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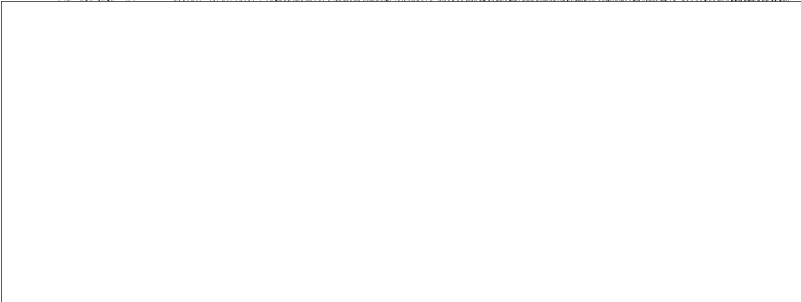
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The WEEKLY SUMMARY, issued every Friday morning by the Office of Current Intelligence, reports and analyzes significant developments of the week through noon on Thursday. It frequently includes material coordinated with or prepared by the Office of Economic Research, the Office of Strategic Research, and the Directorate of Science and Technology. Topics requiring more comprehensive treatment and therefore published separately as Special Reports are listed in the contents pages.

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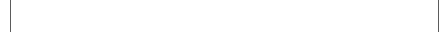
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THE COMMUNIST RESPONSE

The US effort to interdict shipments to North Vietnam is well into its second week, and the Soviets and the Chinese are still sticking to a decidedly low-key line in their public and private commentary—to the intense displeasure of Hanoi. Neither Moscow nor Peking has done much more than recite the mildest possible bromides criticizing the US actions. Soviet diplomats have implied in private that Vietnam is not worth a summit cancellation. Even when the Soviets lodged a formal protest with the US over the attacks on two Soviet ships, they said nothing about the extent of the damage or the death of one crew member. Nor did they make their protest note public.

Moscow, faced with the delicate problem of reassuring the North Vietnamese without calling into question the prospects for the summit, issued a *Pravda* editorial on 16 May asserting that improvements in Soviet-US relations are possible and desirable—although not at the expense of “some third countries.” The editorial asserted in standard terms that Moscow will continue giving “all necessary assistance” to North Vietnam, but it devoted most of its space to touting the virtues of the Soviet “peace plan” in particular and the value of negotiated solutions in general.

The top layer of the Soviet military hierarchy was abroad this week, in what seems almost a conscious effort to convey an impression of business-as-usual. Defense Minister Grechko, accompanied by the heads of the air force and navy, went ahead with a previously planned visit to Syria and Egypt, now completed. Early this week, the head of the Soviet Army began a visit to France that was to last until 19 May. The Soviet commander and the chief of staff of the Warsaw Pact have also been out of the country.

Sino-Soviet Cooperation?

With North Vietnamese ports blocked, Moscow has no way to ship goods to North Vietnam

in any quantity except through China. There have, in fact, been several recent press reports, nearly all of them emanating from Moscow, that the Soviets and Chinese are engaged in discussions on this subject. There has been nothing to confirm these accounts, and Peking's petty harassment of the Soviets over their rail shipments to Vietnam is continuing as usual.

The logic of the situation, however, certainly calls for some sort of Soviet appeal to the Chinese, either to permit a heavier flow of goods by rail or to allow Soviet ships to unload their cargoes at Chinese ports for transshipment. Some approach along these lines may have been made before Soviet Ambassador Tolstikov left Peking for home on 17 May. Press reports claim that he passed a message from Premier Kosygin to the Chinese.

The Chinese probably would not object to a Soviet request to increase rail shipments across China—if the request were a relatively modest one. Thus, they might have little trouble permitting an increase in rail shipments of, say, 10 to 20 percent. They would almost certainly reject out of hand, however, any spectacular increase that would require genuine and considerable cooperation with Moscow or that could be billed as some kind of “joint action.” They would also almost certainly reject any Soviet offer that would require Soviet personnel to transit China with the shipments; current practice is for North Vietnam to take title to the goods at the Sino-Soviet border. Moreover, Peking's reluctance to allow Soviet sailors and technicians onto Chinese soil in any numbers makes it unlikely that the Chinese would accede to any request that would require either transshipment through Chinese ports or a large-scale Soviet airlift.

Indeed, if the Soviets present their appeal as a “joint action” proposal, it is entirely possible

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that they would do so expecting it to be rejected by the Chinese—as Peking has done whenever Moscow has employed this gambit in the past. There is some tentative evidence that Moscow may be thinking of going this route. Soviet broadcasts to China on 12 and 13 May hinted at an appeal by Moscow on the aid issue. Citing the importance of Soviet military aid to Hanoi, they called on China for a “concrete response” to North Vietnamese appeals for “united action” with other socialist countries to make aid to Vietnam more effective. The Soviets undoubtedly

see considerable potential for themselves in exploiting any Chinese foot-dragging on the issue.

For its part, Peking probably sees no reason to make Soviet life any easier, particularly before or during the President’s trip to Moscow. The Chinese appear to consider relations with the US ultimately more important than those with Hanoi, and they relish watching—from the sidelines—Moscow’s present dilemma.

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SOVIET-EGYPTIAN RELATIONS

GRECHKO RETURNS HOME

Soviet Defense Minister Grechko returned to the USSR on 17 May after a week in Syria and Egypt reaffirming Moscow’s support for two of its major Arab clients. Accompanied by the commanders of the Soviet naval and air forces, Grechko had left Moscow on 9 May, the day after President Nixon announced the mining of North Vietnamese ports.

During his stay in Syria from 10-14 May, Grechko reached agreement with Damascus on unspecified measures “in the field of military cooperation.” In public utterances, both Grechko and Syrian Defense Minister Talas stressed the need for continued military cooperation and Soviet assistance. The visit could signal the arrival of SA-3 surface-to-air missiles in Syria. The Soviets may also have agreed to give the Syrians additional military assistance.

In an effort to counter Soviet-Egyptian frictions, Moscow resorted to a number of dramatic gestures to highlight the Grechko stop in

Egypt. Several ships from the Soviet Mediterranean squadron arrived in Alexandria on 16 May.

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According to the communiqué issued at the end of Grechko’s visit to Cairo, the USSR and Egypt agreed to “practical steps” aimed at implementing the military cooperation agreement reached during Sadat’s most recent visit to Moscow. A Cairo radio report subsequently claimed that a “new armaments agreement” was signed during the visit, but gave no additional details. There appear to be few new types of weapons that Moscow could or would make available to Egypt that would significantly improve Cairo’s military position. The provision of new weapons systems, however, would be an important political crutch for Sadat, and would provide a significant psychological boost for the Egyptian people. The language of the communiqué, as well as other media coverage of the visit, seems designed to submerge recent differences between the two countries, but frictions in their military relationship are nevertheless likely to continue.

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SADAT ON THE DEFENSIVE

President Sadat has once again publicly defended Egypt's relationship with the Soviet Union. This time, he coupled the defense with a warning to domestic critics against activities outside of approved channels.

Speaking on the anniversary of last year's purge of political opponents, Sadat rationalized, as he has before, Egypt's reliance on and gratitude for Soviet military assistance and economic aid. With an eye to Defense Minister Grechko's arrival in Egypt the same day, the President described at length the beneficial nature of this assistance. He denied any resemblance between his country's relationship with the USSR and the ties between Washington and Tel Aviv, describing Israel as "an agent of the US." Sadat admitted that differences do arise between Cairo and Moscow, but described them as the kind that occur "between brothers."



for those who try to create institutions outside of the established order.

