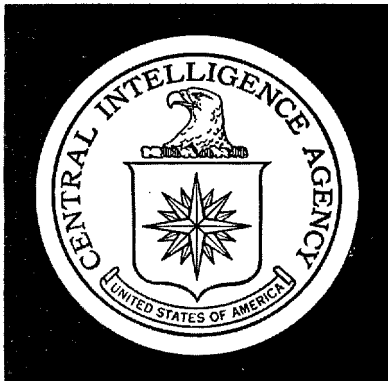


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# *Central Intelligence Bulletin*

**Secret**

51

5 June 1969

State Dept. review completed

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5 June 1969

# *Central Intelligence Bulletin*

## CONTENTS

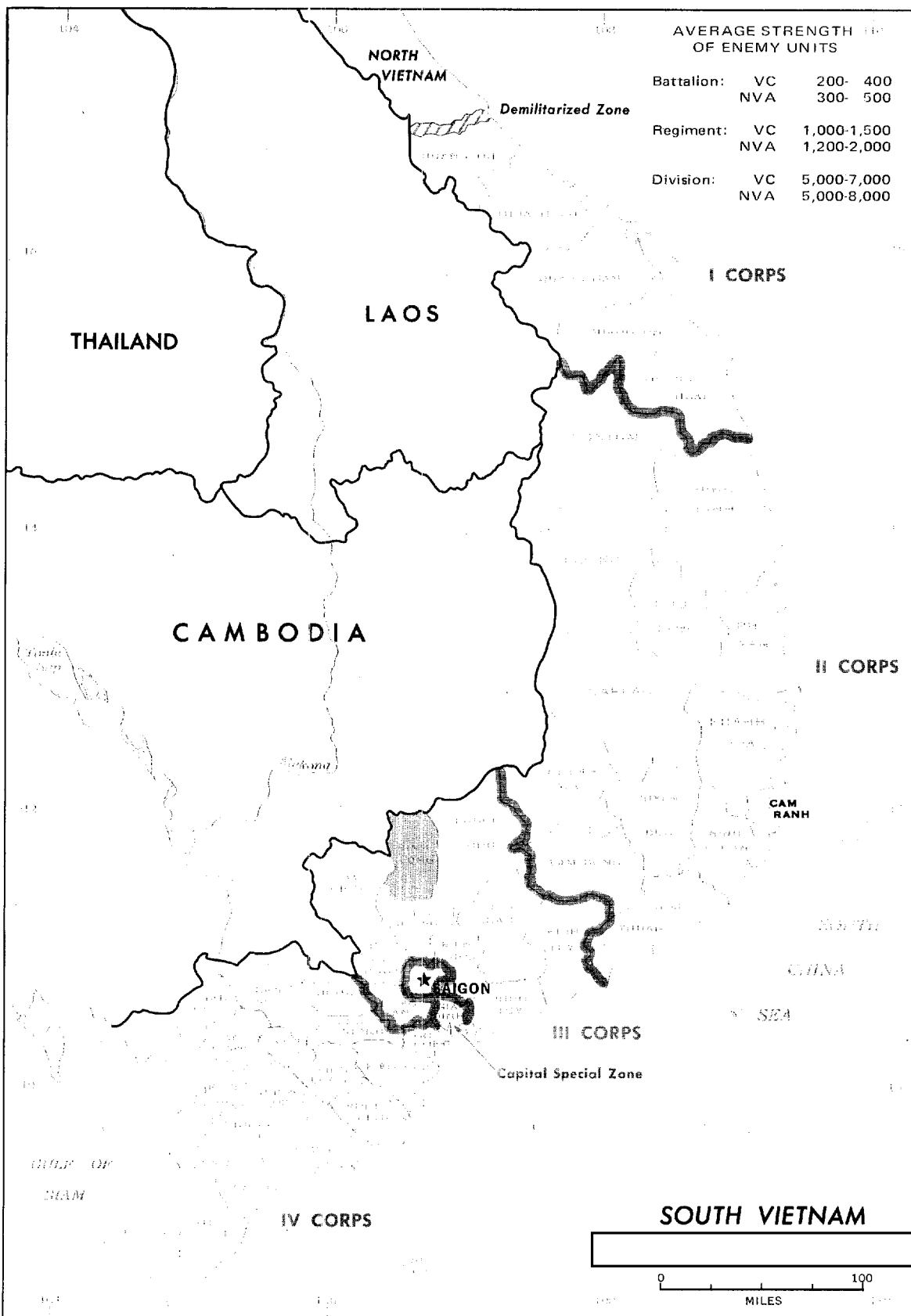
- Vietnam: Situation report. (Page 1)
- Czechoslovakia: Husak may have temporarily bought the support of pro-Soviet conservatives. (Page 3)
- Latin America: Opposition to the Rockefeller mission continues to mount. (Page 5)
- Chile: Laws are being drafted to nationalize US-owned copper companies. (Page 6)
- Guatemala: A new round of terrorism seems likely. (Page 7)
- Ecuador: Leftists exploit government's inability to control student lawlessness. (Page 8)
- Communist China: Disunity and violence beset provincial governments. (Page 9)
- USSR: Soviet forces in East Germany are being equipped with SA-4 surface-to-air missiles. (Page 11)
- India: Violence has erupted in Andhra Pradesh. (Page 13)
- Congo (Kinshasa): Calm returns after a clash between students and police. (Page 14)
- International Labor: The WCL moves to become a truly world-wide labor international. (Page 15)
- International Communism: Moscow conference (Page 17)
- Arab States: Fedayeen's anti-US plans (Page 17)
- Curacao: Still tense (Page 17)
- Peru: Communist labor confederation (Page 18)



