

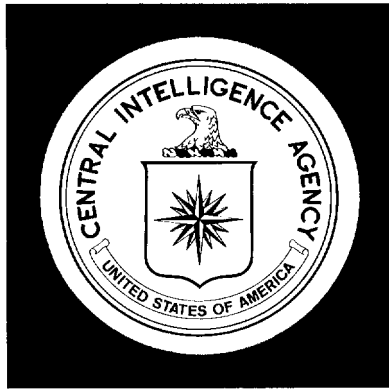
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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

Secret

6 April 1973
No. 0364/73

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CONTENTS (6 April 1973)

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 there- 25X1 published separately as Special Reports are listed in the contents.

[Redacted]

25X6

- 2 Netherlands: The Flying Dutchmen
- 3 The Philippines: Jakarta Weighs In
- 4 Indochina
- 5 Peru: Velasco Is Back

[Redacted]

25X1

FAR EAST

- 6 Cambodia: Tribulations
- 7 Laos: Marking Time
- 7 Thailand: Looking at Peking
- 8 China: Oil Diplomacy

EUROPE

- 10 Europe: Talks in Two Cities
- 11 Gold
- 12 Yugoslavia: Ustashi Again
- 13 Eastern Europe: Crop Outlook Mixed
- 14 Bulgaria: Satellite for the '70s
- 15 Poland: Tightening the Reins

[Redacted]

25X6

MIDDLE EAST
AFRICA

- 16 Israel: Eban to the Hustings
- 16 Turkey: The Search Goes On
- 17 Bangladesh: Grim Prospects
- 18 Afghanistan: A Bag of Problems

WESTERN
HEMISPHERE

- 20 Dominican Republic: Road's End
- 21 Argentina: More Terrorism

[Redacted]

25X1

Comments and queries on the contents of this publication are welcome. They may be directed to the editor of the Weekly Summary. [Redacted]

25X1

Page Denied

SECRET

25X6

together a Grand Coalition with the confessional parties. The Netherlands has been 128 days without a government, its longest interregnum, and no solution is in sight. Dutch politicians are toying with various makeshifts that would buy time for the parties to prepare for elections later this year.)

14 [The Labor Party's bid to form a broadly based coalition ground to a halt last week when the Catholic People's Party and the Anti-Revolutionary Party broke off talks with formateur Jacob Burger and opted for an opposition role. Both parties had supported the demand of their customary ally, the Christian Historical Union, for an extra portfolio in the cabinet. They also wanted to examine in detail labor's draft program, especially projected cuts in defense spending. Labor leaders refused to make concessions on these points, thus forcing Burger to resign his mandate.]

[Labor Party leader den Uyl is in a quandary. He would still like to form a minority government of the three leftist parties but few expect Queen Juliana to give him the chance. As formateur, den Uyl would face the problem of finding enough qualified individuals for a cabinet without depleting the leftist parliamentary groups of their talent and expertise. Catholic politicians are refusing Labor's invitation to serve in a cabinet and are unwilling to provide the de facto support in parliament necessary for such a coalition to survive.

In desperation, some conservative politicians have raised the idea of forming an extra-parliamentary government composed of non-political figures. This option seems to be the only alternative because the chances of restoring the previous center-right coalition appear slim. The strategy might forestall the early elections that the confessionals fear. This ad hoc arrangement, however, would be no more stable than a leftist minority government and would probably be unable to pass any major legislation.

13 [The problems are large and the available solutions transitory. It would seem the Dutch are condemned to a protracted period of governmental instability that only new elections coupled with a shift in voter sentiment can resolve.]

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NETHERLANDS: THE FLYING DUTCHMEN

11 [The Labor Party, the largest single party in the country, has failed in its efforts to hammer

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THE PHILIPPINES: JAKARTA WEIGHS IN

17 [A rebellious Muslim minority in the southern Philippines is hardly a new phenomenon, but the current round of fighting has taken on broader and more ominous dimensions. Despite a recent lull in combat, there are indications that the dissidence may be spreading to areas only marginally affected before. There are also signs of new and perhaps intensified fighting in the offing. Although troop reinforcements have been brought in, the situation will get worse before it gets better. There is some evidence that the dissident Muslims may be coming under the leadership of younger, more militant elements not responsive to the traditional Muslim political bosses and presumably less receptive to government peace initiatives. Recent decisions to arm Christian "self-defense units" and other vigilante groups and to use napalm against the insurgents may hasten the process of radicalization in Muslim ranks and set the stage for protracted communal bloodshed.]

17 [The flow of weapons and other forms of external assistance to the Muslims provides another dimension to the conflict. Aside from encouraging further fighting, this aid is severely straining relations between the Philippines and Malaysia.] Indonesia, which sees itself as a cham-



Muslim Village in Zamboanga



Arms Collected in Cotabato

tion of regional stability and a natural mediator in this case, is attempting to curb foreign involvement in the hope that the problem can revert to being an internal Philippine affair.]

18 [Indonesian Foreign Minister Adam Malik got this message across to a chief culprit—Sabah Chief Minister Tun Mustapha—during a private meeting in Jakarta on 18 March.]

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Malik warned Mustapha that his activities were jeopardizing a possible regional solution and urged restraint. Malik subsequently repeated the substance of these remarks at a press conference at which he stressed Indonesia's opposition to any form of external interference in domestic Philippine affairs.]

