moscow is obviously not willing to make the major retreat needed to entice Peking to sign a frontier accord. Periodic hints that the USSR is readying some "new proposal" in the talks and occasional cooing by Kremlin leaders seem mainly designed to give the Peking talks the appearance of substance and project an international image of Soviet restraint and flexibility. Indeed, it is possible that conciliatory gestures such as the dispatch of Ambassador Tolstikov to Peking without reciprocal Chinese action has already irritated Kremlin hard-liners.

Moscow thus appears ready to continue the talks for the foreseeable future, while working to restore a limited degree of bilateral contact. The replacement this past summer of chief negotiator Kuznetsov with the much-less-valued Deputy

SECRET

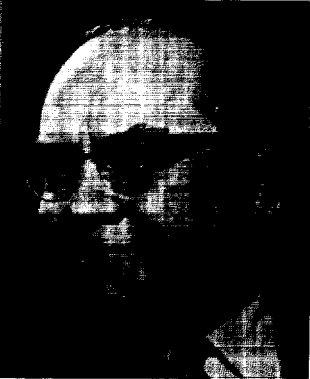
SECRET

25X1

LONG-WINDED AND PATIENT ADVERSARIES



Chief Chinese negotiator,
Chiao Kuan-hua



Chief Soviet negotiator,
Leonid Ilichev

Foreign Minister Leonid Ilichev seems to have signaled Moscow's adoption of such a course. This will probably incline Moscow to shrug off minor pin pricks and slights from Peking, while sharply responding to major polemical attacks such as the Chinese assault this past September on the West German - Soviet treaty.

A policy of restraint and "coexistence" accords with the long-term Soviet hope that a post-Mao China may produce a situation more to the liking of the USSR. Moscow may dream that, after Mao, China could disintegrate into squabbling regions or become preoccupied with internal power struggles. More realistically, the Soviets may hope that a post-Mao leadership will pursue a more tempered policy toward the USSR and avoid some of the excesses inspired by Mao's personal animosity toward Moscow. An essential element of such a long-term approach, however, will be continued reliance on military strength.

Peking's development of advanced strategic weapons will increasingly influence Moscow's out-

look. The few public and private Soviet comments on China's weapons program have tended to belittle Chinese progress on the grounds that China cannot threaten the USSR for many years. The USSR appears to be calculating that its own nuclear deterrent and, if its employment is necessary, its pre-emptive capability, are adequate defenses against a Chinese nuclear attack. Soviet policy makers have probably concluded, however, that Peking's acquisition of nuclear weapons will make China even less susceptible to Soviet pressure. Indeed, this concern seems to lie behind the oft-voiced Soviet interpretation that Peking is stonewalling in the talks in order to buy time to push ahead in its advanced weapons program. In any event, the Kremlin may be increasingly vexed by pressure from Soviet hawks that it "do something" about Peking's bomb. The Soviets will also have to wrestle with its implications for broader Soviet policy in Asia as well as relations with China.

Prospects

Peking and Moscow now seem intent on continuing the vague and unformalized accommodation that has emerged along the frontier during the past year as a result of the talks. This arrangement has reduced the concern of both over escalation while requiring neither to concede anything of its position on a frontier settlement. The border situation, however, remains subject to accidental confrontation, and either side can increase tension along the frontier if domestic or international politics so requires.

Neither side has given an inch on ideological differences, and Moscow shows no signs of adjusting to Peking's great-power aspirations. Movements toward "normalization of state relations" have thus largely been atmospheric gestures with little political content. Meanwhile, Moscow's continuing military build-up can only enhance Peking's suspicions of Soviet intentions, while Peking's progress toward a credible nuclear

SECRET

SECRET



25X1

striking force increases the Kremlin's concern. Moreover, Peking's resurgent diplomatic activity and international gains may become a more significant concern to Moscow and trigger a stepped-up Soviet effort to discredit the Chinese abroad. Thus, after a year of talking, the pros-

pects for imminent military confrontation between Moscow and Peking have been reduced, but the basic factors producing continued and perhaps heightened contention remain operative.



25X1

* * *

Special Report

- 12 -

23 October 1970

SECRET

Secret

Secret

Page Denied

Next 24 Page(s) In Document Denied