Egypt's ties with North Africa were also stressed. Sadat described the support he received during his recent tour of Algeria, Tunisia, and Libya. His visit to Libya, however, was probably not as harmonious as he claimed. A number of things happened during the Egyptian leader's stay in Libya from 8 to 10 May, such as the cancellation of the departure ceremony, that suggest the meetings with Libyan officials may have been chilly. Frictions between the impulsive Qadhafi and the more cautious Sadat over various policy issues are not uncommon.

Meanwhile, Cairo has requested that the US Interests Section reduce its size from 20 to 12 individuals. The Egyptians, dissatisfied with US policies in the Middle East, have few other acceptable ways of registering this unhappiness. Egypt informed the chief US representative in Cairo that the size of the diplomatic mission should be returned to near the level that existed following the break in relations in 1967. An agreement to expand the size of the US Interests Section to the present level was reached a year ago during a period of relative cordiality.

During his speech, Sadat cited two petitions he had received since assuming office that were sent by a group of formerly prominent Egyptian officials who called for a new form of national leadership. Sadat described their requests as a return to the past that would lead to the dissipation of Egypt's achievements since the revolution. The President warned that no activity outside Egypt's present constitutional organizations would be tolerated and threatened punishment

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INDOCHINA

THE OFFENSIVE: BETWEEN ROUNDS

The North Vietnamese main-force offensive has made little headway since the capture of Quang Tri almost three weeks ago. In the fighting around An Loc, the enemy has been stymied so far by a tenacious South Vietnamese defense backed by allied air power. In the north, the Communist build-up around Hue may have been thrown off schedule to some extent by South Vietnamese counteractions and by allied air strikes, although the Communists probably did not expect to be ready yet for a major battle there. Nowhere do the Communists give any indication that they are reaching the end of their resources. In the central highlands, their methodical preparations for an assault on Kontum City seem to be nearing completion. And even in areas that have seen little heavy fighting so far, the North Vietnamese appear to be preparing for combat.

Allied air strikes and one of the most intense Communist barrages of the war have practically leveled An Loc. Elements of the Communist 5th and 9th divisions, supported by tanks, mounted yet another unsuccessful ground attack on the town last weekend. Aided by air strikes, the South Vietnamese defenders beat off the Communists.

With the South Vietnamese 21st Division still bogged down in its none-too-aggressive attempt to open Route 13 south of An Loc, Saigon has formed a task force to try to do the job. During the week, this force moved north to within a few miles of An Loc and brought South Vietnamese artillery within range to help defend the town.

In the region around Hue, South Vietnamese forces have pushed out to the west of the city, recapturing three former strong points along a natural route of approach for the Communists. South Vietnamese Marines also mounted a two-day foray behind enemy lines into Quang Tri

Province. The operation gave South Vietnamese morale a sorely needed boost, and it may have somewhat disrupted Communist offensive preparations.

On the Communist side of the lines in the north, a substantial build-up is continuing. South Vietnamese forces north and west of Hue began taking fire from Communist 130-mm. artillery on 16 May. The artillery attack caused little damage, but the North Vietnamese may merely have been getting the range for heavier shellings later.

In the weeks since the fall of Quang Tri, knowledgeable civilians in Hue have grown more optimistic that the city can be defended. They have been impressed by the way General Truong, the new commander of Military Region 1, has taken hold, and they believe the pause in the Communist offensive may have given the government side enough time to consolidate its defenses. Even the most optimistic of them, however, expects a bitter battle, with much damage to the city.

Such a battle may break out soon at Kontum City. Two Communist divisions—the 2nd and the 320th—are arrayed around the city. The enemy has been carrying out extensive reconnaissance operations. The city and its airfield were shelled on 16 May, and sappers blew up a large ammunition dump east of town. Resupply overland has been impossible for some time, and aerial resupply has become increasingly dangerous. The weather is bad in Kontum and getting worse.

Elsewhere in South Vietnam, the Communists are moving the division-sized Phuoc Long Front into the delta, and they are preparing for further action west of Saigon.

Thieu's Maneuvers: Mixed Results

President Thieu is taking action to tighten security and facilitate efforts to counter the

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Communist offensive, but some opposition groups have stepped up their opposition. Following the proclamation of martial law last week, the government announced a series of stiff emergency measures apparently designed in part to prepare the population psychologically for difficult times ahead. Small radical student groups are hoping to launch protests against the martial law decrees,

but police are aware of their plans and should be able to control any disturbances.

Substantial opposition has developed to Thieu's bid to get National Assembly approval for additional emergency decree powers. The measure has been passed by the Lower House, but opposition blocs in both houses, led by the An Quang Buddhists, have publicly denounced it. Some key independents, who hold the balance of power in the Senate, have indicated that they have misgivings, and they may succeed in amending or voting down the bill.

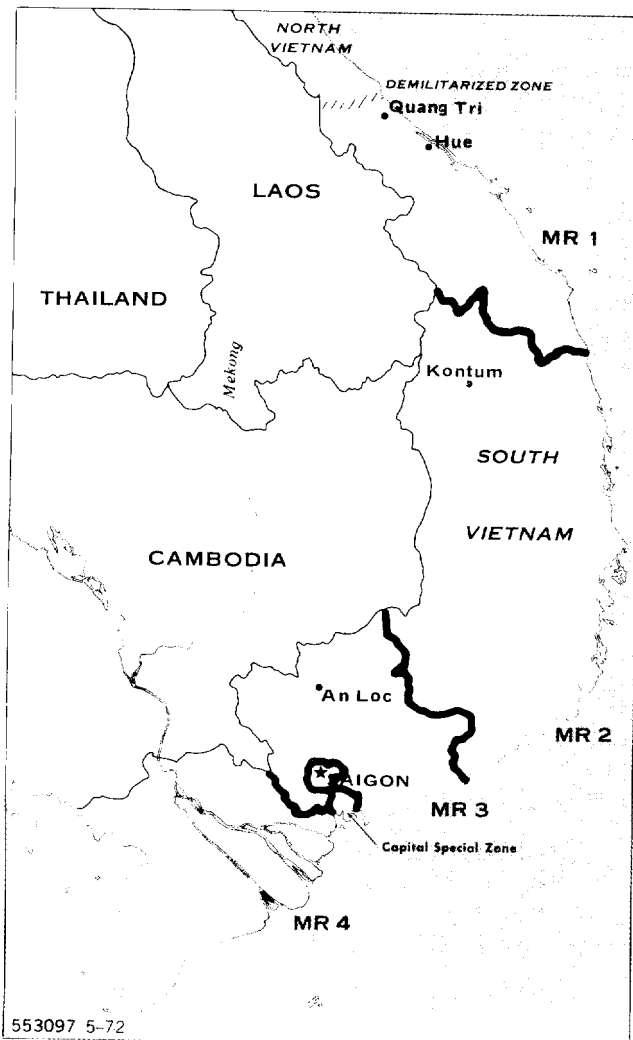
Thieu apparently is having some success in lining up support from politicians who are often sympathetic to the government. Most of the country's major nationalist political parties have joined a new anti-Communist front, and Thieu is encouraging their efforts. Both Thieu and the politicians apparently view the project as a temporary alliance designed to help cope with the current military crisis.

Hanoi Has Its Problems

In their propaganda, the North Vietnamese are making what they can out of the tepid support supplied so far by Moscow and Peking. They continue to issue calls for more vocal support from their two big patrons. On the home front, there are signs in the North Vietnamese media that morale is being stretched thin. One constant theme in Hanoi's current output is the need for a further tightening of security and for even stronger dedication to the revolutionary cause. The convening of the Hanoi party committee to consider such problems suggests that they are particularly serious in the capital.

