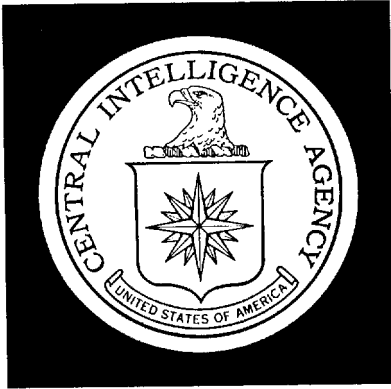


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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

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FAR EAST

Vietnam: *Going All Out for a Long War*

A Communist Party central committee meeting ended in Hanoi early this week with a rare burst of publicity. Meetings of this sort normally set forth fresh guidelines covering future Vietnamese Communist policies; this one probably was convened to deliberate on the demands imposed by the broadened conflict in Indochina. A closing communiqué—the first such document since 1964—was issued on 1 February. Its main thrust is that more is going to be required of the North Vietnamese populace in the coming months to meet the needs of the present struggle.

The last known gathering of this kind in which the whole range of issues facing Hanoi was aired took place in the spring of 1969. At that time the party established a new policy of fighting the war on a lower key, so as to preserve its forces for the long haul. The guidelines for this policy did not begin to appear in the South until after the southern Communist command issued COSVN Resolution Nine in the summer of 1969. The new central committee meeting probably has set Hanoi's basic course for the next year or so. Tactical advice—based as in the past on a secret resolution covering Communist prospects in the war—will probably soon be disseminated to party authorities down the line.

In the open communiqué, the war itself is given short shrift. Its treatment of domestic issues in North Vietnam, however, leaves no doubt that the Communists see a long war ahead and that they expect to call on the North Vietnamese for greater sacrifices than were anticipated just two years ago. In a way that has been commonplace for the past year or so, the party once again calls for better performance on the home front, especially since Sihanouk's ouster last spring. The communiqué makes it clear that the regime intends to persist in pragmatic, relatively non-coercive domestic policies in which expediency

and practicality are the watchwords. Lip service is paid to the longer term goals of developing heavy industry, further collectivizing agriculture, and generally building a more orthodox Marxist state. But the communiqué indicates that real pursuit of these objectives will continue to be put off, as it was during the bombing years, because they are not compatible with an all-out effort to carry on the war.

New Enemy Attacks

In South Vietnam, the Communists began a new round of offensive action shortly after the quiet Tet holiday period. The new phase opened with a spate of shellings and a few ground attacks centered largely in the northern half of the country. The airfields at Da Nang, Phu Cat, Nha Trang, and Cam Ranh were struck by large-caliber rockets, but casualties and damage were generally light. During the first two days of increased action, more than 135 civilian and military casualties were reported. Some of the heaviest occurred when the enemy attacked and overran at least four outposts manned by South Vietnamese territorial security forces—a favorite target in the Communist drive against the government's pacification programs. By midweek, the level of action generally had tapered off.

As expected, enemy-initiated action has been light in the southern parts of the country and in the provinces surrounding Saigon. Communist forces are generally weaker in these areas, and government security measures have been effective in minimizing enemy military activities. Many enemy units are still preparing for action, however, and they are expected to keep up a higher level of activity during the next few weeks.

Precampaign Maneuvering Continues

The main contenders for next fall's presidential election are continuing to seek out support

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for their campaigns. Thieu is using his position as head of the government to good advantage and has made it clear that he is relying on the entire government apparatus for his re-election.

[Redacted]

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[Redacted]

Lacking a ready-made political organization, Big Minh is still maneuvering for the organized support of the Buddhists—without which he has little chance of making a credible challenge.

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The province chiefs are in a better position to marshal political support, and Thieu is shifting them around to ensure that loyal followers fill the crucial posts. A dozen provincial chiefs have already been shifted to new assignments or removed altogether, primarily to ensure that those of doubtful loyalty are where they can do the least harm to Thieu's re-election efforts.

If the Buddhists should decide to withhold their active support, it is unlikely that Minh will be able to develop an effective campaign organization that could generate broad-based support.

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[Redacted]

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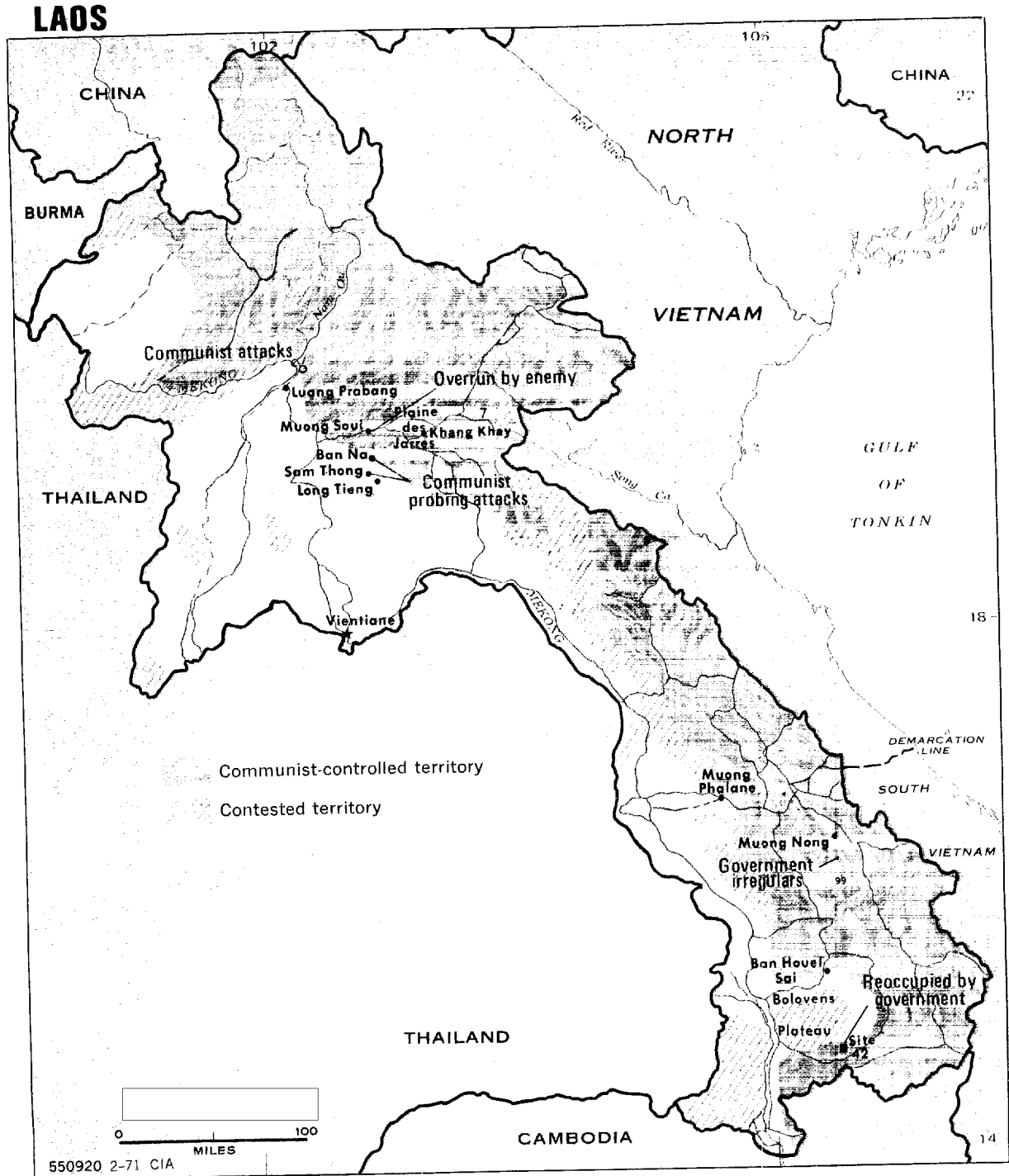
Laos: *The Communists Up The Ante*

Fighting has flared again in northern Laos. Communist forces have overrun a small government force defending Muong Soui northwest of the Plaine des Jarres on Route 7. Muong Soui had been virtually deserted by its civilian inhabitants for several months and was only lightly garrisoned by neutralist troops following its recapture by government irregulars under General Vang Pao last October. Its fall is probably of more psychological than strategic importance at this time.

Of greater significance, the royal capital at Luang Prabang for the first time may be in some danger as a result of Communist attacks in that area on 2 February. Several government positions 10 to 15 miles northeast of the capital were taken and one raid occurred at a village only five miles from the town.

As the official residence of the King, to whom even the Pathet Lao have always professed

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allegiance, Luang Prabang has long been presumed to be immune from attack. The King recently said, however, that this year he believes the North Vietnamese intend to occupy the capital with Pathet Lao troops in order to bring about the political capitulation of the Souvanna Phouma government. Two weeks ago Souvanna proposed to the Communists that Luang Prabang be named as the site for the oft-delayed Lao peace talks instead of Khang Khay in Communist-held territory on the Plaine des Jarres. The Communist attacks on 2 February could be read in Vientiane as politically motivated and taken as a vigorous rebuff of Souvanna's proposal.

Other ground action has been relatively limited. Communist probes and shelling attacks south and west of the Plaine have continued, with

most of the contacts reported in the general area around Ban Na and Sam Thong.

In the panhandle, government troops have been stalled in their effort to retake Muong Phalane, overrun by Communist forces last week. Four battalions of government irregulars are continuing operations designed to interdict Route 99 south of Muong Nong. They have reported only limited contact with the enemy—an attack on their command post that was repelled, and an ambush of a company of North Vietnamese trying to prevent a mining operation on the road.