25X1

SECRET

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25X1

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SECRET

[ Vietnam: Communist forces have been alerted for a "June Action Period," [redacted]

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[ The attacks could come soon, and are slated to be countrywide. Enemy troops are being called on to exert stronger action on the battlefield, while guerillas are to increase activity against the major cities. The Communists could be planning a new phase of violence to coincide with the Midway meeting on 8 June.]

[ The enemy did not launch any significant attacks on 3-4 June, but some sharp clashes occurred in Binh Long Province north of Saigon, and in a few delta provinces. South Vietnamese civilians in the delta suffered heavy losses from enemy mining and bombing.]

\* \* \* \*

After some dramatic gains, the pacification program in South Vietnam faces a period of slow-down and consolidation.

The recovery of contested areas during the Accelerated Pacification Campaign in late 1968 and early 1969 led to improved security in many parts of the countryside. Other major factors contributing to rapid progress in the same period were the absence of any concerted enemy drive against the pacification program and greater availability of US forces for security operations.

In recent months, however, there has been some slowing down of the rate of progress. This is due partly to a normal loss of government momentum during the Tet holidays and partly to upsurges of Communist military activity in March and May. ]

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5 Jun 69

Central Intelligence Bulletin

1

SECRET

SECRET

Moreover, the 1969 pacification effort focuses heavily on consolidating past gains, particularly in those areas where the government has recently established a full-time military presence but where some Viet Cong influence and activity persist. Saigon also hopes soon to expand its authority to persons living in some long-time Viet Cong redoubts where it will face even tougher opposition.

In addition, the current pacification concept has shifted from the hamlet to the more complex village level. The effort to strengthen village governments will require a considerable training and organizing period. At present, Saigon appears hard pressed to provide the necessary financial and skilled human resources both to consolidate its recent gains and to expand to new areas.

Despite the Communists' current low-level response, there are indications that pacification is causing problems for them. [redacted] reflect some erosion of Viet Cong control or influence over segments of the population and resultant difficulties in obtaining adequate manpower and resources to meet the Communists' military and economic needs. Enemy documents continue to give high priority to destruction of the programs.

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5 Jun 69

Central Intelligence Bulletin

2

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Czechoslovakia: Party first secretary Husak may have temporarily bought the support of pro-Soviet conservatives.