CAMBODIA: MORE GOVERNMENT LOSSES

The Communists continued their month-old campaign to secure infiltration corridors into South Vietnam by expanding their control over the southern border area of Cambodia. On 14

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May, government troops were forced to abandon the town of Kirivong, some 25 miles south of Takeo City, and the Communists also began putting pressure on Tunloap, the last significant government border outpost on Route 2. These actions appear to have been undertaken by elements of the North Vietnamese Phuoc Long Front—with some support from local Khmer Communist units.

The Presidential Race

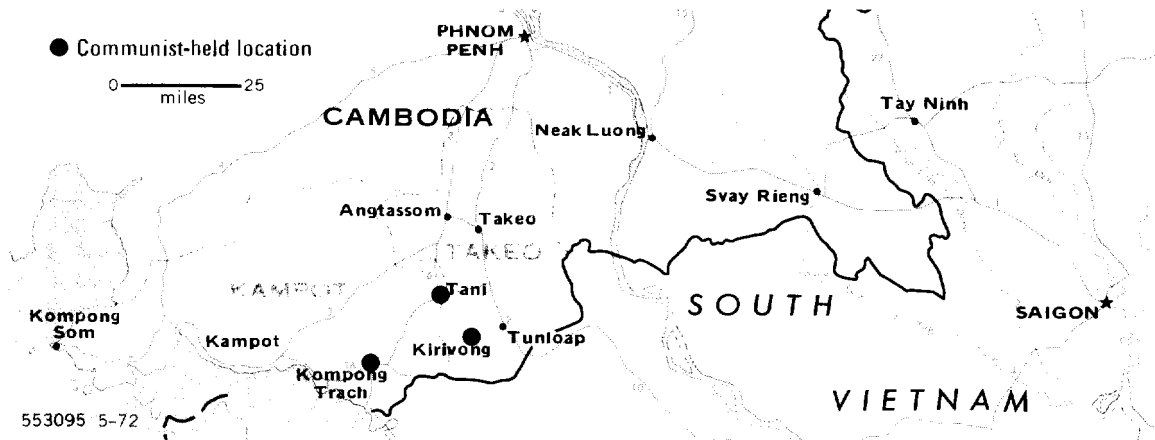
With a landslide vote for the new constitution now on record, the government is preparing

for the country's first presidential election, to be held on 4 June. Lon Nol's bid for the presidency faces only one serious contender, former constituent assembly president In Tam. If the election is reasonably honest, In Tam should do very well in his home base in Kompong Cham Province and he might make a decent showing in Phnom Penh, but it seems unlikely that he could beat Lon Nol or even prevent him from getting the majority that is necessary to prevent a runoff election. Lon Nol already has obtained the endorsement of the military establishment, which should in turn ensure him of strong support at the polls by the army rank-and-file.



Captured Russian-made T-59 tank on display in Saigon.

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SECRET**Matak Is Back**

Lon Nol also moved this week to bring his sometime friend and adviser, Sirik Matak, back into the government as "special adviser" to the president. The duties of this new position have yet to be defined, but Matak will have the rank, privileges, and salary provided the prime minister. It is possible, therefore, that he will again become Lon Nol's principal deputy—a position that he ably filled from August 1969 to this past March, when student protests forced him to quit the government.

Lon Nol may be seeking to obtain the backing of Matak's supporters in the forthcoming election. He may also be paving the way for the eventual designation of Matak as vice president. Whatever the case, the move is sure to be unpopular in some political circles—particularly among Phnom Penh's disgruntled students. Matak's acceptance of Lon Nol's offer represents a typical Khmer political about-face. During the two months that Matak spent on the sidelines, he frequently criticized the President and repeatedly vowed he would never again serve in any capacity in a government headed by Lon Nol.

BETWEEN SEASONS IN LAOS

In an unprecedented move, Communist troops on 17 May forced Lao Army units to abandon Khong Sedone, a provincial capital in south Laos 30 miles from Pakse. Lao Army elements garrisoned at Khong Sedone withdrew to positions about three miles south of the town after the Communists shelled their main camp and overran a nearby outpost. Most of the town's 2,500 inhabitants fled when the government troops pulled out. Following the withdrawal, US pilots observed some enemy troops in the abandoned camp, but the Communists were not occupying Khong Sedone the following morning.

Small North Vietnamese and Pathet Lao units have shelled and probed Khong Sedone in the past, but the town has never before been under enemy control. A North Vietnamese rallier claimed in April that the Communists did not intend to hold the town if the government pulled out. By attacking Khong Sedone, the Communists probably hope to forestall rainy season forays by the government onto the Bolovens Plateau. The loss of the town cuts the government's principal route north from Pakse. Government leaders in

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south Laos presumably will order troops currently in reserve at Pakse to recapture Khong Sedone.

In north Laos, the Communists have stymied Vang Pao's efforts to retake the territory between Long Tieng and the Plaine des Jarres. North Vietnamese troops have blunted the irregular advance toward Phou Pha Sai, the high point overlooking the southern Plaine, and on 13 May a Communist sapper team raided Pha Dong, the staging area for the operation, driving off the local garrison. Pha Dong was back in government hands by 15 May, but the Communist attacks may have helped take the steam out of the irregular advance toward Phou Pha Sai. A smaller government unit, which had dug in on the ridge overlooking Tha Tam Bleung and the new Communist road from the

Plaine, has been harried back into the hills farther north.

The Communists, however, evidently conceded Sam Thong to the irregulars who reoccupied the one-time refugee center without a fight last week. The irregulars are strengthening their hold over the Sam Thong Valley, and one 105-mm. howitzer has been brought in to support operations to the north. In the next few weeks, Vang Pao's forces should have little difficulty in expanding the perimeter around Sam Thong, but the Communists can be expected to react strongly to further government attempts to occupy the high ground commanding the southern Plaine and the routes from the Long Tieng - Sam Thong area, where some small Communist rear-guard units still remain.

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OKINAWA AND JAPAN REUNITED

Ritualized leftist protests greeted the return of the Ryukyu Islands to Japanese control on 15 May, but the reversion ceremonies were not marred by serious disturbances. While problems of integration still lie ahead for Japan, Okinawa is not likely to create serious strains in US-Japan relations or to generate major new domestic trouble.

Opposition to the reversion agreement itself has been partially defused. Critics in both Japan and Okinawa had argued the agreement lacks guarantees that US military operations on Okinawa would be subject to the safeguards applied on the main islands. In response to domestic pressures, Tokyo sought and received from Washington a public statement that reversion was being implemented in accordance with Japan's policies governing nuclear weapons.

Several dozen US military facilities on Okinawa have been released for Japanese military and Okinawan civilian use, but 88 installations, occupying some 20 percent of the island's land, remain under US control. Agitation for the removal of additional facilities is likely to increase and Tokyo is already committed to seek a further scaling down of the US military presence.

The status of the Senkaku Islands is another potential source of friction. Washington returned this barren chain to Japan along with the Ryukyus. Actual control of the Senkakus has long been contested by the Chinese and Japanese. The US has taken the position that it can not comment on any of the claims since such claims predate American administration. Tokyo is anxious to establish its claim to this potentially oil-rich area and would doubtless like to see more forthright US support.

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SECRET**NATO MINISTERS TO MEET**

The NATO allies have been approaching this spring's ministerial in an atmosphere of uncertainty. They believe that NATO's next moves in East-West diplomacy depend on the outcome of events largely beyond their control—such as the presidential trip to Moscow, the progress of SALT, the Vietnam war, and the West German debate over the Eastern treaties.