A company of irregulars has reoccupied Site 42 on the southeastern rim of the Bolovens Plateau. The Communists are making probing attacks around Ban Houei Sai on the northern side of the plateau.

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Cambodia: *Bringing in the Oil*

Few significant military actions were reported during the week, as the Communists continued to focus on carrying out harassing attacks against the government's main lines of communication. Enemy activity in and near Phnom Penh subsided somewhat, giving government forces a chance to try to strengthen the capital's porous defenses.

In their most telling foray, Communist troops staged a successful ambush of a truck convoy attempting to move petroleum supplies on Route 4 from the refinery at Kompong Som to Phnom Penh. Ten vehicles were destroyed, and most of the convoy quickly returned to Kompong Som. A subsequent convoy of 41 trucks escorted by two government battalions reportedly reached Phnom Penh without incident, however.

The pinch on Phnom Penh's fuel stocks was also eased by the delivery of fresh supplies from South Vietnam. Diesel fuel for the city's key power and industrial facilities was airlifted from Saigon to Phnom Penh, and a riverine convoy also made it up the Mekong from South Vietnam despite several harassing attacks en route. It delivered some 4,000 metric tons of assorted petroleum products to the capital.

In the meantime, government troops were making little contact with Communist elements in the course of their clearing operations around the city.

The government also took a number of administrative steps to improve the capital's

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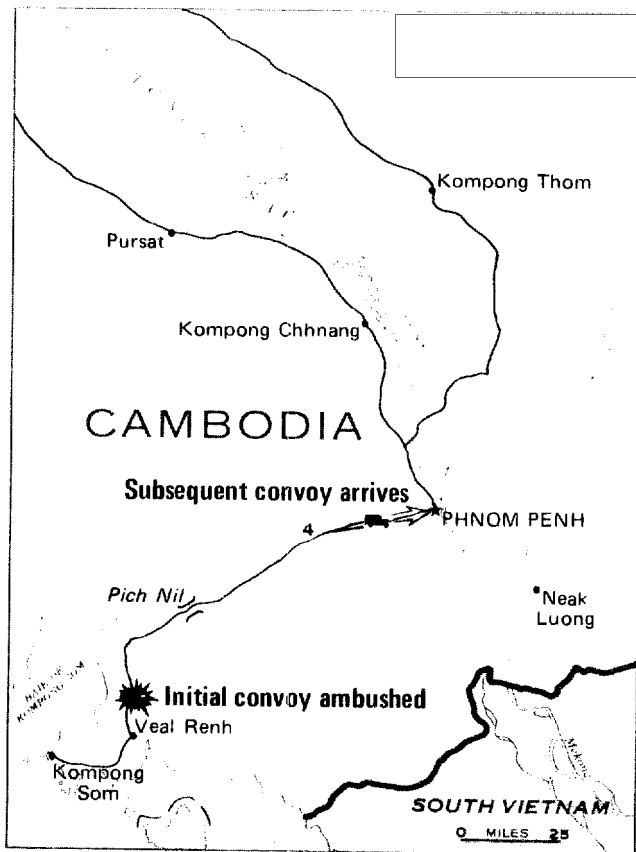
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defenses, including a reorganization of command responsibilities, the establishment of new operational security boundaries, and an augmentation of informant nets and other intelligence collection mechanisms. Lon Nol also ordered the construction of a well-fortified dike around the city's main defensive perimeter. Still, these measures are not likely to deter or prevent future Communist harassing attacks and acts of sabotage and terrorism.

New Frictions Between Allies

Although no successful new acts of Communist terrorism occurred in Phnom Penh this week, the city's relative tranquility was shattered when an altercation between South Vietnamese sailors and Cambodian military police in the port area erupted into a brief miniwar in which one civilian was killed and a number of others were wounded. An official investigation of the incident was ordered immediately. Two other clashes between government and South Vietnamese Army (ARVN) elements in the Phnom Penh area were also reported, including one at the South Vietnamese base at Neak Luong that resulted in one ARVN soldier dead and several wounded on both sides.

The incidents have put additional strains on the always fragile relations between the two countries. Their timing was particularly unfortunate since they followed closely on the heels of recent cordial and productive talks in Saigon between Lon Nol and President Thieu.



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Thailand: Riled Over Rice and Rubber

Bangkok's relations with Washington are going through another period of stress and strain. Over the past few weeks, Thai government leaders, legislators, and journalists have been in a

furor over the proposed sale of PL-480 rice to Indonesia and South Korea. They argue that Washington is dumping rice surpluses in Thailand's traditional Asian markets and thus further

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undermining Bangkok's already hard-pressed economic situation.

Foreign Minister Thanat, predictably, has been in the forefront of those government leaders who have chastised Washington on the rice issue. In a recent diplomatic note, the Foreign Ministry charged the US with responding to Thailand's "whole-hearted cooperation" in Indochina with "damaging and unfriendly treatment." Thanat also accused the US of seeking political gain from the sales at Bangkok's expense. Thanat and others, including Prime Minister Thanom, made a strong presentation concerning this issue to Defense Secretary Laird during his recent visit to Bangkok.

Rice, Thailand's chief foreign exchange earner, has been a source of considerable friction

between Bangkok and Washington in the past. About a year ago, for example, Thai leaders were highly incensed over what they viewed as American chicanery behind Saigon's decision to drop well-advanced negotiations for Thai rice and substitute US PL-480 rice instead.

Washington's plans to resume sales from its natural rubber stockpile have also touched off a highly negative Thai reaction. Rubber is Bangkok's second most important foreign exchange earner, and selling from US stockpiles will almost certainly add more fuel to the fire. The Thai in the past have relied upon Malaysia to take the lead in dealing with the US when the natural rubber market is threatened, but this time they have taken their case directly to the US ambassador. They have also begun to give the rubber issue widespread play in the press.

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Peking Hardening Enforcement of Birth Control

25X1 [redacted] there has been a noticeable increase in government pressure since late 1970 to promote birth control. The preparatory stage for birth control, which has lasted almost a decade, chiefly because of unresolved ambivalence in the attitude of the leadership, seems to be concluding and an era of enforcement beginning.

During the past two years, according to the Chinese press, some 300,000 medical personnel have been reassigned from the cities to rural areas and about 400,000 villagers have been trained and organized into so-called "barefoot doctor" mobile teams serving even the most remote areas. These two groups administer a birth control program under relatively primitive conditions and provide

general medical services. Contraceptive devices and pills are being manufactured domestically. Word-of-mouth propaganda has conditioned the population to expect and to acquiesce in government pressure for smaller families.

The regime, apparently uneasy over ideological implications, has not promoted the birth control program in public media. The last mention was in late 1969, when Shanghai and a few other localities were said to have adopted birth control and eradication of schistosomiasis as priority public health goals.

[redacted] since late 1970, at least some localities have been redefining the ideal family as including two

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instead of the previously tolerated three children. [redacted] new-born second children will be threatened with exclusion from household registers—presumably cutting them off from official rations—unless their mothers agree to sterilization. Hospitals in several cities have also instituted undefined “new birth control programs.” Most significantly, rural cadres have begun making proselytizing visits to individual peasant families and generating neighborhood pressures to help gain compliance.

In spite of these indications of a hardening attitude toward enforcement, the birth control

program is not expected to curb population appreciably over the short run. The pressure of population on food supply has eased. Concessions toward the peasants and material inputs for agriculture have created a reasonable prospect that food production will be able to keep pace with population growth. Secondly, the history of previous campaigns in China suggests that the pressure for birth control will not be sustained. Also, the effectiveness of the barefoot doctor program is likely to be greater in the area of lowering mortality rates than in lowering birth rates. [redacted]

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NORTH VIETNAM-USSR: Although the volume of seaborne deliveries to North Vietnam last year (1.9 million tons) was virtually the same as in 1969, the USSR's share of that total rose from about half in 1969 to two thirds in 1970. Deliveries from Communist China and Eastern Europe continued to slump, while the free world's small share, which had increased sharply in 1969, declined.

The USSR replaced China as the chief supplier of foodstuffs, North Vietnam's largest import category, and regained first place from Japan as the source of fertilizer. Petroleum imports de-

creased slightly last year, with the USSR supplying 98 percent of the total. [redacted]

The Soviets received very little last year in return for its larger deliveries. Well over half of Hanoi's 574,000 tons of seaborne exports went to the free world as an earner of much needed foreign exchange, while the USSR received less than one percent of the total tonnage. [redacted]

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EUROPE

Polish Party Prepares Pivotal Plenum

The leadership has begun earnest preparations for the much postponed central committee plenum widely expected before the middle of the month. The press has zeroed in on the faults of the old regime and has mounted a campaign to inform the public about the political, social, and economic reforms that were briefly outlined by party leader Gierek and Premier Jaroszewicz during their visits to the coast last month.

These themes, together with further personnel changes at the top, will constitute the agenda of the upcoming party meeting. Repeated delays in scheduling the plenum indicate the difficulty the new regime faces in reaching agreement on how to explain the past and deal with the future.

At the plenum Gierek will seek to elaborate on the "roughly worked-out vision" of the future he presented to workers in Gdansk. The changes he envisaged focused on the genuine application of the concept of individual and collective responsibility of officials at all levels of the party and government, as well as an unimpeded flow of information both ways between the authorities and the people. He called for increased representation of workers in the party, local government, the mass organizations, and trade union organs. Gierek does not intend to revive the controversial "workers councils" of the immediate post-1956 period, but he promised that workers would assume their long-neglected right to co-participation in management through established bodies.

More fundamentally, Gierek contemplated measures to divorce the party from the daily and

detailed running of the country, without divesting it of control functions. He seems to intend to delegate much routine authority for implementing policy to local governments, the mass organizations, and the trade unions, which would then be expected to be responsive and "responsible" to public opinion. Such proposals could also be intended to cushion the party leadership from periodic crises of public confidence such as occurred in December.