The moderate Husak leadership, which has been under incessant pressure from the hard-liners, has returned them to positions of power in the party. Conservative leader Lubomir Strougal has been given a new prominence as Husak's deputy. Party secretary Indra, who was accused of collaborating with the Soviets at the time of the invasion last August, has been given responsibility for state and social organizations. He is now in a position to place other conservatives in high government posts and in such major national organizations as the trade unions. A Moscow-trained, former Stalinist youth leader has replaced a recalcitrant liberal as head of the key Prague city party committee, which until 3 June had been the last remaining stronghold of the liberals in the party.

In theory, Strougal will now have to answer directly to Husak for his actions. In practice, however, Strougal's new prestige, as well as his control of the largest regional party body--the Czech party bureau--makes him more of a potential rival to Husak.

A struggle for power between Husak and Strougal is a distinct possibility; the two men have dissimilar backgrounds, temperaments, and political outlooks. For the present, Husak needs the conservatives to help reassert the party's authority but his attempts to keep them within bounds will probably lead to trouble. The time may soon come when the hard-liners find Husak an obstacle to their ambitions. Many of the liberals recently demoted by Husak probably would have supported him in a clash with the conservatives.

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5 Jun 69

*Central Intelligence Bulletin*

3

SECRET

SECRET

The present political setup, even aside from any disputes between Husak and Strougal, will probably exacerbate animosities between the Czechs and the Slovaks. Husak's base is in Slovakia, where he commands considerable respect for his Slovak nationalism and where he has imposed his strong will on the party. Many Czechs distrust him, however, because of his nationalism and his espousal of federalization of the party and government--a policy which eventually would give the Slovak minority near equality with the more numerous Czechs. Strougal probably is not above capitalizing on such distrust. As a consequence, the nationalities problem may become critical.

[Redacted]

25X1

5 Jun 69

*Central Intelligence Bulletin*

4

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Latin America: Opposition to the Rockefeller mission continues to mount.

The Chilean Government has decided to cancel the visit, and Foreign Minister Valdes plans to announce that during his appointment with the Governor in Washington next week he will explain the reasons for the decision. The government's action will have virtually unanimous support from all sectors of society as most Chileans clearly believe that the visit is not worth the cost of whatever casualties might be suffered during planned anti-US demonstrations.

Many believe, moreover, that the Governor's visit has been superseded by joint Latin American efforts to draft a united position to present to President Nixon. President Frei's decision was also probably affected by his belief that conflict over the visit was weakening his ability to control Chile's fractious politicians.

Opposition forces in Brazil are also preparing to protest the Rockefeller mission. Radical student leaders reportedly are ready to make an all-out effort to stage demonstrations, despite the knowledge that they will invite heavy government repression. The students not only want to embarrass the US but also to show their opposition to the Costa e Silva administration; many believe that they must prove they are as militant as students in other countries. Brazilian security forces and general public apathy will probably combine to make nationwide demonstrations unlikely, but such agitation as develops may well encourage Brazil's well-organized terrorist groups to try violent action on their own.

Chile's cancellation of the visit, two days of anti-Rockefeller student riots in Santiago, and Venezuela's postponement of the visit will probably cause other Latin American governments to take a harder look at their own situation and perhaps suggest cancellation or postponement of the visit.

5 Jun 69

Central Intelligence Bulletin

5

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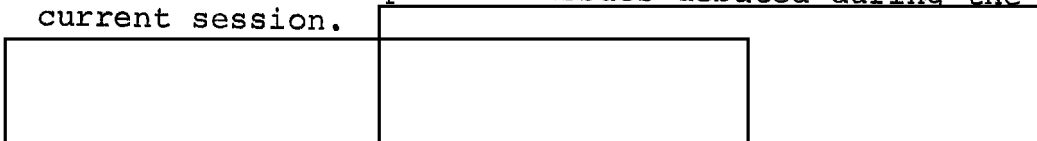
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Chile: All political parties except the Radicals and Nationals are drafting legislation that would nationalize US-owned copper companies.