When the foreign ministers meet in Bonn on 30-31 May, some of this uncertainty may have been dissipated. Ratification of the West German treaties presumably would lead to early signature of the Final Quadripartite Protocol on Berlin, satisfying the condition NATO has insisted on before joining in multilateral security conference preparations. With the protocol signed, the East would urge even more forcefully that preparations get under way. The NATO ministers may, therefore, feel some pressure to set a timetable for these talks. Some allies prefer not to begin substantive talks in Helsinki until after the European Community summit in October. The US

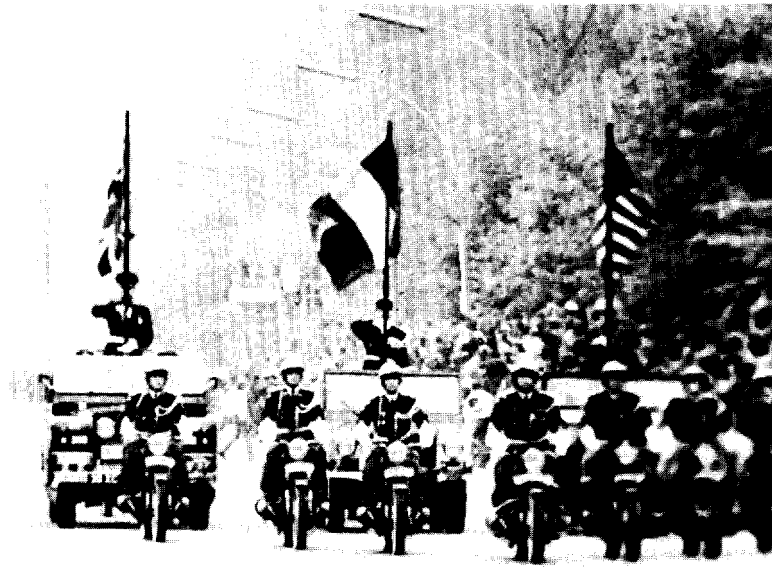
would prefer to wait until after the November elections.

The ministers must deal with other security conference issues on which the allies have not established common positions. There is no consensus, for example, on how the West should broach the question of freer movement of people, ideas, and information. The US has argued for keeping the freer movement terminology, but France, West Germany, and others think the term is so blunt that the Warsaw Pact would immediately reject it as an agenda item.

The allies are likewise split over the relationship between a security conference and mutual and balanced force reductions. The US has attempted to keep the two issues separate. Some allies, particularly the Italians, who would be excluded from force reduction talks in the US formulation, are lobbying strongly for a discussion of force reduction principles at a security conference. This would allow countries not directly involved in force reductions to play at least an indirect role.

The next allied move regarding force reductions awaits the outcome of the President's trip to the USSR: Moscow refused to receive NATO's force reduction "explorer mission," and in spite of the allies' nervousness over US-Soviet bilateral dealings, they now expect the President to act as the explorer. The Soviets may generally favor the idea of force reductions, but will probably prefer to do more listening than talking at the summit.

In advance of the Bonn session, the NATO defense ministers will meet next week in Brussels. They reportedly will get a stern lecture from the chairman of NATO's military committee

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concerning the threat to NATO defense efforts from inflation and diminishing public support for the necessary expenditures. The problem will also be addressed by the Eurogroup—the European NATO members minus France, Iceland, and Portugal—when their defense ministers meet on the eve of the larger session. The group will scrutinize possible adjustments in the defense postures of Denmark, Turkey, and Belgium. They will also examine a variety of Eurogroup cooperative defense projects. The West Germans hope that if the Eurogroup can make progress in joint arms production and procurement the French will be encouraged to join in.

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CEAUSESCU SEES HONECKER AND TITO

Romanian President Ceausescu's meeting with East German party boss Erich Honecker last week brought out the divisions between Bucharest and Pankow. Ceausescu's talks with Yugoslav President Tito four days later underscored the community of interests in that quarter.

The Romanian press tried hard to create a cordial atmosphere for Honecker's visit to Bucharest (11-12 May), but this could not hide sharp differences on a wide variety of issues, including Moscow's role in international Communism, the Middle East, and Vietnam.

Honecker was in Bucharest for the signing of a bilateral Treaty of Friendship and Cooperation. The treaty is fairly standard, and both sides appear to have what they wanted from it. In line with Bucharest's stance on international relations, the first article broadens the interpretation of socialist internationalism to include "respect for sovereignty and independence, equality of right and non-intervention in internal affairs." Article nine, which defines West Berlin as a separate political entity, is as Pankow would wish. Also in the interest of the East Germans is the statement on the inviolability of frontiers; the statement refers specifically to the border between the two German states. In spite of these accommodations, neither side expected the other to give ground on really contentious political issues.

There were, however, some signs of improvement in the cool relations between Pankow and Bucharest. The two sides made headway in less sensitive areas by agreeing to cooperate in cultural, economic, scientific, and technical fields. East German media, moreover, gave the visit banner coverage in an effort to portray Pankow's relations with Bucharest as similar to its ties with the rest of the bloc.

On the other hand, Ceausescu's session with Yugoslav President Tito on 16-17 May was a warm and friendly affair. They met on the Yugoslav-Romanian border. The occasion was the inauguration of the joint Iron Gates hydro-electric project on the Danube.

It was the sixth time the two Balkan leaders have met since a common opposition to the Soviet occupation of Czechoslovakia drew them together. They exchanged views on Vietnam, Mrs. Meir's recent visit to Romania, the Middle East situation in general, President Nixon's upcoming trip to Moscow, and President Tito's own visit to the Soviet Union that is slated for early June.

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TITO NOW WORRIED ABOUT SERBS

President Tito, in a speech on 8 May, cautioned against a revival of "great Serb chauvinism." He said that Serb extremists were criticizing other nationalities—and thereby the party's national equality policy—and were advancing "unitarist" themes boosting Serb hegemony over the Yugoslav federation. Tito warned that "many cominformists" are joining the nationalist movement and implied that Serb opposition to the constitutional changes of last year threatened to undermine political reforms.

In his speech, Tito specifically criticized the Serb party's failure to come to grips with these problems. Actually, the Serb leaders have fought hard to contain the reaction in Serbia to the Croatian nationalist purge but have had difficulty making this moderate line stick. An example of this frustration was the case of a prominent Serb lawyer arrested last February for "nationalist agitation." He was released by a Belgrade court before the investigation of the case was completed. This is an unusual procedural step in any

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Yugoslav court and, in the eyes of the other minorities, compromises Serbia's dedication to the principle of national equality.

Serb chauvinism has also begun to find more violent expression. Ali Sukrija, an Albanian serving in an important federal post, was seriously injured three weeks ago when assaulted by three Serbs in Belgrade. The regime has suppressed news coverage of the case.

Now that the moderate Serbs under party boss Marko Nikezic have Tito's firm support, they may be able to commit their party to a more forceful implementation of national equality and political reforms than their conservative constituency has been ready to accept so far. If they can, it would ease tensions between the nationalities throughout Yugoslavia.

The question of Serb nationalism is central to Yugoslavia's cohesion after Tito goes. Stane Dolanc, secretary of the federal party executive bureau, told a presidium meeting on 11 May that an individual citizen's respect for legal authority rests on equal application of the law throughout the federation. If the Serbs continue selective use of criminal and constitutional laws, there can be no hope that the other nationalities will accept Belgrade's role as an honest broker in settling ethnic disputes.

SWEDEN: CONFERENCES, CONFERENCES

Leftists and others plan to sponsor separate conferences on ecology to coincide with the UN environmental conference in Stockholm on 5-13 June. The counter-conferences will be anti-American in tone and could result in violence.

It all started when the Swedish Government decided to sponsor an "Environmental Forum"

aimed at satisfying the enormous non-governmental interest in such affairs. This forum, which began as a well-intentioned exercise by the Swedish UN Association, is in danger of being taken over by radicals. It will bring together numerous industrial, scientific, and intellectual organizations, but numbers of young radicals and others are being excluded. This had led some 30 organizations, ranging from a Swedish Maoist faction to a group calling itself "Music Power," to organize a "Peoples' Forum" to compete with the government-sponsored one.