In the economic area, the new leadership will have to show willingness to respond to workers demands by the more efficient use of the meager resources available. At the same time it will have to deal in a new way with the same problems that faced Gomulka, including, the need to modernize industry, improve management, production, and planning, and streamline if not decentralize the cumbersome economic system. These tasks will be complicated by Gierek's commitment to redraft and reorient the 1971-75 economic plan, which must include a new investment mix that would simultaneously stimulate economic development and raise the standard of living, especially in the critical area of housing.

To achieve all of this, Gierek may be more willing than Gomulka to make basic changes in the economic system and to accept some of the inevitable political consequences. The outline he sketched in Gdansk, for example, appears to be modeled on reforms that have already been introduced in Hungary and sanctioned by Moscow. For their part, the Soviets may be ready to countenance such changes in Poland as an alternative to the stagnation and inefficiency that brought on the latest crisis.

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Pompidou's Trip Reaffirms French Interest in Black Africa

The French President's visit to five Francophone African countries from 3 to 13 February publicly reaffirms the continuation of French interest in the area that existed during the De Gaulle era. Pompidou's travels will take him to the sub-Saharan countries of West Africa with the greatest economic and political importance to France: Mauritania, Senegal, Ivory Coast, Cameroon, and Gabon. The journey is expected to be the first of a series of four during which the French leader will visit all of the former French colonies in Black Africa except Guinea, which has not had diplomatic relations with France since 1965.

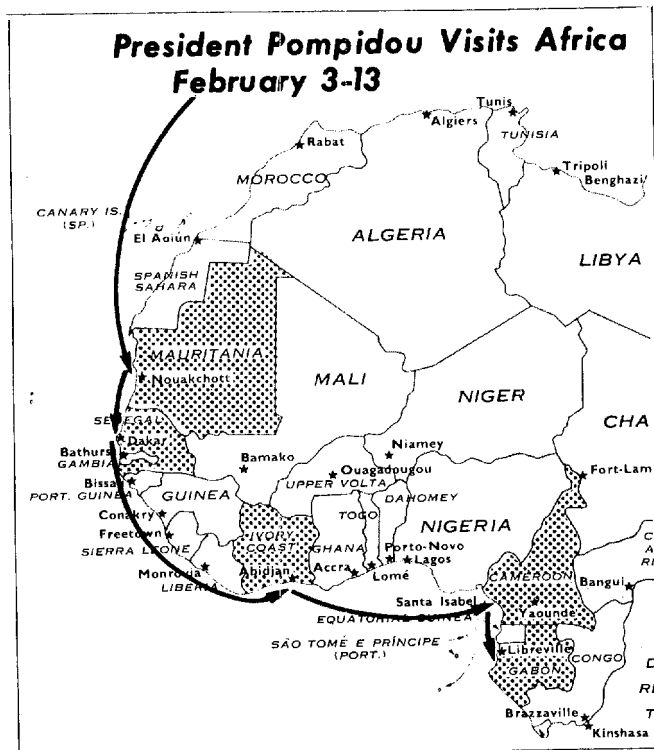
During the course of his present trip Pompidou will explore general bilateral and multilateral interests with the five African heads of state, but his talks are expected to concentrate on French financial and technical assistance. Economic aid is one of the principal means by which France maintains its presence and influence in Francophone Africa. Following a decline in aid to Africa over the past several years, Paris made known last spring that it hoped to maintain and perhaps even increase its assistance. In January, Pompidou announced in a press interview that the 1971 budget will show an approximate 15 percent increase over 1970 in aid allocated for Franco-African cooperation.

In addition to this significant increase, Pompidou revealed a new dimension to French economic assistance—a program of investment guarantees to encourage private development in Francophone Africa and Madagascar. Any French enterprise, whether organized as an individual proprietorship, partnership, or corporation, may apply for a guarantee on any new direct investment operation. Previously existing investments, or future extensions of such operations, are not eligible for guarantees under this program, however.

All of the countries on Pompidou's current itinerary are expected to give red carpet treatment to the leader on whom they depend for vital

financial and technical assistance. In some places, however, local elements with grievances might try to embarrass their governments by creating incidents. The most probable locale for any such disturbance is Senegal, where in recent weeks there has been an increase in restiveness among dissident students and the antigovernment faction of the labor movement. These elements may possibly attempt to seize the occasion of Pompidou's presence to gain sympathetic international attention. In Libreville, capital of Gabon, a massive government clean-up campaign in preparation for the trip has resulted in the demolition of 200 to 500 homes, damaging the friendly atmosphere that surrounds the visit. Tight security measures taken by French and African gendarmes, however, will most likely be sufficient to keep any potentially dangerous situation under control.

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SECRET**European Communities: *The Institutional Issue***

The meeting in Paris early last week between Chancellor Brandt and President Pompidou served to focus renewed attention on the institutional problems of the European Communities (EC).

Prior to the meeting and, in part at least, in anticipation of it, Pompidou used a press conference to set forth his views on the Communities' future political development. The French president spoke of a future European "Confederation," which would nevertheless have its own "government whose decisions were binding on all states belonging to it." Pompidou suggested that "in a final phase" the member states might appoint ministers with "strictly European functions" as representatives to the Council. These would "no longer be part of their national governments."

If Pompidou's concept of a confederation seemed to move him away from the hard-line Gaullist position, it was also evident that he is no convert to instant supranationalism. Although he acknowledged a role for "committees"—presumably a reference to the EC Commission—he denied that such bodies could take decisions and enforce them. Moreover, he asserted that the Council—where decisions would be made—can only decide on the basis of unanimity—as does, he recalled, a coalition government that does not want to risk a breakup. Moreover, he foresaw no increased powers for the European Parliament until a "genuine executive power" comes into being.

The immediate relevance of these concepts was clearly apparent in Pompidou's subsequent discussions with Brandt of the Community's projected economic and monetary union. The Germans, who are wary lest the present habit of unanimous voting in the Council make it impossible to develop effective economic policies parallel to monetary integration, want the possibility

of the later introduction of "new institutions" to be specified as part of the union's first stage. Although agreeing that monetary and economic policy measures would have to proceed together and that the Community would have to have the necessary powers to run the union effectively, Pompidou indicated that "pragmatism" would rule out any attempts to define now the eventual institutional structures.

Suggestions were made in Paris by both sides to fuzz over these differences and reports from Brussels indicate the representatives of the Six have gone quite far toward a compromise that might be agreed on at the Council session on 8 February or later. The institutional problem nevertheless remains, since some of the EC members continue to see effective decision-making machinery necessary before they agree to the degree of interdependence required by economic union. On his return from a meeting with Pompidou last weekend, Italian Prime Minister Colombo, for example, said that the process of unification would be difficult without at some time providing for Community powers and the appropriate institutions to wield them.

Although compromise is apparently necessary now for continued movement, deferment of the institutional question may carry its own risks. The French, rightly or wrongly, expect a go-slow attitude from the British, and such an attitude may in fact be encouraged if the French view is seen to have the upper hand among the Six. Moreover, the unexpected interest that has developed in the Six's current experiment in coordinating foreign policies—focused at present on the Middle East—suggests that the "constitutional" argument of the mid-1970s may find itself dealing with the kind of institutions required for a Community whose jurisdictional horizons are broadening considerably beyond the economic sphere.

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UN Succession Derby Begins

Secretary General Thant's statement recently that he has "no intention whatsoever of serving beyond the present term" has initiated the Byzantine maneuvering to determine who will occupy the office when his term expires on 31 December. The current favorite is the only announced candidate, Finnish UN delegate Max Jakobson, but Thant himself may emerge from the scramble with still another term.

The UN Charter provides that the secretary general shall be appointed by the General Assembly upon the recommendation of the Security Council. Although the Charter does not stipulate a set term, five years has become customary. Thant has served longer (10 years) than either of his predecessors, Trygve Lie of Norway and Dag Hammarskjold of Sweden, and all three obtained the position as a result of bargaining and agreement between the superpowers.

Although Thant's disavowal of interest in retaining the job is somewhat more categorical and comes much earlier in the year than his similar remarks in 1966, his statements then did not prevent him from accepting a draft for his present term. It is believed that Thant, only 62 years old and in relatively good health, would be amenable at least to a shorter term if an authentic draft movement should develop. He reportedly is not in good graces with the present regime in Burma, and the only alternative position he apparently has in mind is the chancellorship of the UN University, a project that remains in limbo pending further study.

The less developed countries have indicated strong interest in coming up with their own candidate, but the likelihood that he could win without the support of the superpowers is very slim. All of the plausible Latin American candidates, including former Chilean President Eduardo Frei, are believed to be unacceptable to the Communist states. Among the Africans, only Robert Gardiner, head of the UN Economic Commission for Africa, has any real stature in the international community. The principal Asian possibility is C. V. Narasimhan of India. Although strategically placed as Thant's chief aide, his grating egotism makes him unacceptable in many quarters.

Jakobson's main rival among the Europeans is former Austrian Foreign Minister Kurt Waldheim. Jakobson has already received some informal, low-key Soviet backing and official Scandinavian endorsement, although the latter was conditioned on Thant's confirming his intention to retire. Two drawbacks attributed to Jakobson's candidacy—his Jewish ancestry and problems stemming from his book on Finnish neutrality—appear surmountable.

Despite the recent contretemps over the harassment encountered by the Soviet delegation in the New York area, the Soviets have continued to keep in close touch with the US on UN organizational matters—peacekeeping, fiscal issues, and procedural reforms in both the Council and the 25X1 Assembly. Presumably they will want to arrive at agreement with the US on who should be secretary general after this year.