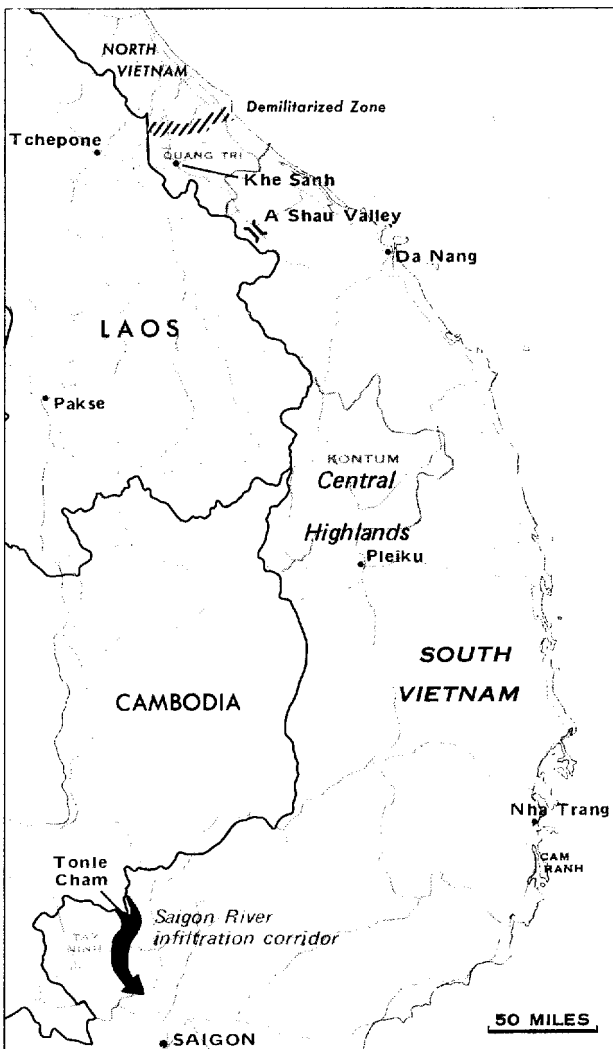
18 [Aside from attempting to rein in Mustapha, Jakarta is urging Manila to exercise restraint in dealing with both its Muslim population and its Muslim neighbor, Malaysia. Manila's seven-year-old claim to Sabah is the major factor behind Kuala Lumpur's acquiescence in the illegal flow of arms to the southern Philippines. Indonesia can be expected to try to persuade President Marcos to drop or soft-peddle this disruptive aspect of Filipino foreign policy, and Foreign Minister Malik will probably raise these matters when the foreign ministers of the Association of Southeast Asian Nations meet in Thailand the middle of this month.]

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SECRET**INDOCHINA****SOME FIGHTING IN SOUTH VIETNAM**

10 Military action in South Vietnam this week centered around the Ranger camp at Tonle Cham in northern Tay Ninh Province. The Communists 21 have kept up daily harassing fire and ground probes against the camp, making resupply extremely difficult. The government has warned that, unless the Communists back off, Saigon may resort to a strong military riposte.]



20 Both sides regard the fate of the camp as a significant test of whether the Communists will have unmonitored control of the Saigon River infiltration corridor, but neither seems prepared to carry the test to a major showdown. The Communists appear unwilling to make the considerable military investment it would take to overrun the position; they hope that limited but steady pressure will force the Rangers to abandon it. The government, while threatening action to relieve the siege, is not yet mustering the sizable military force needed to clear the area. Both claim they are willing to negotiate a local truce, but neither is trying very hard to work one out. The heightened tension and a tightened Communist squeeze on the camp could nevertheless push both sides into large-scale hostilities.]

20 Military action throughout the rest of the country was generally light. Assessments from US and South Vietnamese field observers, 60 days after the cease-fire, conclude that local sparring is likely to continue in nearly all areas of the country. In northern Quang Tri Province—one area where the Communists appear reasonably satisfied with present battle lines—the North Vietnamese are content to position supplies and strengthen their air defenses, including a growing number of SA-2 missile sites around the former US military base at Khe Sanh. There are indications of heavy logistics activity farther south in such areas as the A Shau Valley and the border area of central Kontum Province.]

21 On the political side, the talks in Paris so far have been confined largely to propaganda exchanges. The Two-Party Joint Military Commission in Saigon is suffering from similar ills, further handicapped by the disputes over the fighting at Tonle Cham. The South Vietnamese walked out of some commission sessions after the Viet Cong delegates refused to permit an inspection team from the International Commission for Control and Supervision to arrange a temporary truce in the fighting. As for the latter, the Polish and Hungarian delegates still refuse to investigate any violations that might prove embarrassing to their Vietnamese Communist allies.

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PERU: VELASCO IS BACK

104 Rumors that President Velasco suffered brain damage during the first of his recent operations were dispelled this week when the President staged an impromptu news conference and then presided over a cabinet session.

101 Prime Minister Mercado's mandate for limited presidential powers was not extended when it expired on 31 March, and Velasco has formally resumed his responsibilities. Velasco's comeback, however, is unlikely to end maneuvering by military factions concerned about who eventually will succeed him.

101 Mercado has the lukewarm support of most of the moderate elements in the armed forces.



104 Velasco will not lack support if he tries to hang on to the presidency, but even his staunchest backers are likely to conclude that attempting to maintain him in power indefinitely would be counterproductive.

104 Velasco's temporary absence may have served as a pointed reminder of how much the military government needs a leader who can moderate its internal disputes, and Mercado is the choice best calculated to avert divisive and potentially destructive struggles. Mercado could still find himself odd man out, however, if disagreement over the succession degenerates into violence.



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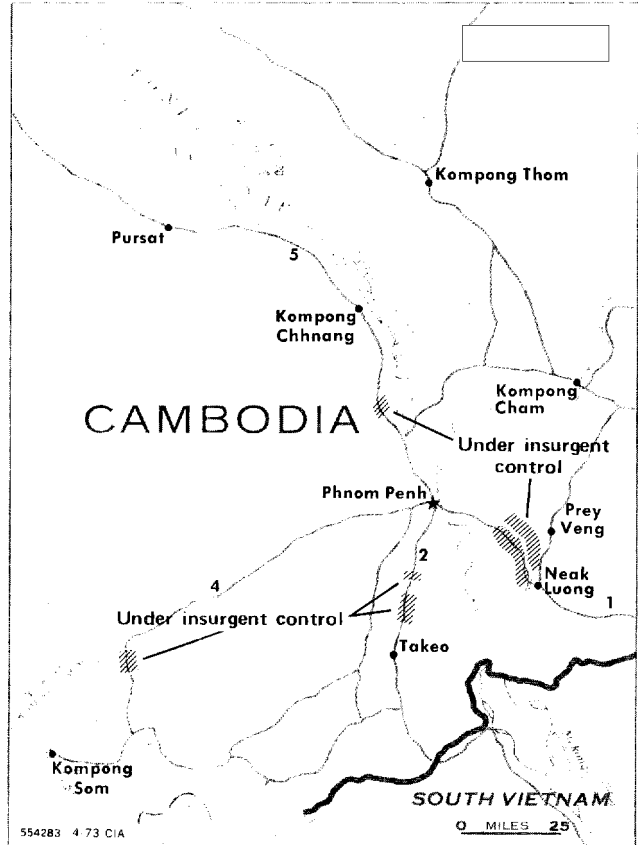
CAMBODIA: TRIBULATIONS