Two other leftist environmental gatherings, the Dai Dong and the OI Committee, have also been timed to coincide with the UN conference. The pseudo-religious Dai Dong calls for economic and political change to improve the environment. The OI Committee derives its name from a Swahili expression *ote iwapo*, meaning "all that exists must be considered," and consists mainly of young leftists from poor countries.

Also Swedish industrialists will gather in Gothenburg the last week in May to establish positions on various issues to come before the UN conference. The Gothenburg meeting may be the only one to omit charges of "ecocide" in Vietnam, which may even be introduced at the UN conference.

The largest of the extraordinary conferences, the environmental forum, is expected to attract some 3,600 participants. Police predict that between 10,000 and 20,000 foreign youths will converge on Stockholm during the UN conference. Anticipating violence, Swedish authorities intend to activate some 1,850 city and 1,500 provincial police for security duty.

Arrangements for the UN conference are far from complete. So far, China is the only Communist country to accept an invitation to attend. The Soviet Union and other East European countries—with the exception of Yugoslavia, which plans to attend—are holding out in deference to East Germany, which wants full representation.

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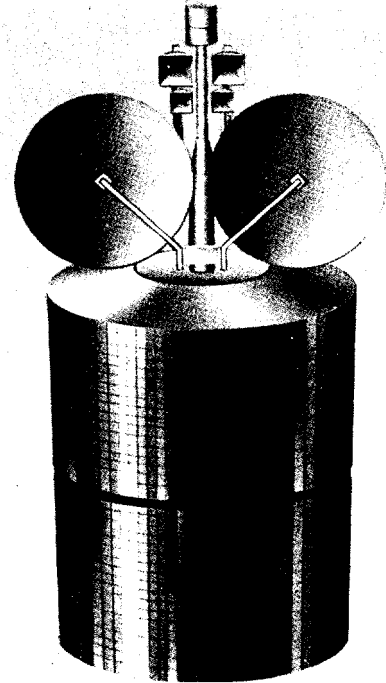
INTERSPUTNIK VS. INTELSAT

Intersputnik, the Soviet answer to US-backed Intelsat, is making slow progress in recruiting members and in advanced communications satellite technology. Because of a late start and the geographic constraints on coverage imposed by the satellite orbit that will probably be used, Intersputnik has little chance of becoming a serious competitor. Instead, it seems destined to be largely a regional system for the exchange of television programs and civil telephone traffic and for the possible bolstering of Warsaw Pact military communications.

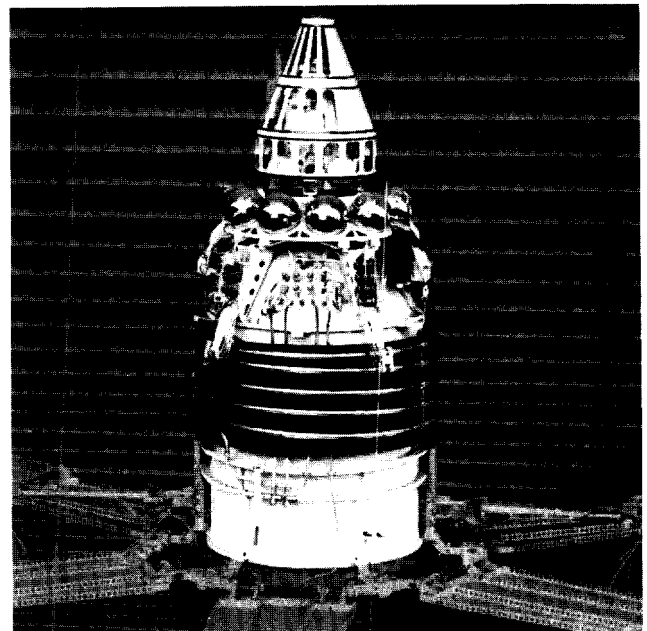
The Soviets announced their intention to form a rival to Intelsat in 1967, but their organization did not come into formal existence until 1971. Currently, Intersputnik has only nine members—all Communist countries—compared with 83 members in Intelsat. In contrast to Intelsat's seven communications satellites and more than 50 earth stations, the USSR is only now testing what may be a prototype Intersputnik satellite, and earth station construction has yet to begin in most member countries.

Despite this slow progress, Moscow appears committed to the system. Second-generation Molniya satellites are likely to reach operational status within the next year or two, and probably will form the basis for Intersputnik. Most of the current members probably will have at least one operational earth station by 1975.

Although Moscow believes that excessive US power within Intelsat prevents formal Soviet membership, this does not preclude a cooperative operational relationship. In fact, the Intersputnik Agreement specifies technical cooperation with other communications satellite organizations. Under a new US-Soviet "hot line" arrangement, the Soviets will build an Intelsat-type earth station to work with Intelsat satellites positioned over the Atlantic Ocean. In the future, the USSR may seek a more formal cooperative arrangement between the two organizations.



US Intelsat IV



Soviet Communications Satellite Molniya I

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SECRET**MALAGASY REPUBLIC: TSIRANANA TOPPLING**

Philibert Tsiranana's inept and ruthless handling of violent student protests has cast doubt on his political survival. In a last minute effort to preserve what remains of his fading grasp on power and to mute opposition, Tsiranana tapped the army chief of staff, General Ramantsoa, to take over as head of state. Tsiranana, however, retains executive powers as head of government, but he may not be able to retain them long.

Tananarive university and secondary students began the protest with a strike in late April over the government's education policies. Students in other cities soon joined in. Many parents and most teachers lent support. The students directed their major criticism against continuing French influence on Malagasy education. They demanded a revision of technical cooperation agreements with France and greater stress on Malagasy culture in the curriculum.

The students defied government threats, pleas to return to class, and orders banning public meetings. Tsiranana, blaming the strikes on Communist agitators, refused to consider the demands until the students ended the strike. Student anger increased as a result of government intransigence, the killing of students by government security forces, and the reappointment of the minister of culture, whose ouster the students have long sought. Last weekend, students clashed with security forces. Demonstrators set fire to Tananarive city hall and to the offices of the government's major newspaper, burned cars, and damaged other public and private buildings. About 30 persons were killed and hundreds wounded. Student strike leaders were arrested and charged with attempting to overthrow the government; all schools in Tananarive province were closed indefinitely.

The killings helped generate broad popular opposition to the Tsiranana government. Last Monday, demonstrators were joined by large numbers of workers and civil servants in a march

on the presidential palace. The march was accompanied by a general strike that caused the closing of most business firms and many government offices in the capital.

These events prompted Tsiranana to adopt conciliatory gestures. He ordered the release of the imprisoned students, agreed to meet a student delegation, and sacked the unpopular minister of culture. Sporadic clashes continued, however, as students directed their anger against members of the Republican Security Force, the elite paramilitary force responsible for all the killings.

Conciliation came too late. Tsiranana, often guilty of erratic behavior in the past, has been thoroughly discredited by the killings. Most Malagasy remember all too well his earlier radio speech in which he said the killing would continue until the protests ended. He is no longer able to rely on the island's gendarmerie or army. Both forces have refused to take strong action against the students, and many members of the gendarmerie are openly sympathetic to the protesters. Meanwhile, the Republican Security Force is on the defensive; students are seeking out and killing security force troopers.

Tsiranana's sharing of his authority with General Ramantsoa is not likely to placate the students. As of noon on 18 May, students and workers were showing increasing signs that they would be satisfied only with Tsiranana's ouster. If they were to renew mass demonstrations, it appears doubtful that the army would move against them, and this would pave the way for the military to assume full power.