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Italy: *Financing Reform Stirs Political Controversy*

Controversy over financing of social reforms now dominates the Italian political scene. The "white paper" on public finances released January 27 provides a new and exhaustive compilation of tax and spending data that should be helpful in reaching concrete proposals that had been delayed by the government's preoccupation with its anti-inflationary bill and uncertainty as to the actual state of public finances. Failure to resolve details of the program and its financing could lead to extensive and disruptive strikes in the spring.

Support for the social reform program has come from nearly all political sectors, including the Communist Party. Considerable controversy has arisen, however, over the financing and timing of the reforms. The Communists, who in general are trying to work within the Italian system, feel that housing and health reforms, along with improvement in public transportation, should take precedence over other expenditures and should be implemented immediately. They maintain, moreover, that such programs should not add to current government expenditures, but rather replace unspecified "wasteful" programs. Some Communists have even stated a willingness to accept slower economic growth as a cost of immediately implementing reforms. They would not accept any curtailment of union powers, however.

In contrast, various members of government parties espouse a conservative schedule that

would not detract from economic growth and price stability. They seek labor stability and resumption of earlier productivity and output trends as preconditions to reforms; some also favor an "incomes policy" to combat claims for wage increases.

In general, the government recognizes the need for a quick start on the reform program. But Prime Minister Colombo emphasizes that labor peace is necessary to bring about economic growth, without which the reforms would bog down and economic disequilibrium would result. Even without large expenditures for new social programs, the Treasury experiences chronic deficits largely attributable to support of social security institutions, local governments, and the autonomous state agencies.

Labor Minister Donat Cattin dissents. He ruffled government circles several weeks ago by claiming that pressures from labor were not the major cause of the relatively slow economic growth last year. He charged the disappointing performance in 1970 to political uncertainties as well as to the credit squeeze and the government's economic bill. The Communist Party generally supports this view. It feels that allotting major responsibility to labor is a convenient way for the government to abort its social reform program if strikes continue this year.

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EAST GERMANY - WEST GERMANY: East German government and party chief Walter Ulbricht and deputy party leader Erich Honecker delivered the key reports to last week's 15th party plenum. Both concentrated on economic subjects and treated foreign policy only in very general terms. Undoubtedly motivated by Poland's recent troubles, they called for the understanding and cooperation of the workers in overcoming the economic problems that plagued the country in 1970, and after the plenum, some

price cuts were announced. Although they did not specifically mention the East - West German negotiations or Berlin, the leaders did not stray from the current Pankow line of firmly rejecting any form of special relationship with West Germany. Honecker called for a rebuff of Bonn's Social Democrats in their "attempts at spiritual subversion" and Ulbricht characterized West German Chancellor Brandt's Ostpolitik as "more or less concealed strategy aimed at the erosion of socialism." [REDACTED]

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UK-UN-CHINA: The British, seeking to improve their relations with mainland China, have told the US formally that they may drop further support of the Important Question (IQ) tactic for handling the Chinese representation issue at the UN. The IQ procedure has provided a margin of safety for Taiwan and its supporters by requiring a two-

thirds vote to seat Peking. The British added that they would favor neither new procedural delaying tactics nor any "two Chinas" proposal. The UK demarche reflects the widespread belief that the IQ device cannot be used much longer as a means to frustrate the admission of mainland China. [REDACTED]

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ILO-US: The festering dispute over the orientation of the International Labor Organization (ILO) apparently was not resolved at a recent high-level US-ILO talk in Geneva. ILO Director General Jenks was especially distressed that the US, which objected last year to the appointment of a Soviet national to a top administrative post, offered no assurances that its financial contribution to the ILO would be resumed during 1971.

He predicted an "explosive situation" for the US when the ILO governing body convenes on 15 February. Jenks added that "elements" within the ILO may now seek to refer the issue to the International Court of Justice for an opinion on whether a government can retain membership in an international organization while declining to pay basic assessments. [REDACTED]

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MIDDLE EAST - AFRICA

EGYPT: Cairo has decided to observe the cease-fire for one more month. President Sadat announced on 4 February his country's willingness to continue the period of military quiet for one additional month ending on 7 March. Some speculation linked Egypt's agreement to the cease-fire to certain reciprocal moves to be made by Israel, but it was not clear what, if any, conditions Cairo would in fact demand. The Egyptians presumably view an extension not only as providing evidence

of their sincerity in seeking a peaceful solution, but also see its expiration arriving soon enough to maintain pressures for substantive movement in the diplomatic arena. Cairo's decision was publicized as having been made in response to UN Secretary General Thant's appeal earlier this week to "exercise military restraint" during the present "very difficult and crucial" stage of negotiations. [redacted]

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Egypt: *Sadat Sweetens the Pot*

President Sadat is attempting to broaden his popular support through limited domestic liberalizations and greater attention to social ills.

Egypt's public media have been giving extensive coverage to the government's discussions of the shortcomings of Cairo's transportation system and other public services and to its promises to remedy these ills. There has also been much talk about reforming the country's antiquated education system. These steps follow up a move made last fall to court favor with Egypt's consumers—traditional Ramadan price reductions on popular items such as tea, sugar, and kerosene at that time were made more generous than usual.

Steps designed to improve the domestic political climate have also been instituted. The arbitrary practice of property sequestration, practiced sporadically under Nasir, has been publicly renounced by the Sadat regime. A judicial committee is to "liquidate" this process and future sequestrations are to be carried out only through proper judicial channels.

Arbitrary restrictions on travel and employment, which had been placed on some individual Egyptians for political reasons, are being eased

somewhat in an apparent move to help alleviate the repressive atmosphere prevalent under Nasir. The sister of one prominent Egyptian who recently regained his travel rights expressed a sentiment probably shared by others when she told the chief of the US Interests Section in Cairo that "the death of Nasir wasn't all bad." [redacted]

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These moves appear to be striking a responsive chord among the people and have dissipated some of the initial apathy and hostility that met Sadat's elevation to the presidency. If nothing more, there is probably a general appreciation for the increased official concern being voiced about Egypt's more glaring domestic problems. The country's ills are manifold, however, and the government, with only limited resources, will be hard pressed to solve the more complex issues in a manner satisfactory to all. A rapprochement with the Muslim Brotherhood will be a particularly formidable task in view of that organization's demand for complete political freedom. [redacted]

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Jordan: *The Army's Grip Tightens*

The Jordanian Government is slowly tightening its control over the fedayeen, taking advantage of the success it gained in the January fighting. The commandos are constantly dogged by the threat of further unequal combat, but feel constrained to remain passive and defensive in order to husband their reduced capabilities.

The army has apparently been pressing its advantage inexorably; it is moving forward gradually to exploit any undefended strongpoint without attempting to provoke trouble where it can be avoided. Even this method of rolling up fedayeen-held territory in northern Jordan has occasioned clashes, but these have been small and widely dispersed, attracting little outside attention.

The Higher Arab Follow-up Committee charged with maintaining the cease-fire appears to be virtually ignoring these small skirmishes and has found little to do of late. The deputy chairman

announced that as a result the number of observers would be reduced from 23 to 10.

The strong position of the government is illustrated by the issuance of regulations stipulat-

ing the death penalty for illegal possession of automatic weapons and for the discharge of firearms in a public place. Although automatic weapons in themselves are not illegal, the new measure leaves the public security force as the final arbiter on illegal possession. In this way the bedouin and the peasantry may retain weapons, and loyal troops may fire off *feux de joie* into the air—as they did on the occasion of the King's return—without suffering more than a mild reprimand.

When Premier Wasfi Tal declared last week that the fedayeen could no longer fight Israel from within Jordanian territory, the commandos' outcries were muted. Yasir Arafat, interviewed in Cairo, responded only that "our situation has become more difficult, but we have not been beaten."

When backed into a corner, the commandos can probably still give a good account of themselves. The fedayeen continue to claim that the army is "out to get them" despite the cease-fire agreement.

this may yet happen, but Jordanian interests are equally well-served by bottling the fedayeen up in their northern hideout

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Uganda: *General Amin Retains Control*

Life is slowly returning to normal in Uganda while General Idi Amin, who seized power on 25 January, moves cautiously to establish his own government. There was only scattered violence this week, caused principally by members of the Baganda tribe—Uganda's largest—as they continued to exact revenge from those fellow tribesmen who had cooperated with deposed president Obote. The army also continued to round up individual opponents.

The general consolidated his power by suspending most sections of the constitution, dissolving parliament, and declaring himself head of state. On 2 February he appointed a cabinet mainly of civil servants, but also containing some politicians who have important tribal backing. Amin also dismissed all local elected officers in an apparent attempt to root out Obote supporters from positions of influence in the hinterlands.

Amin has been concerned with increasing his popular support and with getting international recognition. In quick succession he released all political prisoners who had been detained without charges, detailed his accusations of corruption against the Obote regime, and offered to provide

a state funeral for the traditional King of the Baganda who had been deposed by Obote in 1966 and died abroad last year. In his quest for international support, the general has sent representatives to meet with the leaders of Kenya and Ethiopia and has held meetings with foreign diplomats in Kampala. Amin promised the US chargé quick solutions to all bilateral problems adding that he would eliminate all Communist influence from the armed forces and seek military equipment from the US.

Meanwhile, Obote continues without much real success to seek help from other African leaders. Although his offensive has managed to delay recognition of Amin, no country has offered to provide military support.

Although an early restoration of the Obote regime seems unlikely, Amin has many serious problems to solve. He will find it particularly difficult to cope with Uganda's long-standing tribal jealousies, to stem a general decline of law and order, and to deal with severe economic difficulties such as a drop in the prices of agricultural exports, a rising cost of living, and lack of revenue to finance government expenditure.