27 } The Lon Nol government is no stranger to misfortune. For the second time in less than three weeks, the regime confronts a new emergency. This time the problem is economic—a severe shortage of essential petroleum products. Regular supply convoys along the Mekong River from South Vietnam have been unable to reach Phnom Penh since 20 March because the Khmer insurgents hold a stretch of the waterway east of the capital. As a result, supplies of diesel fuel and gasoline will run out early next week. Gasoline is already being rationed.

08 } The Cambodian Army, hampered by chronic problems of inadequate leadership and poor discipline, has been unable to regain control of the Mekong corridor. Other factors probably contributed to the army's lackluster performance of late along the Mekong and elsewhere. These include a growing reluctance by many soldiers to fight, a general war weariness brought on by hopes that the Vietnam cease-fire would be extended to Cambodia, and loss of respect for an increasingly remote Lon Nol.

04 } The Mekong is not the army's only military problem. Aggressive insurgent forces have also cut sections of all major highways leading into Phnom Penh. Government clearing operations along Routes 1, 2, 4, and 5 have made little or no headway. The effort to reopen Route 2 between Phnom Penh and Takeo has been particularly costly. Early in the week, elements of the army's best division, which is made up mostly of Khmer Krom troops, suffered heavy losses in men and materiel. The division was forced to return to Phnom Penh for rest and refitting.

32 } On the political front, Lon Nol has begun to reshuffle his cabinet. The first to go was the beleaguered finance minister, and the ministers of labor and information reportedly are due to follow. The most significant change was the resignation of Brigadier General Lon Non from the government on 3 April—which will not be formally



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approved until other changes are made. Lon Non ostensibly will concentrate on military affairs.)

28 } Lon Non's considerable power and trouble-making potential flow from his unique relationship with the President, who remains heavily dependent on his younger brother. A cosmetic change such as Lon Non's resignation will probably not be enough to relieve the political tensions that have been generated by his incessant intriguing. If he were to spend more time on military matters, it would almost certainly further antagonize his many detractors within the army establishment and would not add to military efficiency.

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LAOS: MARKING TIME

34 [The Communists have submitted lengthy counterproposals to the draft military and political protocols offered two weeks ago by the government. Phoune Sipraseuth, fresh from consultations in Sam Neua, met with leading government negotiators early this week in Vientiane. But these talks reached an impasse over new Communist political demands and insistence that military matters be settled before the new government is formed.]

[redacted] Communist intransigence on this point would ensure protracted negotiations.

36 [The cease-fire in Laos has held up fairly well for over a month now with an average of only ten incidents—mostly minor—reported daily.] In the past two weeks, however, Communist radiobroadcasts have become more bellicose about alleged government encroachments into Communist territory. government encroachments into Communist territory.



Deputy Prime Minister Praphat

acterizing Peking's support of Thai insurgents as an "unfriendly action" that forces Bangkok to adopt a cautious attitude.]

44 [Given the free-wheeling nature of Thai politics, such public discussion of the China issue does not necessarily reflect government policy. Praphat, in particular, is known to favor an early trade agreement with Peking and may be speaking on his own.] Frustrated by what he considers Prime Minister Thanom's overly cautious handling of China policy, Praphat may feel that a new gesture, such as the opening of official trade links, is both necessary and appropriate to keep the dialogue with Peking on the track.]

43 [Praphat is not alone. The Foreign Ministry has been unsuccessfully urging Thanom to reduce the level of official representation in Taipei in order to facilitate an improvement of relations with Peking, and ministry officials may be fueling the current public discussion. The public airing of the China issue has generated a sympathetic response from the Thai press. These public and private pressures may edge Thanom closer to a decision to press ahead on improving relations with Peking.]

THAILAND: LOOKING AT PEKING

44 [Despite an initial burst of enthusiasm last year over the possibility of improved relations with Peking, lingering mistrust of Chinese intentions combined with differences within the leadership over how and at what rate to proceed brought Bangkok's China initiative to a standstill.]

44 [Recently, discussion of the China issue, bearing the mark of a government trial balloon, surfaced in the Thai press. This may point to a new Bangkok effort to impart momentum to the move toward Peking.] Then, at a press conference on 22 March, Praphat announced that Thailand was ready to establish trade relations with China, but he indicated that he expected the Chinese to make the first move.] On 30 March, Praphat was quoted in the press to the effect that the government was clamping down on the activities of the Nationalist Chinese inside Thailand in order to demonstrate its intent to be "on friendly terms with the Peoples Republic of China." Praphat balanced these last remarks, however, by char-