On 2 June representatives of the Communists, the Socialists, and a break-away group of left-wing Christian Democrats met to discuss a Communist draft. Most of the political fire is being directed at the Anaconda company, which retained full control of its existing installations under the Chileanization agreements signed in 1966 and 1967.

President Frei's Christian Democratic Party is also considering nationalization legislation. A group of moderate Christian Democrats has proposed a bill that would nationalize the Anaconda installations, paying for them over a period of 10 to 15 years on the basis of the original investment minus depreciation. A declaration by the National Council of the Christian Democratic Party emphasized the necessity to obtain "full recovery" of the minerals in the Anaconda mines in the shortest possible time.

President Frei, hoping to postpone nationalization, has proposed revision of the Chileanization agreements to give the government a controlling interest in the Anaconda operations. Congress opened yesterday, and copper legislation promises to be one of the most important issues debated during the current session.



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5 Jun 69

Central Intelligence Bulletin

6

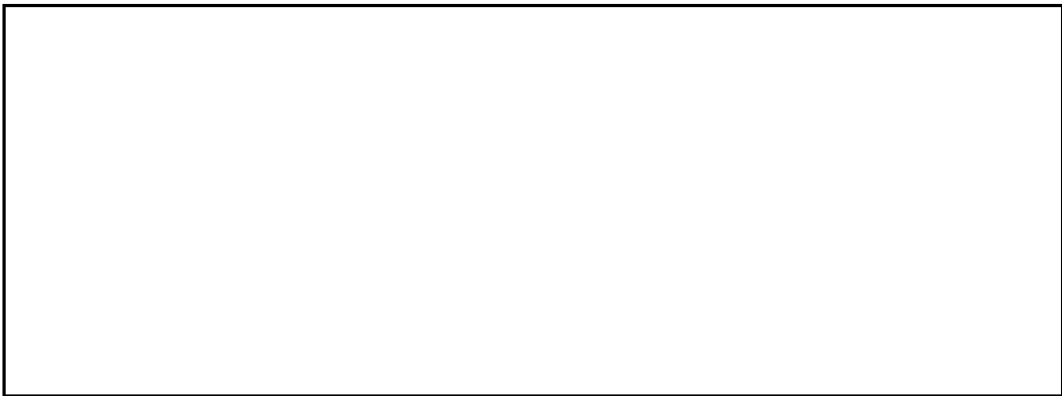
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Guatemala: Communist-inspired violence has increased during the past month, and a new round of terrorism and counterterrorism now seems more likely.)

President Mendez has reportedly recalled Colonel Manuel Sosa Avila from his diplomatic exile in Spain to become minister of government. Sosa, formerly chief of the national police, was one of the three top security men ousted in March 1968 when Mendez called a halt to the clandestine counterterror campaign against the Communists. One of the others, Colonel Carlos Arana, is the rightist presidential candidate.)

The choice of a tough anti-Communist to coordinate police activities is probably designed to offset reaction against appointments to various government posts of persons considered leftist by political conservatives. Sosa's return may also indicate that the government is ready to opt for the counterterror method in the event Communist activity continues to grow.)



25X1

5 Jun 69

Central Intelligence Bulletin

7

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Ecuador: (President Velasco's inability to control student lawlessness is encouraging leftist plans for further disruptive actions.)

(Velasco vacillated for nearly two months on how to deal with secondary students who had seized most of the University of Guayaquil in early April to enforce demands that university entrance examinations be abolished. His indecisiveness emboldened students and hoodlums to activities that have disrupted downtown Guayaquil, Ecuador's largest city, as well as other provincial capitals.)

(Suddenly, on the eve of Governor Rockefeller's arrival in Ecuador, Velasco ordered security forces to retake Guayaquil University. This was done on 29 May in a battle in which six or more students were killed and many injured. The government abandoned the administration building without explanation on 2 June, and the building was immediately reoccupied.)

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(Ecuadorean leftists, usually ineffectual because of their lack of agreement among themselves, were encouraged by the public's adverse reaction to the government's handling of the university crisis. On 31 May they met to pool efforts to discredit Velasco in the hope of helping to oust him.)