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India-Nepal: *Continued Impasse on Trade and Transit*

Last October, the ten-year-old Indo-Nepalese trade and transit treaty expired and most observers expected that a new treaty would soon replace it. Numerous efforts to reach an accord failed, however, and a final extension of the treaty ran out on 31 December. Since then, charges and countercharges have dropped bilateral relations to their lowest point in many years. Furthermore, New Delhi's current preoccupation with national elections, slated for early March, makes it unlikely that the treaty impasse will be broken before then.

Neither side has been willing to concede to the other's demands on several key issues. India wants a closer scrutiny over Nepalese imports and exports, since New Delhi has long been irked by smuggling across the largely uncontrolled border. The Indians also want to crack down on Nepal's practice of undercutting the Indian market with Nepalese manufactures made from material bought cheaply from third countries. Nepal is willing to implement some additional controls, but refuses to accede to a demand for complete statistical data, viewing this as an infringement of its sovereignty. Additionally, the Nepalese are pressing for a land route across India to East Pakistan, which they maintain was provided for in the 1960 treaty. Although the route was not

established because of the Indo-Pakistani hostilities in 1965, Kathmandu insists India is bound by international custom and agreements to permit this transit right. Nepal argues, moreover, that because it is tiny, underdeveloped, and landlocked, it requires preferential treatment in order to develop its economy.

Faced with New Delhi's unyielding stance, Nepal has sought ways of lessening its economic dependence on India. The Nepalese have not made any deals yet, however, and probably are agonizing over the possible consequences of any attempt to alter the economic status quo along the Himalayan rim.

Despite this public airing of differences, trade and transit still continue much as they did prior to 31 December, although New Delhi is restricting certain imports and exports. Nepal would prefer a bilateral written understanding at least to formalize the current situation, however, but it hesitates to make the request for fear of losing face if New Delhi declines. The entanglement of political and economic factors has prolonged the stalemate, but the advantage offered to both countries by a restoration of amicable relations is a strong factor in favor of an eventual settlement. [REDACTED]

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PAKISTAN: West Pakistani politician Z. A. Bhutto is disappointed by the lack of progress in his talks with East Pakistani leader Mujibur Rahman late last month, but he still plans to try to resolve their differences. The two leaders met in an attempt to reach agreement on Pakistan's constitution that will be drafted by a National Assembly in which Mujib's followers have an absolute majority.

The major issue in their talks was Mujib's six-point program for nearly total provincial

autonomy; Bhutto accepted only two points. The two leaders were farthest apart on Mujib's somewhat vague plans for financing the central government that would leave all taxing power with the provinces. Nevertheless, Mujib did indicate possible flexibility on some points, and Bhutto hopes that Mujib's desire to end military rule and his interest in becoming prime minister of a united Pakistan will make agreement on a constitution possible. [REDACTED]

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Zambia: *Kaunda Curbs Domestic Discontent*

President Kenneth Kaunda once again has taken the steam out of domestic discontent. He will, however, have to continue to keep control over competing factions in his ruling United National Independence Party (UNIP) if Zambia is to remain politically stable.

Government policies had come under unexpectedly widespread criticism from UNIP officials in mid-January while Kaunda was attending the Commonwealth Conference. The discontent in part was induced by the President's increasing tendency to act arbitrarily, and several party factions complained that Kaunda had reshuffled the cabinet and had made important policy decisions without consulting them.

Kaunda's position as president was never in jeopardy, but he nonetheless moved quickly on his return from Singapore to control the dissidence. He asserted that he would concentrate on the policies that had been criticized, a statement that apparently reassured most Zambian leaders that they would be consulted more in the future. As a result, they soon closed ranks behind him.

This strengthened Kaunda's hand in dealing with another problem that had once again

cropped up in the party—tribal dissidence. Members of an assertive Bemba faction had resurrected charges of party and government discrimination against their tribe and their spokesman, former vice president Simon Kapwepwe. Perhaps in recognition of Kaunda's strength, however, Kapwepwe has dissociated himself publicly from inflammatory statements made by other Bembas and has called for all tribes to unite against "imperialist intrigues against Africa." With Kapwepwe in line, Kaunda then suspended the most important Bemba dissident from the cabinet pending a judicial inquiry into the charges of tribal bias.

Although Kaunda has successfully contained the latest unrest, he must tread carefully in the future. He has centralized government powers considerably in the last year and a half, and he will have to avoid the temptation to rule autocratically. Such a change would only again raise the hackles of party subordinates and could cost him important political support. Moreover, Kaunda must still contend with the perennial problem of dealing with the Kapwepwe faction without losing the popular support of the Bemba tribe, which remains a major source of government strength.

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Morocco: *Student Strikes Continue*

Despite the stern security measures and punitive action taken against strike leaders, the government has been unable to suppress student strikes.

The present phase of perennial activism among students began in the secondary schools of Rabat and Casablanca on 11 December and prompted the early closing of schools for the year-end vacation. The major issue was the de-

mand that authorities rescind a requirement that technical school students take an additional year of schooling before they get their diplomas and qualify for advanced education. The students also protested the very limited opportunities for university training.

When classes resumed on 4 January, the boycott continued and spread to most major cities, despite the threat that any student who had not

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returned to class by 7 January would be expelled. Most secondary schools remained open this week, but classes were sparsely attended. Security forces are in evidence near most schools.

[Redacted]

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As the strike drags on, there is growing pessimism and uneasiness over the government's indecisive handling of the situation.

[Redacted]

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Meanwhile, a solidarity strike at Mohammed V University in Rabat continues, rendering the university largely inoperative.

[Redacted]

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INTERNATIONAL OIL: After three weeks of talks with oil companies ended without agreement, the Organization of Petroleum Exporting Countries (OPEC), at a ministerial meeting in Tehran on 3-4 February, decided that the six Persian Gulf members would take legislative action on 15 February to achieve increased oil revenues. All OPEC members, with the exception of Indonesia, have agreed to withhold oil from any company that does not comply with these measures. Although the Shah of Iran left the door open for further negotiations up to 15 February, the oil companies probably will opt for a "legis-

lated" settlement, hoping that this would ease the problem of passing on any increased costs to the consumers.

At the meeting, OPEC stipulated that Libya and Algeria could introduce legislation at their convenience, but offered to support them only on the basis of the minimum terms established by the Persian Gulf countries plus a "reasonable" transport differential. Even so, Libya may use denial of oil as part of its technique for securing demands that go considerably beyond those of the original OPEC resolution.

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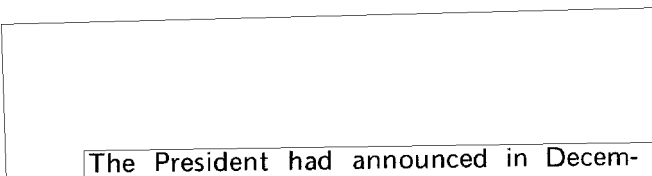
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Argentine Political Crisis Subsides

The differences between President Levingston and army commander General Lanusse and the two other service chiefs appear to have been at least temporarily resolved. The chiefs of the three services who make up the military junta that named Levingston president objected as much to Levingston's failure to coordinate his actions with them as to any specific policy, and Levingston apparently has agreed to work more closely with the junta in the future.

nationalism as an issue to garner some popular support and to help divert public attention from the problems created in part by his government's policies. Wide publicity was given to the remarks of the well-known nationalist politician, Oscar Alende, after he had a three-hour meeting with the President. Alende charged that "foreign monopolies" were seeking to control Argentina and were attempting to divide the military and bring about the overthrow of the Levingston government.

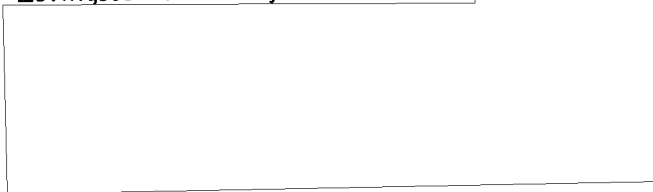
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The President had announced in December—apparently without consulting the junta—that he planned for the nation to return to elected civilian government no sooner than 1975. This was followed in early January by government-decreed price raises on basic commodities, utilities, and transportation. These increases, coming all at one time, provoked a public outcry.

Alende's charges, coming as they did from the presidential offices and apparently linking Lanusse and his colleagues to these "foreign monopolies," made a clash of some sort between Levingston and the junta inevitable.

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At the same time, labor problems were coming to the fore. A US-owned meat-packing company closed down, throwing some 13,000 out of work. A strike in Cordoba over the firing of some workers threatened to get out of hand, and labor served notice that it would press for wage increases far above the 20 to 40 percent the government thought would come out of its newly declared policy of free bargaining.

The heralded "clash" came on 31 January in a long, but not too unpleasant, meeting between the President and the three service chiefs. No significant reversals of government policy are yet noticeable, but Levingston did disclaim some of Alende's more extreme charges and apparently agreed to coordinate future government moves with the junta. The President apparently received, however, general agreement on his developmental economic policies and approval of his more nationalistic line, albeit in a somewhat milder form.

Levingston, who has never had a power base of his own, then apparently decided to seize on

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Thus, the expected clarification of the future direction of the Argentine Government never came and there is still no clear plan for dealing with the country's increasingly serious political and economic problems. Public dissatisfaction with the government's handling of the economy

and the growing inflation will continue to smoulder, and further challenges to the government will undoubtedly come from labor leaders who believe that the military-directed government has been seriously weakened.

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Chilean Socialists Choose Hard Line Leadership

The extreme leftist faction of President Allende's Socialist Party (PS), which is headed by Senator Carlos Altamirano, gained complete control of the party leadership this week. With Allende's backing, a new central committee composed entirely of hard liners was elected by the party congress; Altamirano was chosen secretary general. Three cabinet members, including the top-ranking ministers of interior and foreign affairs, are also aligned with the Altamirano group. The nationalistic, Marxist PS has frequently split over such power grabs, but the disgruntled backers of defeated Secretary General Aniceto Rodriguez are unlikely to quit the party now because they would lose access to government jobs and really have nowhere else to go. Rodriguez' political clout has declined steadily since he retreated from party activity in pique over not receiving a cabinet post.