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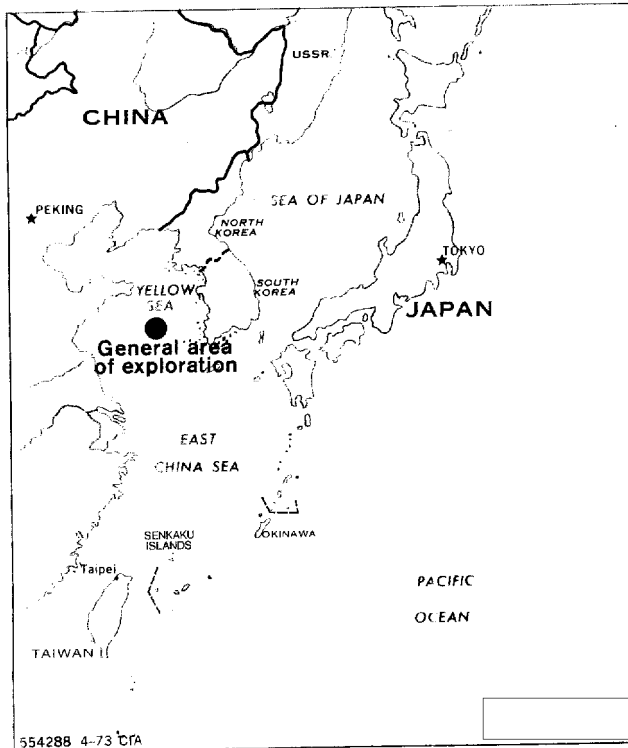
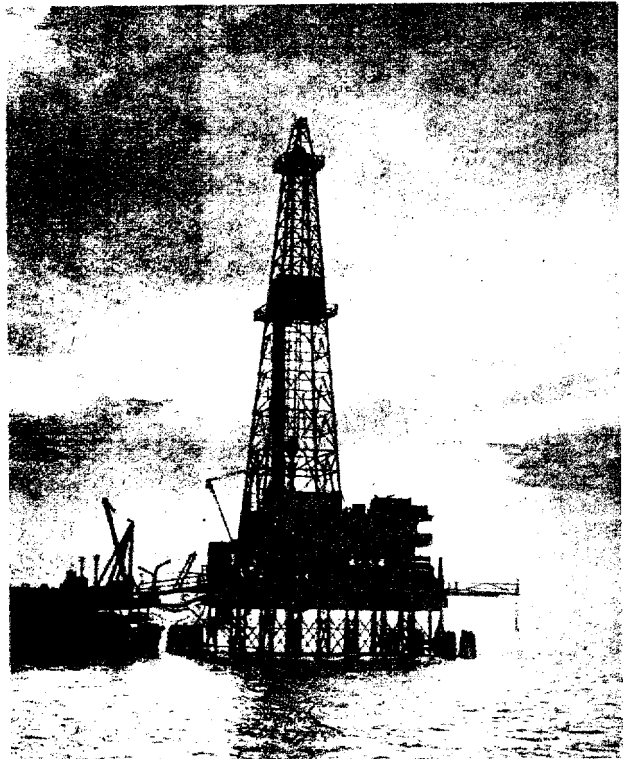
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CHINA: OIL DIPLOMACY

54 [Like other nations, China is taking more interest in the political and economic dimensions of oil. Chinese preparations to stake out a position on ocean resources are having a direct bearing on Sino-Japanese relations and could in the future involve the US, the sticky Taiwan issue, and other nearby states.]

95 [A case in point is the recent exploration by American oil companies in the continental shelf between China and South Korea. These operations generated a mild complaint from the Chinese Foreign Ministry on 15 March. Peking criticized Seoul for unilaterally sanctioning such operations in areas where jurisdiction had not yet been fixed and said the Chinese Government reserved all rights in connection with the drilling.]

57 [Peking's handling of this matter suggests that the Chinese will oppose any exploration in areas they consider disputed. Peking has not articulated



a clear policy on off-shore territorial rights, but some [redacted] speculate the Chinese will address the issue, perhaps even laying claim to specific areas, at the coming ECAFE conference in Tokyo. The Chinese probably would be willing to participate in a multi-lateral gathering of interested riparian powers, in part because bilateral dealings would be difficult with states like South Korea.]

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54 [The matter of off-shore oil rights could well become another source of friction in Peking's relations with Japan. Tokyo plainly intends to stand firm on its exploration rights and on its off-shore claims. Some [redacted] believe the Chinese Foreign Ministry statement on South Korea was meant to obstruct joint Japanese - South Korean development of the continental shelf.]

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[Redacted]

[Redacted] crude oil sales would offer foreign exchange to support China's increasing imports. Peking almost certainly is fully aware that its oil provides it negligible leverage with Tokyo right now. [Redacted]

[Redacted] Over the longer haul, however, China hopes to develop a capability, through petroleum diplomacy, to influence Japan's dealings both with Moscow and Washington. This will require fuller exploitation of China's extensive oil resources—at best, a long-term proposition. [Redacted]

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EUROPE: TALKS IN TWO CITIES

60 [In Helsinki, the third phase of the preparatory talks for a Conference on Security and Cooperation in Europe ends this week. Some progress has been made in the preliminaries and the conference itself probably will begin on schedule in June.]

57 [A working group has now grappled with topics in all four of the "baskets" into which the agenda has been divided. For each "basket" of topics, the working group has been attempting to produce "mandates" that will serve as the basis for discussion at later stages of the conference. In the process, a number of problems have come to light. Although there have been some positive signs lately, many of the problems are still unresolved.]

56 [In the first "basket," entitled principles of security, it has not yet been decided how to handle the topic on "inviolability of frontiers." The West Germans, in particular, have wanted this subordinated to another on "non-use of force," because they fear that without such a linkage, peaceful changes such as the eventual reunification of Germany might be precluded. Recently, however, they have seemed willing to accept a more tenuous connection. Moscow, concerned about legitimizing the present boundaries in Europe, still wants "inviolability of frontiers" listed separately and prominently.]

56 [How prominent a role matters of military security will play is also unsettled. The prevailing view on both sides is that discussion should be limited to another topic in the first "basket," "confidence-building measures," but under this rubric, the Soviets are still resisting a requirement to notify other states prior to major military movements. They have shown interest recently, however, in placing "restraint" on such movements if this means "self-restraint."]

56 [In the second "basket," the major unresolved question is the treatment of certain economic concepts. The Soviets want to include as topics both "most-favored-nation" and "non-discrimination," on the grounds that they are

essential to genuine economic cooperation between East and West. At the very least, they insist that the way be left open to discuss them. Western delegations would prefer that the concepts not be brought up at all.]