5 Jun 69

Central Intelligence Bulletin

8

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Communist China: Political disunity and sporadic factional violence continue to beset China's provincial governments.

Recent national and provincial radiobroadcasts reiterating the ninth party congress' call to "unify leadership" at local levels indicate that officials of the revolutionary committees now governing China's 29 provincial-level units still have far to go in rebuilding effective power structures. Continuing weaknesses and divisions at the basic levels of government were highlighted at a series of provincial party meetings last month. These meetings were used to warn local authorities that failure to restore unity threatened the policies and programs outlined at the ninth congress.

Recurring disorders in both east and west China suggest that factional conflicts are preventing some provincial governments from consolidating their authority and dealing with basic law and order problems. Armed clashes were reported last month from at least a half dozen provinces.

[redacted] limited factional fighting also broke out again last month in Canton--the first such incident since the heavy crackdown on Red Guards there last August. [redacted] Canton authorities are increasingly concerned over the problem of maintaining order.

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USSR: Soviet forces in East Germany are being equipped with the SA-4 mobile surface-to-air missile system.)

Missile cannisters and vehicles associated with the SA-4 Ganef missile [redacted] at two locations in East Germany southwest of Berlin. The normal deployment pattern of new SAM systems has been to distribute them to forces in the USSR first and then to equip Soviet forces in East Germany.)

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The SA-4 missile and its associated radars are mounted on tracked vehicles and can provide more mobile anti-aircraft missile protection for field forces than the widely deployed SA-2 system. The SA-4 may also be more effective against low-flying aircraft.)