The French, who have important economic interests and strong political influence in the republic, announced in Paris on 17 May that they would not intervene. This may have removed the final obstacle to easing Tsiranana out. The knowledge that French forces will not be used to save Tsiranana may increase popular pressure to strip him of all power.

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TURKEY: URGUPLU DISMISSED

President Sunay rejected the cabinet proposed by Suat Urguplu on 13 May and turned to Ferit Melen, who is defense minister and acting prime minister, to form a government. This marked the first time in Turkey's history that a president refused to accept a government. The move probably was dictated by the military. Melen reportedly has been Sunay's personal choice since Nihat Erim resigned about a month ago under still unexplained circumstances.

The 65-year-old Melen is a political conservative. He split from the Republican Peoples Party, one of Turkey's two major parties, in 1967 because he disagreed with the left-of-center orientation and increasing influence of party Secretary



Ferit Melen

General Bulent Ecevit. Melen and others formed the National Reliance Party of which he is still vice president. He served as minister of finance from 1962-64 after filling numerous lesser posts in the bureaucracy. Melen has been minister of defense since March 1971, when the military intervened to end the alleged drift toward anarchy and to promote reform, and acting prime minister since Erim resigned.

Melen should have little difficulty in retaining the confidence of the top military leaders,

and he probably will be viewed by most political leaders as an acceptable prime minister, especially if he agrees to move toward early national elections. If Melen retains most of the members of the second Erim cabinet, which is still serving in a caretaker capacity, he should be able to win a vote of confidence from parliament. So far, Melen has refused to resign from the small but influential National Reliance Party, and this could cause some trouble both in parliament and among some military circles despite his professed intention to form an "above-parties" government as required by the military. [redacted] 25X1

CYPRUS: CABINET CHANGES TO COME

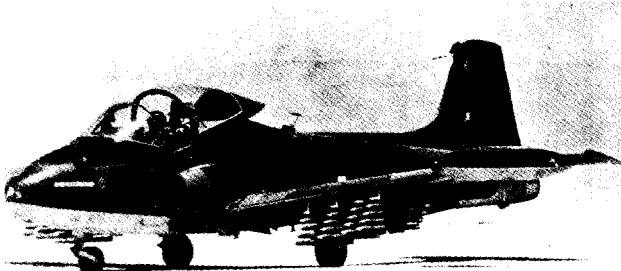
President Makarios still declines to accept Greek direction of Cypriot internal affairs. He refuses to make sweeping changes in his administration as demanded by the Greeks. Foreign Minister Kyprianou, who is not well-regarded in Athens, has resigned, and Makarios has promised to reshuffle other ministers next month. He will probably dismiss a few ministers objectionable to Athens, but he will use the opportunity primarily to get rid of those who have been giving him trouble.

Whatever changes Makarios makes, he will make sure the reshuffle does not constitute submission to Athens. In fact, Makarios appears confident that the Greeks will play down their difficulties with him in order to encourage resumption of the intercommunal talks. At present, Athens is busily occupied with soothing Turkish concern that these talks might adversely affect the Turkish Cypriots. The Greek and Turkish foreign ministers apparently will discuss the Cyprus situation prior to the semi-annual discussion at the UN Security Council on the renewal of the UN peace-keeping force on Cyprus. These developments should keep Cyprus and the Athens-Nicosia dispute on the back burner, at least for a while. [redacted]

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British BAC-167, used by Omani Air Force

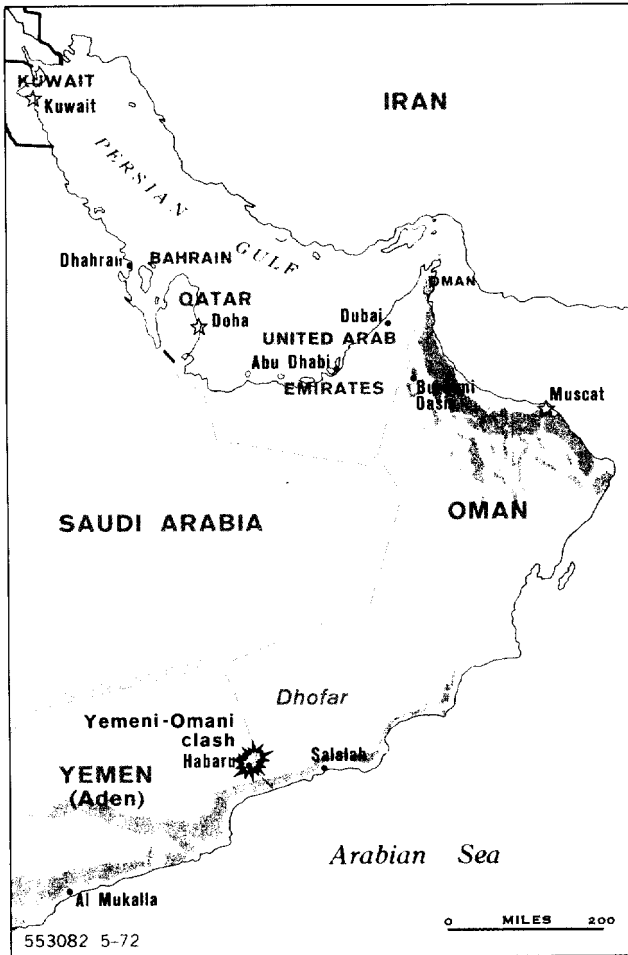
OMAN - YEMEN (ADEN): FIREWORKS

Oman's campaign to subdue leftist rebels belonging to the Popular Front for the Liberation of Oman and the Arab Gulf recently led to a border clash with Yemen (Aden). The fighting, which lasted about four days, involved mortar and machine-gun attacks by popular front insurgents and Adeni militia on Omani positions near Habarut in Dhofar Province. When Omani attempts to arrange a cease-fire were unsuccessful, Omani fighter aircraft, in all likelihood flown by British pilots, strafed targets across the ill-defined border on 6 and 7 May.

The attack from Yemen (Aden) was probably designed to ease pressure on popular front units nearby. Since last October, when the Sultan's British-led army went on the offensive, the insurgents, who are supported by Aden, have been driven from many of their mountain sanctuaries toward the poorly defined frontier with Aden.

The fireworks in Dhofar have produced a flurry of diplomatic activity. Both Yemen (Aden) and Oman raised the matter in the Arab League and with UN officials. Aden has seized upon the incident to spotlight British military assistance to the Sultanate of Oman. The incident at Habarut is also being used by the radical regime in Aden to support its oft-cited allegation that Saudi Arabia and Oman are working to overthrow it. While both governments would, for their own reasons, like to see a less radical regime in Aden, there is 25X1 no evidence of active collusion in the border clash. The Sultan of Oman has sought financial aid from Saudi Arabia/

[redacted] to cover some of the expenses of the campaign against the popular front. [redacted] 25X1



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PAKISTAN: BIG DEVALUATION

Islamabad last week devalued the rupee by almost 60 percent, thereby opening the door to substantial Western aid. The Aid-to-Pakistan Consortium had made currency reform a prerequisite for debt relief. The relief package, already tentatively agreed to, will amount to \$234 million through June 1973. Western nations probably will also provide urgently needed commodity aid, and the International Monetary Fund probably will grant stand-by credits.

The devaluation will have only a limited impact on foreign trade, but it has enabled Islamabad to get rid of a complicated bonus system. The system, just dismantled after more than 13 years' operation, had the effect of de facto devaluations for various categories of exports and imports. Cotton and rice exporters, who would normally stand to gain the most from the new devaluation, are facing new export duties that will lessen their advantage. Similarly, customs duties apparently have been adjusted so that the landed cost of most imports will not differ significantly from the pre-devaluation figure. Finally, many essential imports are now allowed entry only under aid or barter agreements.