56 [In the third "basket," human contacts, the Soviets are not so much concerned about specific topics as they are about obtaining introductory language to the effect that exchanges in this area should not threaten the existence of various social systems. The fourth "basket," concerning the establishment of follow-on machinery, has so far been discussed but little. The Soviets say it is important to them, while Western delegates remain opposed to any permanent post-conference machinery.]

60 [The next phase of the preparatory talks, beginning 25 April, will attempt to resolve some of these disagreements, but several still may not be settled by the time the foreign ministers of the participating states begin the first, largely ceremonial, stage of the actual conference in late June. The working stage of the conference will probably get under way in July, take a break for the usual European vacation, and resume in the fall.]

61 [In Vienna, the preliminary talks on Mutual and Balanced Force Reductions remain deadlocked on the question of Hungarian participation, as they have been for two months. The Warsaw Pact nations continue to insist that Hungary should have observer status only or, if it is to be a direct participant, that Italy should be also. Since 13 March, the West has sought some arrangement that would leave the status of Hungary in abeyance until the actual negotiations begin, presumably in the fall.]

61 [Differences may be narrowing somewhat, and negotiations are now centering on each side to make its own statement on Hungary's status. The Soviets have also proposed a formula by which more countries could join as direct participants. This would fulfill a Soviet objective by leaving an avenue open for France in the talks.

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GOLD

(62, 63, 64)

The Japanese are importing gold for the first time since World War II. The government on 1 April liberalized gold import regulations, and, as a result, imports this year will probably reach 130-150 metric tons, roughly double the 1972 level. all purchases so far are being made in Western Europe.

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The liberalized measures, designed to meet industrial needs, also permit individuals to import the equivalent of \$3,000 in gold at any one time without government approval. Japanese department stores already are selling small gold bars. Rumors of an impending change in the gold import laws contributed to the substantial rise in the international gold price earlier this year, so there was little effect when the change actually took place.

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YUGOSLAVIA: USTASHI AGAIN



and method of operation have in fact inhibited the emigres' freedom to maneuver. Australia last year refused to admit the existence of terrorists on its soil, but the new Labor government recently began a drive to close down their operational bases. In addition, international revulsion over the bombing of a Yugoslav airliner last year has closed many doors.

[Spain appears to remain a haven. Belgrade has no diplomatic relations with Madrid and can expect no direct assistance from the Spanish Government. The emigres who freed the convicted murderers of the Yugoslav ambassador to Sweden and took them to Madrid on a hijacked Swedish airliner are still being held by Spanish authorities seven months after the event.]

The Croat emigres' use of terrorism may attract the firebrands, but their choice of target



The extremist wing of the emigre movement apparently believes it must regularly engage in headline grabbing violence in order to establish its credibility as a force to be reckoned with in the post-Tito era. Its goal of separating Croatia from Yugoslavia may find considerable sympathy in Croatia, but only the lunatic fringe in the republic would overlook the extremists' record of atrocities during the war and since. Furthermore, internal security in Yugoslavia, always pretty good, has been tightened. With the warning it has received from Canberra, Belgrade should be able to handle any new raid with relative ease.

The Yugoslav militia last summer suffered 13 dead and many wounded while wiping out the 19 raiders. The event provoked bitter complaints from Belgrade that the West allowed the emigres free rein.

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Ustashi Bombs in Australia



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SECRET**EASTERN EUROPE: CROP OUTLOOK MIXED**

(68)

Crops were good throughout Eastern Europe last year, permitting a reduction of grain imports, a boost in livestock production, and an improvement of domestic food supplies. Prospects right now for the winter grain harvest are not good, however, and a poor one could result in a need to increase grain imports by next winter.

Agricultural output in Czechoslovakia, East Germany, Poland, Romania, Bulgaria, and Hungary grew by an estimated 7.5 percent in 1972, and reached record levels. This rate of growth was in addition to gains in 1971 and was achieved despite unfavorable harvesting conditions in most countries. Grain production set a new high of 73 million tons, an increase of 8 percent. Output of important non-grain crops—potatoes, sugar beets, and fodder beets—was better than the year before. Only oilseeds dropped below 1971 levels. The quality of grain and root crops harvested, however, was inferior to that of 1971. The full extent of losses due to storing wet grain and potatoes are still unknown.

Livestock production—a priority sector—rose more than planned in Czechoslovakia, East Germany, and Poland. Output in Romania went up substantially, but much less than planned. In Bulgaria and Hungary, increases were no more than one percent. Production of pork and poultry improved in all six countries. Prospects for further gains this year are good, except in Hungary and Bulgaria, where the number of hogs has declined.

The bumper grain harvest and improved output of potatoes in the northern countries last year permitted Eastern Europe to reduce grain imports by 2 million tons in the current fiscal year to an estimated 7 million tons. This cut in imports will not reduce foreign-exchange expenditures, however, because world market prices for grain and protein meals are much higher than a year ago. Grain imports from the West will remain at a high level due to reduced imports from the USSR. US



Romanian Peasants Drain Inundated Cropland

grain sales to the region in the fiscal year ending 30 June 1973 will be the highest in a decade at over 1.5 million tons.