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5 Jun 69

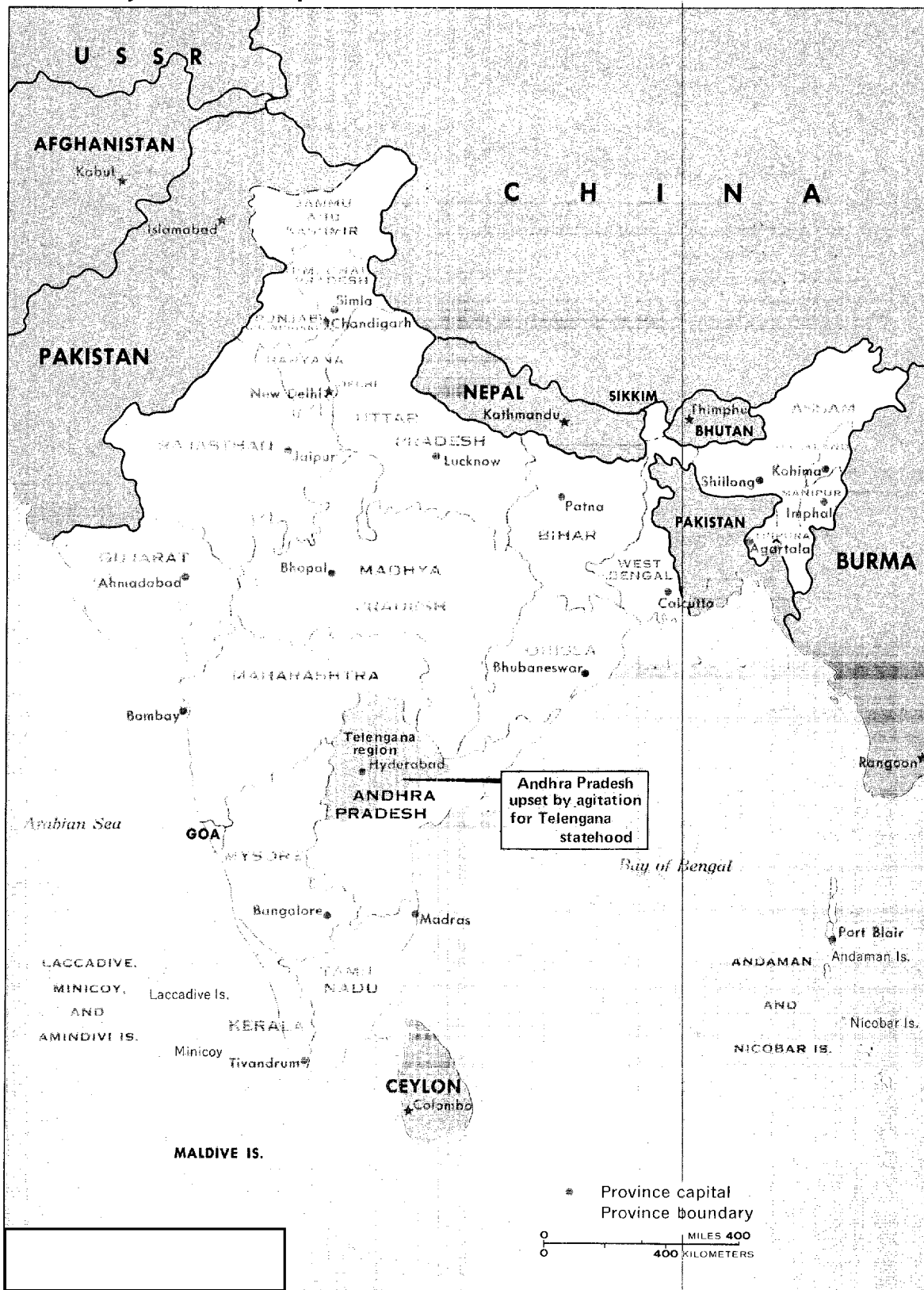
Central Intelligence Bulletin

11

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### INDIA: Major Violence Erupts in Andhra Pradesh



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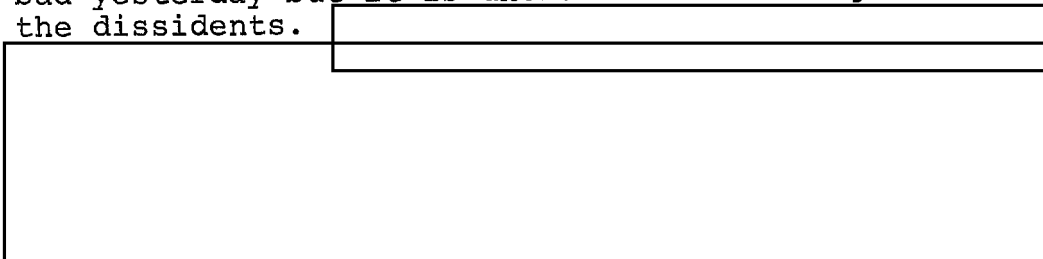
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India: Major violence has erupted in Andhra Pradesh State, where agitation demanding separate statehood for the Telengana region has been festering for five months.

Army troops have been called in by state authorities, but the violence that resulted in at least 19 deaths on 2-4 June shows no sign of slackening. The agitation is now supported by the Telengana sections of most of the state's political parties, including some prominent members of the state's governing Congress Party.

Because New Delhi fears regional fragmentation, it has thus far been willing to grant only modest concessions, designed mainly to reduce economic inequities. It may now become more conciliatory, however, in an effort to calm the situation. One possibility is that Chief Minister Brahmananda Reddy, who symbolizes state government intransigence on Telengana grievances, may be forced to resign.

Prime Minister Gandhi left suddenly for Hyderabad yesterday but it is unclear what she might offer the dissidents.



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Congo (Kinshasa): Kinshasa is calm following the clash between students and security forces early Wednesday morning.

Students from Lovanium University had originally planned a campus strike to protest the government's failure to produce a promised increase in their monthly subsidies. Hoping to attract greater attention, however, approximately 400 of them left the university campus, commandeered several busses, and went into downtown Kinshasa for a demonstration.