Islamabad is moving to minimize inflationary pressures resulting from the devaluation. President Bhutto has threatened sweeping arrests of businessmen if they make unwarranted price hikes. Government subsidies will hold down prices of basic consumer goods such as wheat, vegetable oil, and gasoline. To limit credit expansion, the bank rate has been increased from five to six percent, and deposit and lending rates will be changed.

Devaluation is the latest in a series of economic steps announced by the Bhutto administration. Unlike the earlier measures—land and

labor reform, selective government take-overs of industry—the devaluation is essential to the efficient operation of the economy and is not as closely connected with Bhutto's political platform. The President still has not made his most crucial economic decision, the choice between the competing demands for scarce resources of military and civilian interests.

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NIGERIAN DIPLOMACY IN WEST AFRICA

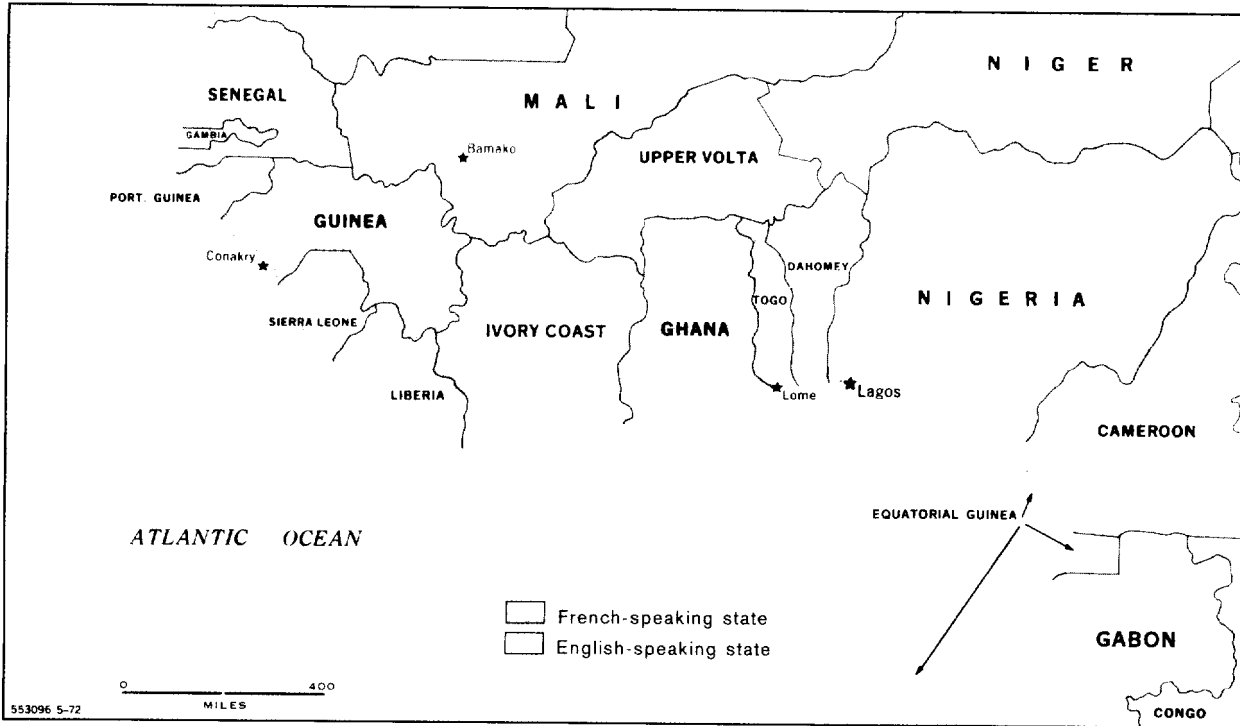
General Gowon is showing a growing interest in extending his government's influence in West Africa. As part of the program, Lagos is drawing on its increasing oil revenues to assist its poorer neighbors and to promote regional economic cooperation.

Since the end of the civil war in early 1970, Gowon has brought Nigeria into the mainstream of African diplomacy. In the last three months, he has focused on West Africa. A visit to Guinea in March strengthened bilateral relations not only with Guinea but also with Sierra Leone, whose president came to Conakry especially to see Gowon. In Conakry, Gowon enhanced Nigeria's image as a benefactor of African liberation movements through well-publicized contacts with and promises of aid to the leaders of the insurgent group in Portuguese Guinea. Gowon also has been demonstrating an eagerness to mediate bilateral disputes, notably those between Guinea and Senegal and between Guinea and Ghana.

Last month, Lagos gave a \$3 million interest-free loan to Dahomey, which has been receiving a variety of quasi-commercial assistance from Nigeria since early 1971. Gowon is

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considering extending aid to hard-pressed Ghana, whose new military leaders are admirers of his regime.

Gowon's most striking move so far was a recent state visit to Togo, which coincided with a meeting of nine French-speaking heads of state of the Afro-Malagasy and Mauritian Common Organization. While in Lome, Gowon reached a reconciliation with presidents Houphouet-Boigny of Ivory Coast and Bongo of Gabon, both of whom had recognized Biafra during the Nigerian civil war. Gowon used the occasion to signal a serious interest in multilateral economic arrangements by pledging to join with Togo in an "economic ensemble" that will be open to others. The structure of the "ensemble" is to be negotiated in Lagos in

June, and the Nigerians claim it will be complementary to the projected West African Economic Community that leaders of eight French-speaking states are to discuss in Bamako in July.

Nigeria's expanding regional activities are being watched closely in Paris, which still wields strong influence in French-speaking West Africa. The French have long been concerned over Nigeria's potential as a pole of attraction to its much smaller French-speaking neighbors. In the past Paris has discouraged the formation of organizations that include both French- and English-speaking African states. Despite Paris' concern, even the most conservative French-speaking leaders have cautiously welcomed Gowon's initiatives, which at this point are far from a challenge to France's basic interests in West Africa.

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CHILE: ALLENDE FEELS THE PINCH

Contention within President Allende's Popular Unity coalition is more apparent every day. Socialists and smaller hard-line groups are openly challenging the more cautious Communists and making common cause with the Movement of the Revolutionary Left, the *miristas*. The extremists seem determined to promote violence and force a showdown—or a series of them—that will push the government into more drastic measures to consolidate power.

Communist leaders are concerned by the obvious inroads of the extremists on the party's influence, particularly among workers and youth. Party strategists seem ready to adopt a more radical stance to regain the initiative within the coalition and to counter the growing influence of the *miristas* but cannot easily gear up their stolid organization and stodgy stalwarts. Events last week in the strongly leftist industrial city of Concepcion demonstrated the problems posed by the extremists to the Communists and the coalition. When simultaneous scheduling of three marches—by the opposition, the coalition, and the *miristas*—appeared certain to set off violence, President Allende ordered them all canceled. The more radical coalition factions and the *miristas* disregarded the order. Two days of violence ensued when the police tried to stop them. The radicals, in turn, blamed the fracas, and the death it caused, on the ineptness of the ranking provincial official, a Communist, and his party.

There are similar splits in the countryside, where Socialists are joining *miristas* in land seizures in efforts to push the government into a more drastic agrarian program. Their efforts have led to stepped-up rural violence. Violence had already been triggered by some peasants' dissatisfaction over the meager immediate benefits of agrarian reform and landowners' use of force to salvage what they can. The Communists see the

illegal seizures as helping the opposition and raising sympathy for landowners among the military.