Allende, who is not closely identified with either faction, probably supported Altamirano because it was realistic politically. He recognizes that the hard liners have growing strength and appeal and wants to keep them responsive to his influence—particularly since Altamirano had

threatened to bolt the party if he lost. Moreover, the opposition parties believe that Allende wants to strengthen the Socialists within his government so that they can act as a counterbalance to the forceful pro-Moscow Communist Party (PCCh). Although the PS and the PCCh have cooperated effectively on political matters for a long time, their relationship has been marked by bitter rivalries. The electoral victory of the Popular Unity coalition, which they dominate, and the control of the government they now enjoy, has not erased this rivalry.

The PCCh made no secret of its preference for Rodriguez and his "courthouse regulars." Communist leaders distrust the hard line Socialists and their proteges in the Movement of the Revolutionary Left (MIR), who espouse armed revolution as the only sure way to ensure the radical changes they consider essential in Chile. Perhaps impressed by the extremists' sweeping take-over of the PS leadership, however, PCCh Secretary General Luis Corvalan publicly assumed a militant attitude at the congress. He reiterated his recent warnings that the socializing process under way in Chile is not yet irreversible, and that the Marxists must see that it becomes so.

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Bolivia: *Disorganization Increases Within the Left*

The left is becoming increasingly disorganized in its attempts to put pressure on President Torres' government. This disorganization, which is becoming more public, has resulted from internal disagreement over whether to influence the government from within or to become an outside pressure group. The lack of unity is permitting Torres to accede to some leftist demands while paying lip service to others, and, in general, to maintain his government more or less independent of the more extremist positions.

The most publicized confusion surrounds the attempts of former cabinet minister Quiroga to form a new leftist political party. For several weeks the press carried items announcing the imminent birth of the Bolivian Socialist Party (PSB). It reportedly was being organized by leftist extremist Quiroga and would include politicians, labor leaders, journalists, and other vocal leftist spokesmen.

On 27 January Quiroga announced that his party would be called the National Leftist Revolutionary Union and that it would have nothing to do with the PSB. He did not specify whether his group would be pro or antigovernment. Other leftist leaders immediately dissociated from the PSB, but they did not announce whether they were joining Quiroga's group, nor did they specify their position toward the government. The major element of the PSB that has not yet defected is a labor group called FARO, which is willing to work with the government.

The leftists are also having problems trying to establish an appointed popular assembly, which they expect will have some of the powers of a national legislature. Although Torres has generally approved the idea of such a body, he has not been specific in describing its membership or powers. An informal leftist political command, in attempting to establish these criteria, is considering a body of over 200 members that would include representatives of labor, students, the middle class, peasants, and leftist and Communist political parties. The political command says that the popular assembly would comment on and make decisions on national and international problems, look out for popular and national interests, and control the measures that the government dictates.

In addition, several of the groups that have been publicly identified as probable components of the popular assembly are at odds over the role it should play.

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OAS Session Ends on a Discordant Note

The third special session of the General Assembly of the Organization of American States approved a limited convention on terrorism by a slim majority this week, but the walkout of six delegations seriously marred the proceedings. The public quarrels over the terrorism issue and Ecuador's harangue over its fisheries dispute with the US further damaged OAS prestige in the hemisphere.

The 23-member organization approved the new treaty by a vote of 13 to 1 (Chile); there were two abstentions (Peru and Bolivia). It obliges signatories to cooperate in the punishment and extradition of terrorists, treating their actions as common crimes rather than political acts, but is applicable only in cases involving foreign officials. Opposition to the treaty was led by Brazil, which argued strongly for a document that would deal with all aspects of terrorism and not confine itself to kidnappings of the "diplomatic elite." When Brazil's views failed to carry, its delegation withdrew from the meeting. Joining in the unprecedented mass boycott were Ecuador, Argentina, Paraguay, Guatemala, and Haiti. Ecuador withdrew largely out of pique at the US over the

"tuna war" issue rather than because of any substantive problems with the terrorism draft.

Ecuador's call for a Meeting of Foreign Ministers during the session to consider its charges of economic coercion against the US accomplished little except to impede efforts to reach a consensus on the terrorism issue. Quito's affirmative vote for the resolution that called upon both states not to aggravate the situation should end formal OAS consideration of that matter. The foreign ministers' meeting remains officially in recess, however, and the fisheries dispute could be reopened at any time.

The public quarrels that surfaced at the meeting will heighten Latin disenchantment with the OAS as an effective tool for joint political action in the hemisphere. Last week an influential Brazilian newspaper, which sometimes floats articles inspired by the government, commented that the OAS has "practically ceased to exist" and that Brazil should "officially consecrate its collapse." With such divisive issues as whether the sanctions against Cuba should be reconsidered still to be taken up the OAS is likely to undergo further strain.

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GUATEMALA: The government's anti-insurgency campaign has apparently put the terrorists on the defensive.

[Redacted]

The government imposed a state of siege on 13 November in the wake of growing leftist violence and mounting political pressure on the Arana government to adopt a tough law-and-order stance. Since then, the initiative has shifted to the government side and there has been a general improvement in the security situation although a low level of violence has persisted. Leftist politicians, however, are nervous about what they consider to be government-inspired violence and counterterror, and in the long run there is the potential for a polarization of the society.

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Cuba: *Dissatisfied Youth Give Castro a Headache*

The Cuban Government is again trying to tackle the recurring problem of how to control the country's rambunctious youth. The young people, who have gained the most from the revolution, are openly questioning the government's ability to satisfy the basic needs of the people and are even challenging Castro's policies. This has caused Castro to reshape, from the ground up, the mass organizations designed to translate youth activities into support for the administration. The students and other young people, however, are not likely to respond favorably to the government's measures despite Castro's sugar-coated "democratization" of the organizations. The regime has now become the "establishment," and it will take more than a few institutional changes to recapture the imagination of the young people and guarantee their loyal support.

The signs of youthful discontent are numerous. It has long been Castro's practice, for example, to visit with students for spontaneous discussions on ideological, economic, or administrative problems facing the country. In the past year or so, however, these meetings have been marked by increasing dissatisfaction and animosity. On one occasion late last October, Castro clashed verbally with dissident students at the University of Oriente in Santiago de Cuba. The students complained bitterly of overwork, of the lack of food and clothing, that funds were being wasted on Castro's "pet" economic schemes, and that certain regime officials enjoyed special privileges.

A month later, both Fidel and Raul Castro publicly criticized the estimated 300,000 to 400,000 children between 6 and 16 who have dropped out of school and who are consumers but not producers. Fidel hinted that trade schools run on strict discipline might be set up for dropouts to ensure that they would contribute to productivity. Last week, with the current sugar harvest already behind schedule, the Cuban Com-

munist Party (PCC) released a statement describing as "laughable" the productivity of the high school and university students cutting cane in Oriente Province. Statistics showed that on a daily basis some students were cutting less than half the amount of cane expected of nonprofessional canecutters. At the same time, the armed forces magazine carried an article by the president of the Young Communists League (UJC—the PCC's youth arm) denouncing young men who wear long hair. Similar press attacks have been made in the past on "hippies," boys in tight pants, and other forms of youthful nonconformity.

The government has adopted a multifaceted approach to the youth problem. The University Students Federation (FEU) has been split off from the UJC, thereby satisfying one of the demands made by the students in Oriente in October. Branches of the new FEU are now being established at the four university centers. The organization at the national level, to be called the Cuban FEU, will be formed in April. The Pioneers, the UJC's organization for children under 12, is also being reconstituted as an independent entity, and a new body, the Federation of Secondary School Students, is being set up for high school students. The UJC, which found itself unequal to the task of controlling the various youth groups, is also in the process of reorganization.

For those young people who reject the student life, the government has founded the Centennial Youth Column and the Youth Column of the Sea. The former, formed in 1968 to fill the agricultural labor shortage in Camaguey Province, is operated along military lines under the auspices of the UJC. The latter, organized in 1970 to handle more stubborn cases, trains young men to man Cuba's rapidly expanding fishing fleet.

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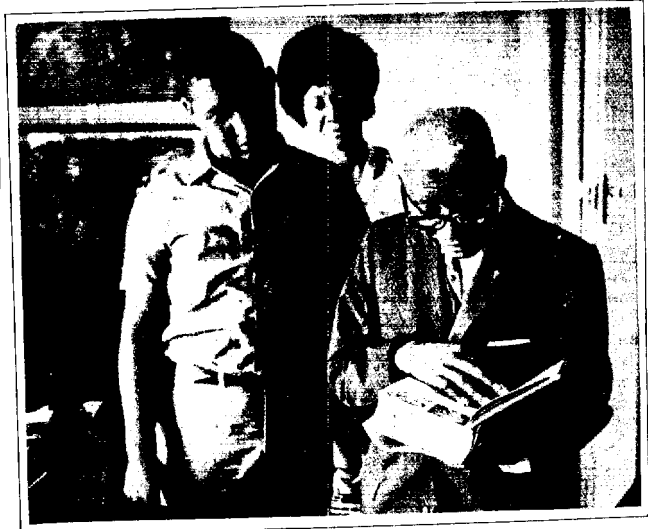
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HAITI: Rumors are circulating in Port-au-Prince that President Duvalier may soon install his son Jean-Claude as president and then retire or go abroad for medical treatment. Although it would be unusual for Duvalier to leave the country for any purpose, embassy contacts [redacted]

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[redacted] report that he will go to Europe—possibly Spain—for treatment or an operation in early February. On 1 February Jean-Claude reviewed a parade of the presidential guard. Duvalier did not appear, [redacted]



The "Royal Family"

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These developments reportedly are to take place shortly after the results of last Sunday's referendum to confirm Jean-Claude's designation as the next president are made public on 7 February. The results of the referendum are a foregone conclusion. Government officials encouraged multiple voting, ballots were distributed to eight-year-old "voters," and vote tallies in some areas were ready for certification two days before the referendum took place. If Jean-Claude takes office under these circumstances and does not

immediately demonstrate unsuspected abilities and does not have adequate support from the establishment, his tenure is not likely to be long. [redacted]

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CUBA: The monthly number of refugees seeking asylum inside the Guantanamo Naval Base has declined to the lowest point since September 1966. In January only 10 "fence-jumpers" entered the base compared with a monthly average of 24 last year and 70 in 1969. A total of 394 Cubans entered the base in 1970; 885 sought asylum the year before and 1,000 during 1968.