President Mobutu, traditionally unsympathetic to student complaints, apparently considered the demonstration an overt political threat to his regime and ordered police and gendarme units to deal with the students without mercy. By the time the demonstrators were dispersed, eight students had been killed, 20 wounded, and many more arrested. The government claims that at least six members of the security forces were wounded and that molotov cocktails were used by the students. Kinshasa radio later accused certain unnamed foreign embassies of subverting the students. Lovanium University has been closed until further notice.

Initially, the students have reacted mildly, but as stories of the harsh reprisals circulate among them, they probably will become more agitated. Further demonstrations are doubtful, however. The students apparently were unaware of the present tension within the security forces caused by rumors that former mercenary leader Jean Schramme has returned to Africa. This tension may have prompted the unusually harsh repression.

25X1  
25X1

5 Jun 69

Central Intelligence Bulletin

14

SECRET

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International Labor: [The process of converting the World Confederation of Labor (WCL) into a truly world-wide labor international has been carried further, but differences among the regional affiliates are already proving troublesome.]

[The WCL, until recently known as the International Federation of Christian Trade Unions, devoted most of its 17th congress, held in Geneva last week, to drafting a new constitution and bylaws that would take the WCL out of its predominantly European framework. The debate was dominated by the Latin American Federation of Christian Trade Unionists (CLASC), the militant Latin American wing of the WCL.]

[The growing importance of CLASC in the WCL was also indicated by the prominent role of its leader, Emilio Maspero, as rapporteur in a discussion of the "Strategy, Policy, and Action Program of the WCL." Maspero, criticizing the role of American labor unions, particularly the AFL-CIO, in underdeveloped areas, called for "revolutionary change" in trade union organization and transformation of the WCL into a trade union center of the underdeveloped countries. A number of delegates responded sharply to Maspero's remarks.]

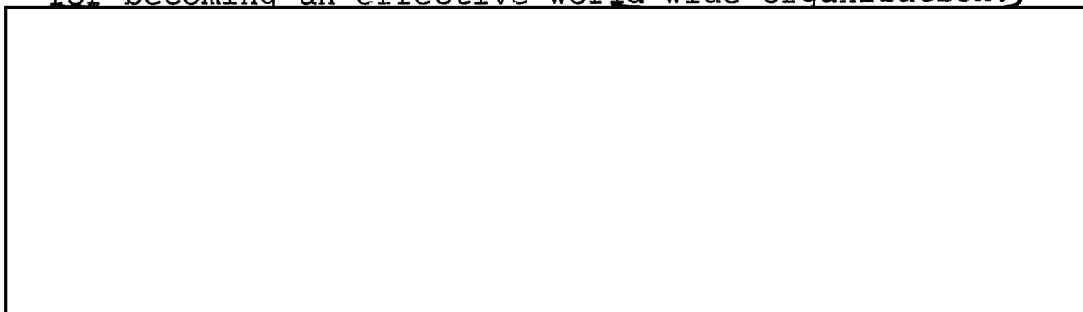
[At one point, the irritation of the European delegates over the dominance of CLASC nearly destroyed the congress. A substantial number of Europeans, in reaction to an amendment which they said had been "forced on them," walked out. They later returned, however, when the vote on the amendment had been reversed by a second roll call.]

[The role of CLASC in the congress indicates the problems WCL faces in its efforts to become a genuine world organization. The European members could eventually conclude that letting CLASC and other militant affiliates set the tone for the WCL

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may be too high a price to pay to achieve this goal. Nevertheless, in addition to bringing out real problems, the Congress revealed the potential of WCI for becoming an effective world-wide organization.)



25X1

5 Jun 69

*Central Intelligence Bulletin*

16

SECRET

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International Communism: Representatives of more than 70 Communist parties are gathering in Moscow for the international conference which opens today. The only important breakthrough the Soviets made on attendance appears to be the presence of a delegation of Cuban observers. There is still disagreement on the wording of the main conference document. Even if the differences are ironed out at the plenary sessions, there is a good prospect that the speeches of individual delegates will go beyond agreed positions. The possibility remains therefore that some delegations--notably the Rumanian and Italian--will find a way to dissociate themselves from the conference proceedings.