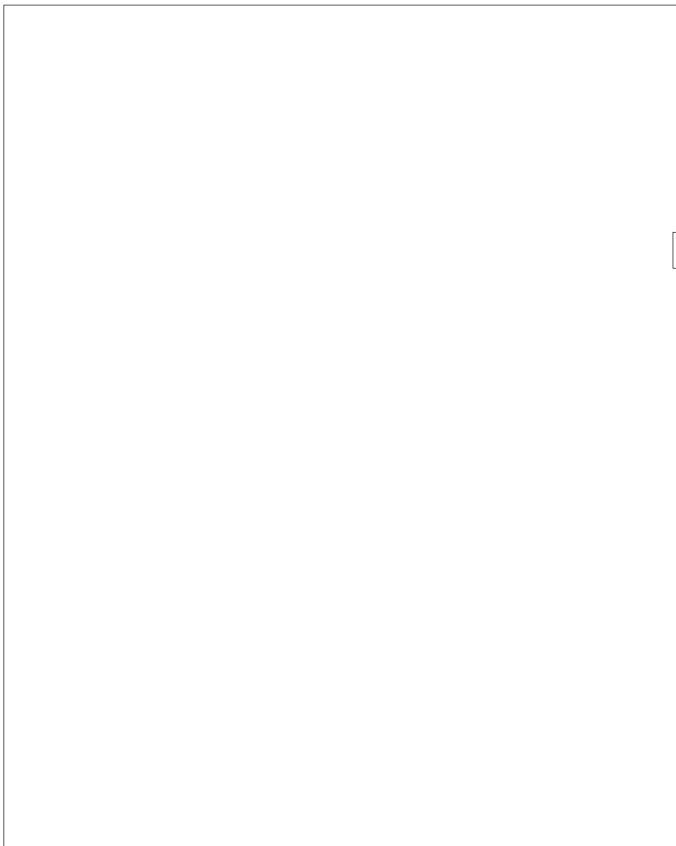
Current prospects for 1973 indicate a somewhat smaller harvest of winter grain—normally 50 percent of total production—than last year. Most countries in early March were reporting that the condition of winter wheat was no better than average. Below-normal soil moisture reserves in the northern countries and in Hungary have lowered chances of the good spring growth needed to optimize yields. March snows and sudden thaws in Bulgaria and Romania have caused some flooding of grain fields and have delayed spring field work, but the situation in the two countries appears favorable for development of winter grains.

A decline in grain output in the northern three countries would boost demand for imports

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have prompted the Soviets to tighten their embrace]

USA [The Soviets are pushing for closer military cooperation with the Bulgarians. [redacted]

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[redacted] Moscow is working on establishing a southern command, which would control any Warsaw Pact operations in the Balkans. Bulgaria would be a vital part of this command. Sofia already gets almost all its military hardware from the USSR, its army is organized and trained along Soviet lines, and joint training exercises are held annually.]

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USA [In the political arena, the new Bulgarian ambassador to Moscow has been given the personal rank of minister without portfolio. This is the first time a Bulgarian envoy abroad has held cabinet rank. The Bulgarian party has set up a "general committee" in the Soviet Union, an arrangement that portends closer coordination between the two countries. It is in fact reminiscent of a method Stalin employed to keep a firm grip on Sofia.]

USA [Bulgaria's economic ties with the USSR, already close, have also been strengthened. The 1973 bilateral trade protocol calls for a 15-percent increase in trade over 1972, which is somewhat above the normal annual increase. Almost three quarters of Bulgaria's trade is with CEMA countries; the USSR accounts for more than 50 percent by itself. Thirteen Bulgarian and 41 Soviet economic ministries are now working under joint production specialization agreements.]

in fiscal year 1974. Grain stocks are likely to be reduced during 1973 and feedgrain will be needed to support high-priority livestock programs. Increased imports of grain would have to be largely supplied by free world exporters, such as the US. It is unlikely that the USSR will be able or willing to export more grain to Eastern Europe next year than the reduced level of fiscal year 1973.

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USA [The latest moves point toward virtual integration and are about as far as the Zhivkov regime can go without risking serious internal political repercussions. Bulgarians take pride in their distinct cultural heritage, believing, for example, that literacy spread to Russia from Bulgaria. In addition, Sofia has already gone far to bend national interests on the Macedonian question to accommodate Soviet foreign policy objectives toward Yugoslavia and Greece. It is possible that Zhivkov's poor health may have prompted Moscow to push for closer cooperation rather than face a period of tension and uncertainty should he die. [redacted]

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BULGARIA: SATELLITE FOR THE '70s

USA [The Soviet Union now dominates Bulgarian military, political, and economic life to an extent not seen since the early 1950s. Sofia's subservience to Moscow contrasts sharply with the situation elsewhere in Eastern Europe, where nationalist-minded leaders are using the atmosphere of detente as an excuse to extend their independence from Moscow. Zhivkov's failing health may

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SECRET**POLAND: TIGHTENING THE REINS**

69 } In an effort to tighten its control over youth, the government last week lumped all student organizations into a new association with stronger ideological and political overtones than the old groups. }

71 } Students have always been a potential source of opposition to the regime, and the party has consistently tried to mobilize them into politically active groups. Just as consistently, the students have avoided organizations that stress ideology, preferring those that emphasize social benefits. } The need for increased discipline and Marxist indoctrination among young people was strongly emphasized last November at the central committee plenum. The meeting recommended that a new student union be created. }

70 } Students have been grumbling ever since. Members of the comparatively liberal and non-ideological Polish Student Association correctly guessed that they would be outnumbered in the blanket union by more conservative elements from other youth groups. }

69 } Warsaw carefully stage-managed the establishment of the new association, the Socialist Union of Polish Students. Party chief Edward Gierek in early February surfaced detailed plans for its creation, and a round of meetings and congresses of youth groups followed. } In mid-March, the old Polish Student Association meekly abolished itself, and the new organization was formed immediately. Membership is open to all students and academic personnel from Polish higher schools, but is not mandatory. }

69 } The regime's major chore now will be to persuade students to join. Some intend to shun the new group, believing they can in this manner demonstrate their opposition both to an ideological-political student group and to the steam-roller tactics that brought it into existence. Pressures to join, however, are likely to be considerable, and many students will find it difficult to resist inducements like foreign trips, book discounts, and preferential treatment on housing and scholarships. }

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ISRAEL: EBAN TO THE HUSTINGS

178 | Labor Party regulars are grooming Foreign Minister Eban as an alternative candidate for prime minister in case neither Mrs. Meir nor Finance Minister Sapir run. Eban, Israel's articulate, ambitious foreign policy spokesman, is being sent on speaking trips about the country. Labor Party boss Sapir and his supporters want more exposure for Eban so that the voters can get to know him; one party member said the move would also "educate" Eban and stimulate his interest in domestic matters.