The completion by the Castro regime of three six-foot barbed wire fences and a mine field

opposite the base perimeter fence was responsible in part for the decline in the number of fence-jumpers. Even though the risks are greater than ever, would-be refugees can be expected to continue to seek asylum within the base. Some will walk overland and cross through the new security barrier; others will swim into the base from the north, which has been the primary route during the past few months. [redacted]

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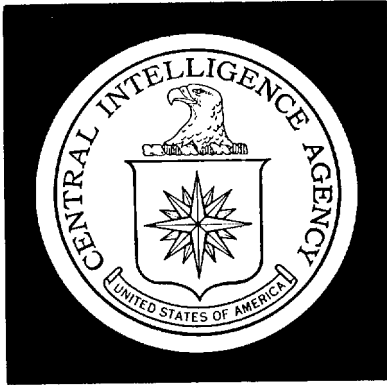
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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

Special Report

Okinawan Reversion: A Difficult Transition

Secret

№ 43

5 February 1971
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OKINAWAN REVERSION: A DIFFICULT TRANSITION

The violent and unexpected rioting at Koza last December spotlighted the difficult and perhaps stormy period that the US has entered in Okinawa. The ruckus also served to dispel any euphoria lingering from the November 1969 agreement between Prime Minister Sato and President Nixon for the reversion of Okinawa in 1972. Emerging from the burned-out hulks of American vehicles was a bitter realization that during the transition period leading up to and after reversion in 1972 persistent basic problems will tax the patience and resources of both the US and Japanese governments—as well as the Okinawans.

The prospect of reversion has prompted feelings of anxiety and insecurity on Okinawa, revealing uncertainty among the people over what impact it will have on their economic situation and political status. At the same time Okinawans are growing increasingly sensitive to the hazards and inconveniences posed by the US military presence on the island, in part because of the realization that the political authority of the US on Okinawa will soon diminish and its military presence will continue only at the sufferance of their own (the Japanese) government. These factors have combined to produce a mood of frustration and impatience that will result in continuing friction and sometimes explosive outbursts.

Lashing Out at the US Military Presence

The violent and unprecedented anti-American riots at Koza on 20 December, unlike any previous major anti-US incident on Okinawa, apparently were completely spontaneous. The disorders, sparked by a minor traffic accident in which an Okinawan was slightly injured by an American, were the culmination of resentment built on a string of similar incidents in recent months.

Most important of these earlier incidents was the so-called "Itoman case," in which a US serviceman was acquitted on charges of killing an Okinawan woman in a hit-and-run accident. The acquittal verdict was rendered at a US military court-martial only nine days before the Koza riot. It brought an immediate outcry from almost all Okinawan leaders, left and right. The highest official of the pro-US Liberal Democratic Party on Okinawa, Deputy Chief Executive Chinen, accompanied by the Ryukyuan Government's (GRI) top



The Koza riots: More of the same ahead?

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legal expert, immediately visited the US civil administration to express "shock" at the acquittal. Chinen, with unusual emotion, expressed a view shared by most Okinawans—that the outcome of the case "cast serious doubt on US justice."

Following the Koza riots, Japanese Prime Minister Sato promptly called on the Okinawans to avoid any actions that might interfere with the process of reversion, which he said was "only a step away." The press then lambasted Sato for lacking understanding of Okinawan emotions, but Foreign Minister Aichi, in a statement more responsive to popular sentiments, urged the US to reflect on the incidents that led up to this "unleashing of emotions."

Local sensibilities were less stirred up over the injuries done to Okinawans by Americans in these incidents than they were over the absence of punishment to the American offenders. Okinawans, in effect, were objecting strongly to the implication that these crimes were committed against "second class" human beings. This element of racism, the belief by Okinawans that they are being denied their basic human rights, has become an explosive element in reaction to what might be termed relatively minor and innocuous incidents.

Such incidents have prompted sharp demands, particularly from Okinawan leaders, that criminal jurisdiction in cases involving offenses committed by US servicemen against Okinawans be transferred to GRI courts. The US has countered that as a practical solution this would be impossible because it could involve congressional action, which would take longer to arrange than reversion itself. As a partial compromise, the US has agreed to permit Japanese or Okinawan lawyers and judges to sit as "official observers" at military trials involving Okinawans.

Following on the heels of the Koza riot, new disturbances broke out on 10 January protesting the planned movement of mustard gas through

several Okinawan villages to a waiting ship, which was to take the gas to Johnston Island in the central Pacific for storage. Ironically, Okinawans had long been demanding that the gas be moved off their island, and continual delays by the US military—because of difficulties in finding politically acceptable alternate storage sites—had aroused continuing anti-US criticism. The Okinawan left, chagrined over its failure to exploit fully the spontaneous anti-US violence in Koza in December, seized on the concern over "inadequate" safety precautions involved in the planned shipment in an effort to create a major incident. It was partially successful, creating disturbances which briefly delayed the shipment of the gas. The shipment, the first of a series that will end in the complete removal of chemical weapons from Okinawa before reversion next year, finally took place on 13 January, but only after Okinawan Chief Executive Yara agreed to leftist demands that he make maximum efforts to persuade the US to ship the rest of the gas via an alternate route bypassing populated areas. This proposal would require building a new road, a project that could take several months.

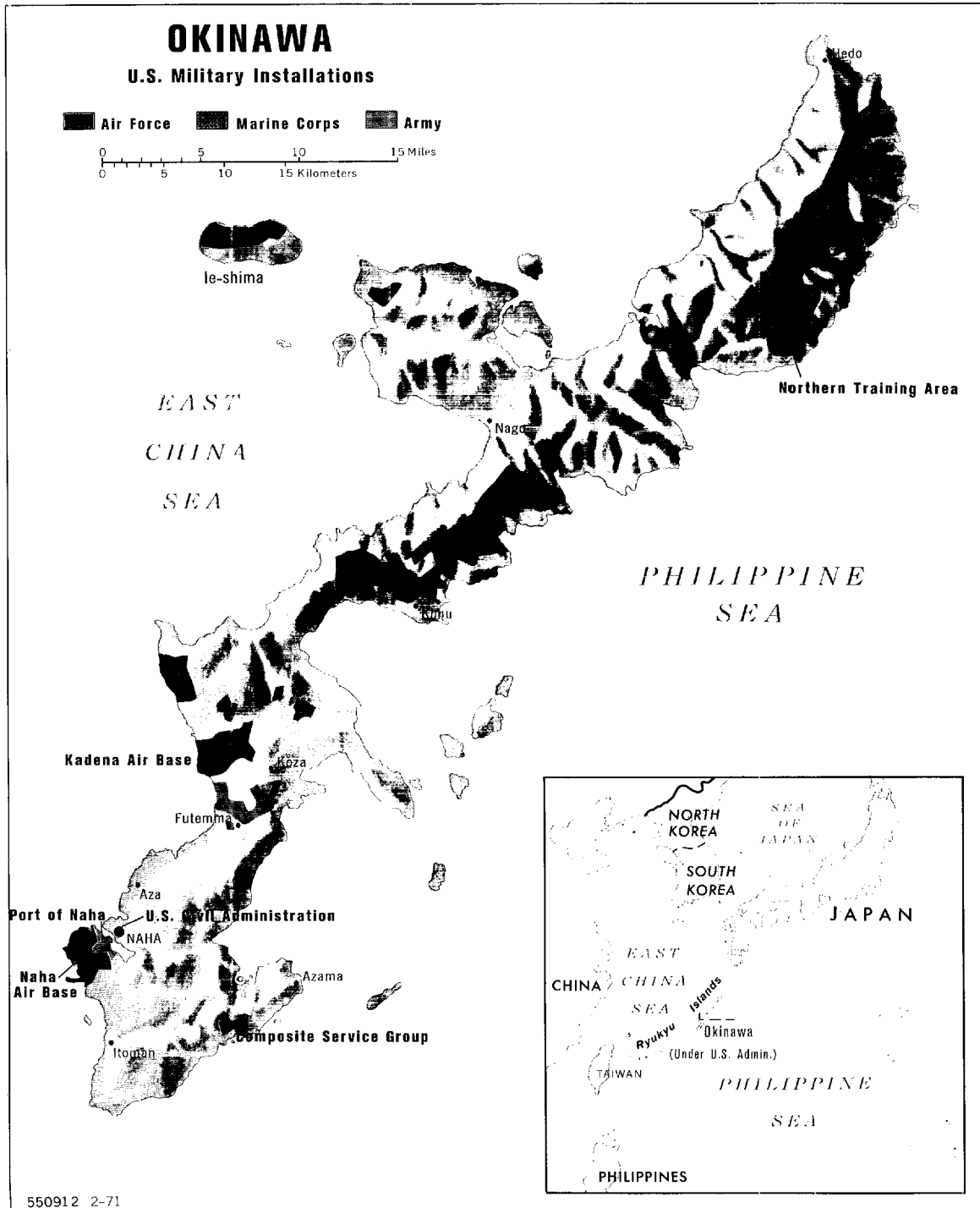
The controversy over storage of nerve gas on Okinawa contains racial overtones that fan local resentment over "US justice." Although many villagers are genuinely apprehensive over the nearby presence of highly toxic gas—especially since leaking nerve gas overcame a number of US servicemen in a well-publicized incident in July 1969—they seem more irritated by US willingness to do on Okinawa what is considered unsafe in the US. The cancellation of plans to store the gas in one of a number of Western states because of popular American uproar intensified Okinawan demands that their fears be treated with equal consideration.