[REDACTED]

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Arab States: The Popular Front for the Liberation of Palestine, one of the more irresponsible and active fedayeen groups, has announced it is embarking on a campaign to destroy all US "interests" in the Arab world. The statement, issued in Jordan on 3 June, said the organization's blowing up of Tapline in Israeli-occupied Syrian territory last week marked the beginning of this drive. The most vulnerable US targets would be other oil installations and commercial aircraft. Over the past year, this group attacked Israeli El Al airliners in Athens and Zurich, and hijacked still another from Rome.

[REDACTED]

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Curacao: There has been no renewal of violence since the riots last week, but Willemstad remains in a high state of apprehension. The government's decision to dissolve the legislature and hold new elections is likely to appease the unions, at least temporarily. Elections probably will be held within a few months. Meanwhile, heavy patrolling by the police continues.

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5 Jun 69

Central Intelligence Bulletin

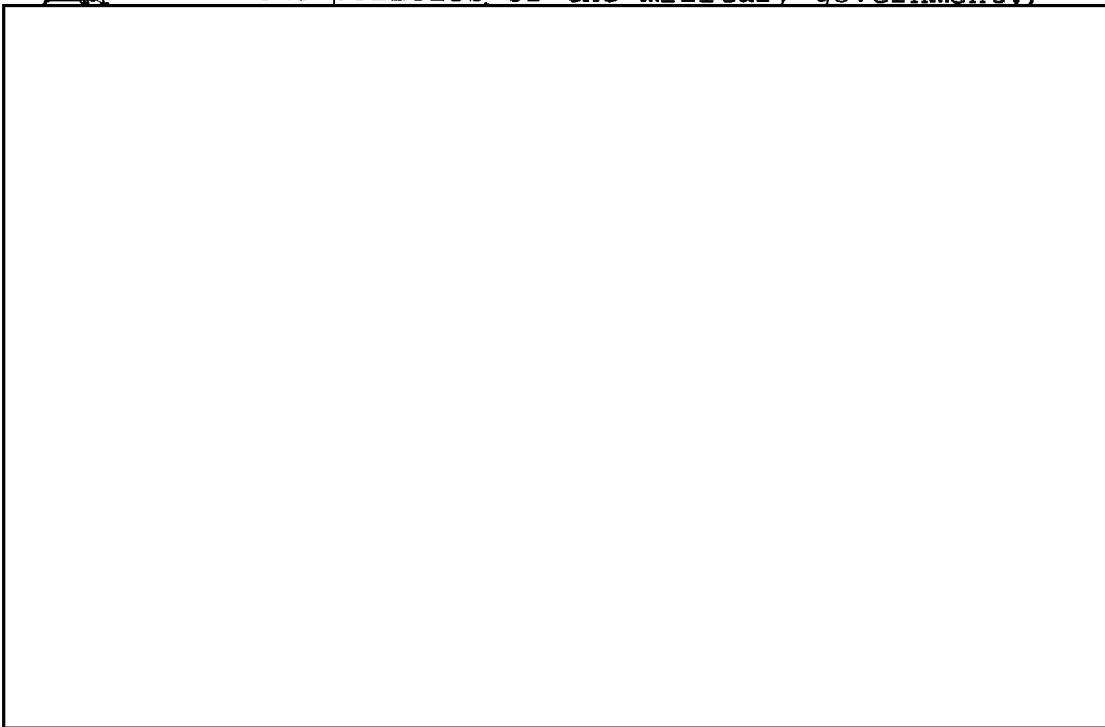
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Peru: [The Communist labor confederation plans to use the celebration of its first anniversary to obtain the membership of the one additional labor federation needed to qualify for government recognition. This would empower it to represent its member unions in bargaining and in dealing with the government and thus enhance the prestige and influence of the Communist Party. Observers from the Soviet Union and Hungary are expected at the anniversary celebrations, which are to include a mass march in support of the policies of the military government.]

25X1



5 Jun 69

*Central Intelligence Bulletin*

18

SECRET

**Secret**