178 | Some of his critics in the Labor Party regard the 58-year-old Eban, who was born in South Africa and educated in England, as not a "real" Israeli. He does not in fact show up as a tough-minded, hard-working, kibbutz-pioneer type. More important, there is a serious lack of confidence in his alleged "dove-ish" views. Sapir is far and away the party machine's first choice to replace Mrs. Meir; he has indicated from time to time that he does not want the job, but since this is a standard political posture among Israeli candidates it is difficult to tell whether he is serious.

179 | Prime Minister Meir will be 75 in May, and she has for some months insisted that she wants to step down. Many observers think that she might yet be persuaded by the Labor Party to stay on for another term. This is of course possible, especially since on her recent visit to the US she indicated that her loyalty to the party would take precedence over her personal desires.

179 | Other aspirants for the job include Defense Minister Dayan and Deputy Prime Minister Allon. The Labor Party machine hopes to keep the post under its control and that means out of the hands of Dayan or Allon. Should the machine decide to field Eban, it would reflect Sapir's desire not to take the job but to give it to an individual responsive to his views. Eban's constituency has always been outside Israel. Therefore, floating reports that Eban may be under consideration as a serious candidate may be a pre-election maneuver to strengthen the bargaining position of the machine with the hard liners who identify with Dayan's views. Certainly, it is doubtful Eban would be announced as the machine's choice prior to the election, now set for October. [redacted]

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TURKEY: THE SEARCH GOES ON

Parliament cast a 14th ballot for a new president on 4 April. While the politicians consulted in a somewhat desultory way, the military glowered but made no move against parliament. At week's end, no early solution to the three-week impasse was in sight.

179 | On 2 April, Suleyman Demirel's Justice Party suggested to other parties that there were three ways out of the situation:

179 | find a compromise candidate from within the legislature;

179 | advance general elections from October to June and defer the presidential problem until after the new legislature was seated;

179 | amend the constitution so that the president is elected by popular vote;

179 | Other civilian politicians and the military high command have not reacted to these proposals, each of which has its drawbacks. Meanwhile, Justice Party member Tekin Ariburun continues to serve as acting president.

179 | Demirel probably favors early parliamentary elections, anticipating that they will strengthen the hand of the Justice Party in parliament and confer on him the ability to designate the next head of state. [For that very reason, the generals will likely look unfavorably on parliamentary elections in June.] [redacted]

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BANGLADESH: GRIM PROSPECTS

(90)

Economic recovery in Bangladesh has been slow. Massive relief aid and the help of UN technicians have forestalled widespread famine. In 1972, almost one fifth of all foodgrains consumed were imported, and Dacca has predicted the deficit will be even greater this year. Rice production for the crop year ending 30 June 1973 is expected to be the lowest in six years.

Except for the export-oriented jute industry, industry in Bangladesh remains depressed because of shortages of machinery and raw materials, the loss of markets in Pakistan, and the overwhelming priority of the food problem. Private investment has been discouraged by the government's economic policies, under which most industries and almost all foreign trading have been nationalized. The government itself lacks both the resources

and the expertise to carry out a vigorous investment program. Even though Dacca has announced a ten-year moratorium on further nationalization, limitations already imposed on the activities of foreign and local businessmen have inhibited private investment and discouraged economic growth.

Indeed, in the short run, the main economic question is one of mere survival. Bangladesh tea, paper, and matches are not competitive on world markets, and even jute faces an uncertain future. The population, increasing at a minimum of 3 percent per year, is illiterate, underfed, and underemployed. Probably the most that can be expected of foreign aid is to avert widespread famine rather than to generate any appreciable economic momentum.

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Afghanistan: A Bag of Problems

Prime Minister Shafiq's problems are increasing. During his first three months in office, Shafiq was able to lay the groundwork for economic and governmental reforms and to conduct foreign policy without reference to the slow moving, often quarrelsome lower house of parliament. Now, however, he must go to parliament—which has played a major part in bringing down the last four Afghan prime ministers—for approval of many of his programs.

Shafiq's enemies fall into three main groups:

- Conservative Muslims, who believe that Western influences have eroded his devotion to Islam;
- leftists, who stand ready to take advantage of his stand on any issue including the recent water division agreement with Iran;

• and many government officials and politicians, who are concerned that his campaign against corruption and inefficiency may hurt their interests.

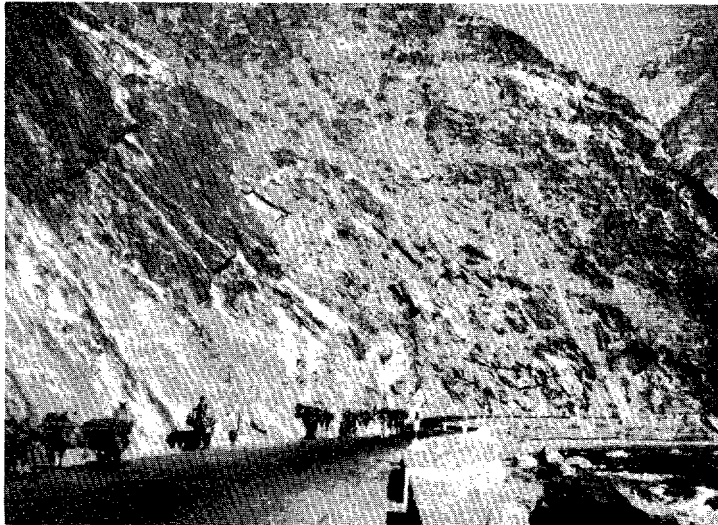
Shafiq faces trouble for his failure to come to the support of President Bhutto's opponents in the two frontier provinces of Pakistan. Most Afghans have long supported the closely related peoples of these provinces, and many advocate outright help to Bhutto's opponents there. In response to public and parliamentary pressure, Shafiq has recently voiced a slightly stronger stand on the issue, and he could become even more outspoken as unrealistic demands for action continue.