Ambivalence Toward Reversion

Lurking behind the Okinawans' emotional and occasionally contradictory responses to these problems is a deep-rooted sense of anxiety and insecurity over their future. Their fears are both

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political and economic; they reflect a growing ambivalence toward the long-cherished goal of reversion to Japanese rule. Most Okinawans probably still prefer reversion, but they now realize that it will not solve most of their problems and will even create new ones.

These mixed feelings are graphically clear in the contradictory attitude of most Okinawans toward US military bases. Most think that the US could and should cut back on its massive holdings. Nearly 150 installations occupy over 70,000 acres of land, including a substantial amount in the valuable and heavily populated flatlands of southern Okinawa. Employed on these bases, however, are a very large number of Okinawans who vigorously oppose base consolidation when it directly affects their jobs, even though many of them have been in the forefront of earlier anti-base demonstrations. Indeed, any substantial cut-back in the US presence will adversely affect the economic well-being of virtually all Okinawans. Many Okinawan businessmen have actively campaigned in favor of maintaining the US base presence as closely as possible to present levels. Some have even hired professional thugs to beat up leftists who have been demonstrating against the US military during the last year or two, in an effort to discourage their "business-disrupting" activities. Bitter clashes between these groups have occurred during numerous "general strikes" called by Zengunro, the base workers union, to protest layoffs. The over-all impact of the actions taken by rightist-inclined businessmen has been limited, however.

Most Okinawans, regardless of their political bent, are quite concerned that Japan will not fill the gap left by a gradual reduction in the US military presence following reversion. The US military presence accounts for about half of Okinawa's national income, and Japanese efforts thus far to plan for post-reversion economic development have not generated much optimism on Okinawa. The GRI in the last year has intensified efforts to attract foreign investment, but Japan has been hesitant, requesting that all applications

for investment be submitted to Tokyo before any action by the GRI. Japanese industry has shown no great enthusiasm for going into Okinawa, and the GRI has had to resort to various unconventional techniques to stimulate interest. In one case, for example, the GRI announced it had decided to consider an application by the Aluminum Company of America (Alcoa) to invest in Okinawa, apparently only to shock the otherwise uninterested Japanese aluminum companies into considering investment in Okinawa. The Japanese companies, of course, do not wish to see an American company get a foothold in what is about to become a prefecture of Japan. The Japanese Government takes a similar attitude, particularly toward those companies that entered after the announcement of reversion plans.

Reductions in the number of local employees on US bases has also contributed to the economic insecurity felt by the Okinawans. These cutbacks have prompted regular strikes by Zengunro, and US military authorities fear that further layoffs planned for the next few years, particularly those in the immediate future, could set off serious trouble. The past strikes drew only erratic popular support, but in view of rising tensions, US officials now think that future shutdowns could be more disruptive.

The Zengunro leadership has decided to call a series of strikes beginning in mid-February, the first of which will last for 48 hours. The leaders rebuked radical leftist demands that there be a "total shutdown" of the bases, preventing US military personnel from entering. A compromise was reached, however, which provided that all Okinawan base workers be "shut out."

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Okinawans are also concerned about their political status following reversion. The island will then be just another prefecture of Japan/

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interpreted the election as a slap at Tokyo's Okinawan reversion policy, especially the continued large US military presence there. The winners, in fact, seem to have been elected because of their personal appeal rather than their ideological orientation. Because they have no voting privileges until after reversion, the Okinawan representatives must content themselves with exercising their powers of verbal persuasion.

Part of the problem centers on the Okinawan chief executive, Yara Chobyu, who represents the "reformist" (i.e., leftist) coalition. The Okinawan affiliate of Prime Minister Sato's ruling conservative party controls a majority in the legislature, but had to settle for the relatively unimportant post of deputy chief executive. Yara is continually caught between the unsympathetic pressures emanating on the one hand from Tokyo and US civil and military authorities, and on the



Chief Executive Yara:
Squeezed from both sides.

other from the more radical leftist elements of the coalition that put him in office. In the furor over removal of chemical weapons, for example, Yara was condemned by the Japanese Government for not standing up to the leftists, who in turn berated him for yielding to American pressures to sanction the removal plans. Yara, of course, is aware that Tokyo is not likely to do much to strengthen his position. His occasional trips to Tokyo to plead one cause or another normally elicit only minimal cooperation from the government.

Okinawa has just acquired another voice in Tokyo—seven nonvoting Diet representatives—but their impact, at least until reversion, will be very slight. Four of the seven are affiliated with opposition parties. The Japanese press, moreover,

The ambivalent attitude of Okinawans toward reversion is heightened by lingering suspicions and animosities from their World War II experiences with the Japanese military. Many islanders are no more eager to have Japanese soldiers stationed on the island than to have US soldiers there. They fear that many US military facilities will not be removed as US troops withdraw, but instead will be turned over to the Japanese military.

Within six months after reversion Tokyo plans to have a 3,200-man garrison on the island (compared with about 45,500 US troops). Responding to leftist charges that this was a new version of "Japanese imperialist oppression," Japanese defense chief Nakasone emphasized the military's natural role in defending Japanese territory and pledged every effort to avoid "inconveniences" to the public. Nevertheless, according to a former police chief of the GRI, Japanese troops are likely to meet with greater hostility than American soldiers because in the case of the latter, who are "aliens," Okinawan custom dictates a more restrained attitude.

Negotiating Difficulties

In view of the growing frictions between Okinawans and US military authorities and for domestic political purposes, the Japanese would like to speed up the reversion process. Tokyo wanted to complete the negotiations before the Upper House elections in June, but very recently hinted strongly that it would now like to wrap up the negotiations before nationwide local elections in April.

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To meet this timetable, however, the Japanese will have to get down to some serious bargaining. A number of thorny issues remain to be resolved. These include economic and financial arrangements for reversion, guarantees for US business interests, and the status of the Voice of America facilities. The last two issues are proving particularly difficult. The Japanese, who normally maintain highly restrictive policies on foreign investment, are dismayed at the prospect of Okinawa's becoming a Japanese prefecture with many major American corporations already well established there. A special headache is those businesses that rushed into Okinawa once reversion was scheduled hoping that this would provide an eventual avenue into the Japanese market.

local grievances, will become more of a problem. In the past, US authorities have endeavored to use the police as a "buffer" in order to avoid the inherent dangers of direct contact between angry local inhabitants and US military police. The US authorities are seeking a reversal of a recent order to lay off nearly all Ryukyuan security guards around US military facilities—a move that would require US Marines to take over that defense responsibility and increase the possibility of a direct confrontation with any Okinawan demonstrators. The US authorities in fact prefer an expansion of this guard force, since it could react much faster than the GRI police and would be under US command and control.

The recent incidents will probably force the GRI to take a tougher stand on a variety of reversion and base-related issues than would otherwise have been the case. Chief Executive Yara will be in a particularly difficult position, caught as he is between conflicting pressure from US authorities and radical members of the reformist coalition. The Japanese Government will have to pay more homage to Okinawan grievances in negotiating the terms of reversion, particularly regarding the size and location of US military facilities. Japanese negotiators, for example, probably will intensify their efforts to relocate facilities away from the heavily populated Naha area. Opposition parties in Japan, which need appealing issues, undoubtedly will seek to exploit any incident on Okinawa to embarrass the Sato government, thus possibly forcing Tokyo to take more extreme positions vis-a-vis the US.

In short, the problems inherent in this transition period will not necessarily be solved by reversion. The large US base presence inevitably will cause frictions, even though such difficulties as the dispute over criminal jurisdiction will be clarified when Japan assumes administrative authority and normal Status-of-Forces arrangements take effect. The US probably will be under greater pressure to consolidate its base presence after reversion, and mainland political parties will identify more closely with Okinawan grievances.

Problems Ahead

In many ways the period leading up to and following Okinawa's return to Japanese control will bring increased rather than reduced problems for US authorities. Okinawans are going to be more and more unwilling to accept US authority, which they know will be assumed by Japan next year. The failure of the US to meet Okinawan demands for such things as the immediate removal of all chemical weapons or the transfer of criminal jurisdiction to GRI courts will exacerbate tensions further. What formerly would have been minor unnoticed incidents could henceforth spark disorders similar to those in Koza in December. Symptomatic of this tendency is the recent reaction of Okinawans to minor traffic accidents involving American drivers. Hostile and menacing crowds frequently surround the car and driver, temporarily preventing US or GRI police from reaching the scene. Indeed, the reliability of the GRI police, many of whom are sympathetic to

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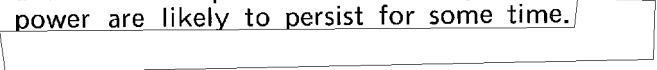
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Dislocation of the local economy caused by the altered US presence will be an increasing problem. Thus, although reversion will remove or ameliorate certain sources of trouble, particularly the

natural distaste for alien rule, the basic political and economic problems created by the shift in power are likely to persist for some time.



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