In the political arena, the hard-line Socialist leaders headed by Secretary General Carlos Altamirano are again trying to force a plebiscite. They plan to submit a constitutional amendment to congress providing for more sweeping nationalizations of businesses, expropriations of even smaller farms, worker participation in all enterprises, and confiscation of all ITT interests. The Socialists have challenged the opposition majority in congress to reject the amendment so that the government can call a plebiscite on the amendment.

President Allende, the police, and the judiciary are caught in the middle. Allende is showing concern over opposition claims that the touted integrity of the Chilean judiciary is threatened by his government and that the police are not ordered to curb the illegal activities of leftist extremists. The President wants to decide his own timing and issue for a plebiscite that he knows could be critical. He is weary of end runs and constant and competing pressures from his supposed supporters.

There are further indications that he sees the incorporation of more military officers into his government as strengthening both it and his own position. The commandant of the Valparaiso Naval Zone has been named to head the provincial government—the second such appointment—and there is a report that an air force general will be given the task of putting the hard-up national airline back on its feet. Allende's own bill to nationalize ITT's majority holdings in the Chilean telephone company provides for the military forces to name officers to appraise the value of the holdings. 25X1

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CABINET SHUFFLE IN ECUADOR

On 11 May, President Rodriguez dismissed from his cabinet the two members who had been most vocal in their espousal of drastic reforms and most independent of the rest of the administration. Rumors had been circulating for several weeks that Rodriguez wanted to get rid of Government Minister Valdivieso and Production Minister Proano. The President had hesitated because of Proano's support among younger officers and because of the navy's backing of Valdivieso, a navy captain. After assuring himself of the support of important army commands, the President removed the men from the cabinet and returned them to active military service. A civilian, Felipe Orellana has replaced Proano, and Defense Minister Aulestia will take over the government portfolio temporarily.

Other shifts are expected as Rodriguez attempts to assert more forceful control over his administration. Two other activist ministers, Rodriguez of public works and Jarrin of natural resources, would be likely candidates, but they have been less vocal than Proano and therefore may be kept on, at least for a while, to mollify reformists within the armed forces. The fact that Valdivieso and Proano were not retired indicates that Rodriguez did not believe himself to be in full control.

Strains do persist within the armed forces, especially over the pace and direction of reforms. The navy, the most reformist of the services, believes that the army officers who hold key positions are motivated only by a desire for power and have no clear direction in mind. Navy leaders believe that the replacement of naval officers holding government positions is a calculated policy to place the army in complete control.

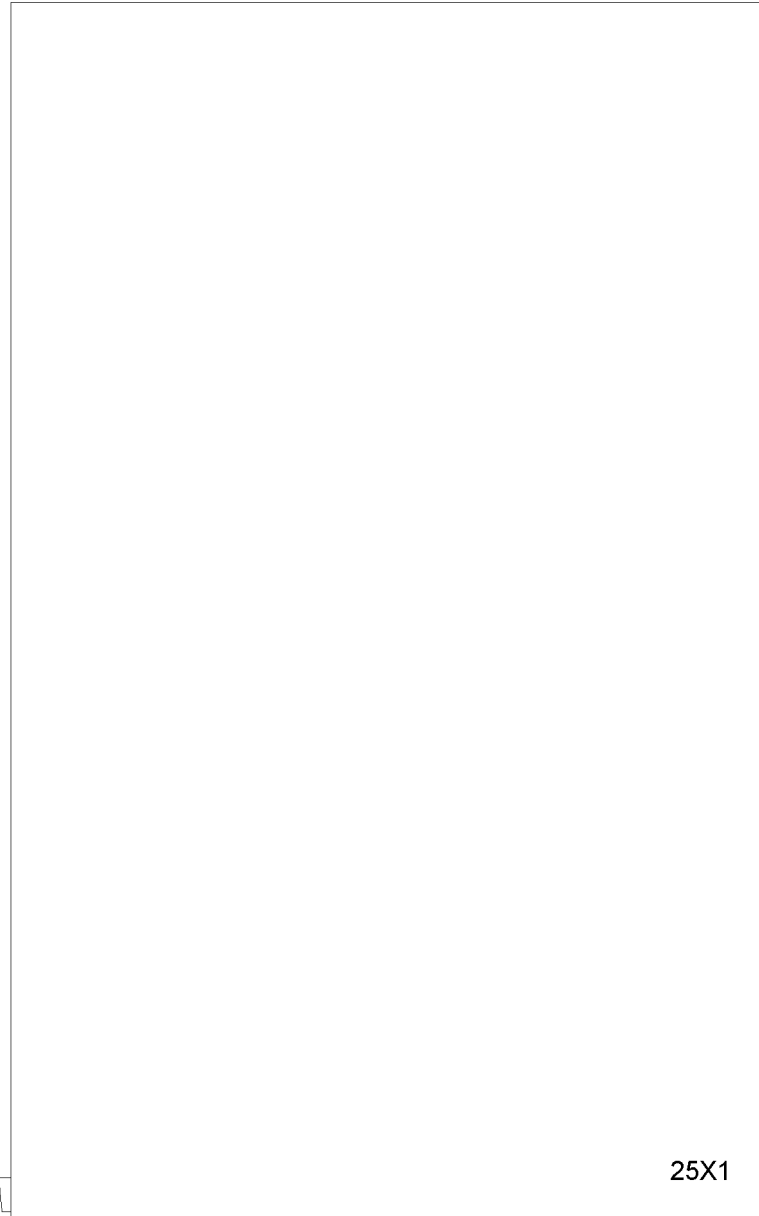
Rodriguez can remain president as long as he retains the support of the leaders of key troop commands. Even with this backing, continued dissatisfaction within the armed forces would

seriously impair his ability to govern effectively.

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CUBA: CASTRO LEAVES AFRICA

Fidel Castro has completed the African portion of his extensive foreign tour after a ten-day stay in Algeria. Although Castro was warmly received on his arrival in Algiers, it appears that his statements about his political philosophy made a negative impression on his Algerian hosts. Some of them have come to regard the Cuban case as an excellent example of what happens to a country's revolution if its leaders are unable to establish true independence.

Algerian Foreign Ministry officials who accompanied Castro throughout his tour of their country reportedly commented that the Cuban leader has sold out to the USSR and that he should be considered as just another Marxist-Leninist. They admitted that Cuba's revolutionary doctrine does in some ways have a peculiarly Cuban stamp, but said that Castroism cannot be considered as a pattern for other developing nations.

Castro evidently also made a number of mistakes in his public contacts. During a visit to a southern oasis, the Cuban leader timed some date pickers and said they were too slow. Moreover, Castro criticized the quality of the crates in which the dates were being packed. Algerian officials remarked that Castro's criticism was laughable in view of his inept handling of the Cuban economy.

Relations between Algeria and Cuba had been somewhat more cordial since Foreign Minister Bouteflika spent ten days in Cuba last year. It appears, however, that Castro did not impress the Algerians as a third-world leader. It is likely that they were glad to see him move on when he left for Bulgaria on 17 May for the first stop on the European leg of his long tour. [REDACTED]



URUGUAY: A BLANCO SPLIT

President Bordaberry has gained a 45-day extension of his internal state-of-war measures, thanks to the support of two opposition Blanco factions. Having failed to obtain passage of a national security law, Bordaberry appealed to Congress last week to grant him emergency powers for an additional 90 days beyond the 15 May termination date for the state of war. Although Blanco leader Wilson Ferreira wanted to give the administration only a 15-day extension, conservative Blancos voted to give the President more time to negotiate a compromise on the security law.

This is the first time that Blanco legislators have split on a major issue since Bordaberry took office. The Blancos who sided with the administration, however, did not support Ferreira for president in the last election, but backed the more conservative Mario Aguerrondo. These dissident factions may lend occasional support to Bordaberry in the future, but it is unlikely that they will agree to consistent cooperation with the administration. [REDACTED]

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