The recent expulsion of foreign Christians, including the pastor of the only protestant church

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VIEWS OF AFGHANISTAN



Mountain Valley Near Sarobi



A Street in Jalalabad

in the country, is likely to have the most impact on the US and other Western countries. This is not a major issue to Shafiq, who believes that he can bear adverse publicity abroad more easily than domestic criticism for not upholding Islamic rules. The government had already expelled several Americans accused of trying to convert Muslims—an illegal act in Afghanistan. About a hundred Westerners with two charitable medical missions are likely to be ordered out of the country. Even the USAID family-planning program may be in danger.]

92. week to prevent a quorum when the lower house finally met, Shafiq's enemies succeeded in sending the agreement to parliamentary committees that had not yet been formed.]

91 His effort to reform the country's inefficient bureaucracy will also meet resistance. Those threatened are seeking an ally in Prince Abdul 93 Wali—probably the most important man in the country after the King, who is Wali's cousin and father-in-law. Wali apparently sees Shafiq as a threat to his power and his prospects for becoming de facto ruler of Afghanistan when the King dies.]

91 Leftists may significantly delay the ratification of the agreement with Iran on the division of the waters of the Helmand River. Most deputies would probably vote to ratify the agreement, the result of years of negotiations. Alleging a sell-out to Iran, the leftists boycotted parliament for a 93

93 As long as Shafiq has the backing of the King, he will be able to act fairly effectively. In the past, the King's support has diminished as the prime minister's problems with parliament mounted.

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DOMINICAN REPUBLIC: ROAD'S END

Official spokesmen have announced the "virtual extinction" of the small guerrilla band that landed on the southwest coast nearly nine weeks ago. As a result the government appears to be stronger, the left weaker. The army proved itself still ill-prepared to handle an insurgent threat.

Any hope the invaders had of implanting a real insurgent movement in the countryside died with their leader—ex-colonel Francisco Caamano Deno, who led the 1965 insurrection. If he had been led to expect local support, it failed to materialize. Government claims of direct Cuban sponsorship have not been repeated and will probably not be raised at the current OAS meeting.

Although the group was able to evade some 1,500 government troops for a considerable time, its members eventually succumbed to difficulties

imposed by weather—cold, rain, and fog—rough terrain, lack of food, and sheer weight of numbers of the pursuing forces. Five of the guerrillas were killed, one died of illness and exposure, and one was captured and is being interrogated. At least one, and possibly two, are still at large and may be hiding in the capital. Most army units involved in the operation are returning to their regular bases.

The government's response to the landing was the immediate repression of the extreme left and the opposition Dominican Revolutionary Party led by Juan Bosch. While this action effectively curbed potentially disruptive forces during the incursion, it may have encouraged the divergent forces on the left to plan for joint operations.

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Captured Guerrilla

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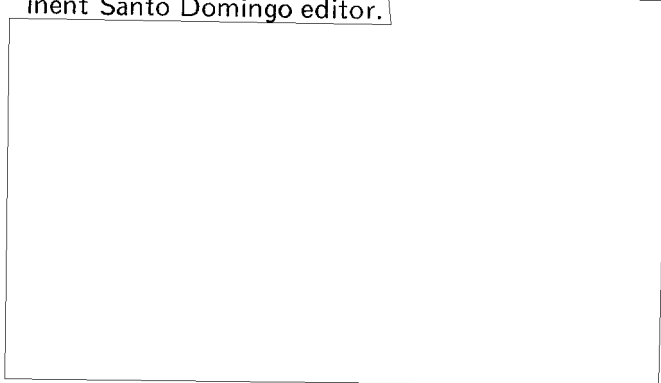


With the effective end of the guerrilla threat, Balaguer is again riding high, and it is doubtful that the opposition—with or without Bosch's participation—can develop the momentum to shake the government.

the kidnaping of a retired admiral, and finally the assassination of the army colonel in Cordoba. Some of the 20 kidnapings this year—possibly including that of a US businessman on 2 April—can be attributed to common criminals cashing in on a good thing. The attacks on the military and the wave of bombings, however, were obviously politically motivated.]

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A more serious threat may emerge from the current dispute in the armed forces arising out of an investigation into the recent murder of a prominent Santo Domingo editor.



98 [The Trotskyist-oriented People's Revolutionary Army has been responsible for most of the political violence in Argentina this year. Other major terrorist groups profess to be pro-Peronist and have slowed their operations to aid that cause. The Trotskyists, however, have stepped up their activities to put pressure on the newly elected Peronists to live up to their pledge to free all political prisoners. It seems likely, too, that the Trotskyists believe that their objective of a thorough-going revolution will be frustrated by the populist but "bourgeois" Peronists. If the military can be provoked into blocking Campora's accession to power, the Trotskyists probably see large numbers of radical Peronists turning to "revolutionary warfare."]

98 [The military has been shaken by the surge of terrorism.]

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ARGENTINA: MORE TERRORISM

98 [Contrary to the belief of many Argentines that terrorism would subside in light of the Peronist victory, the level of political violence has increased markedly in recent weeks. Even before the latest and most serious incident, the assassination of the army intelligence chief in Cordoba on 4 April, the military had expressed its concern over the deteriorating security situation.]

99 [The military junta has reaffirmed its intention to turn over the reins of government to Campora on 25 May, but if General Lopez Aufranc begins to waver as a result of the terrorism, it will give an important boost to those officers who would like to prevent the Peronists from taking power.]

100 [Terrorism has indeed been increasing steadily, both in terms of numbers of incidents and their seriousness since the first of the year. Military nerves were rubbed raw this week with the bombing of naval headquarters in Buenos Aires,

To protect their election victory, the Peronists have begun to back away from their long held position that political violence is justified by the oppressive tactics of the military. Vice-president-elect Solano Lima told newsmen this week that the Peronist government will combat violence, adding that Peronist groups have ceased operations but that those of the extreme left have not.

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