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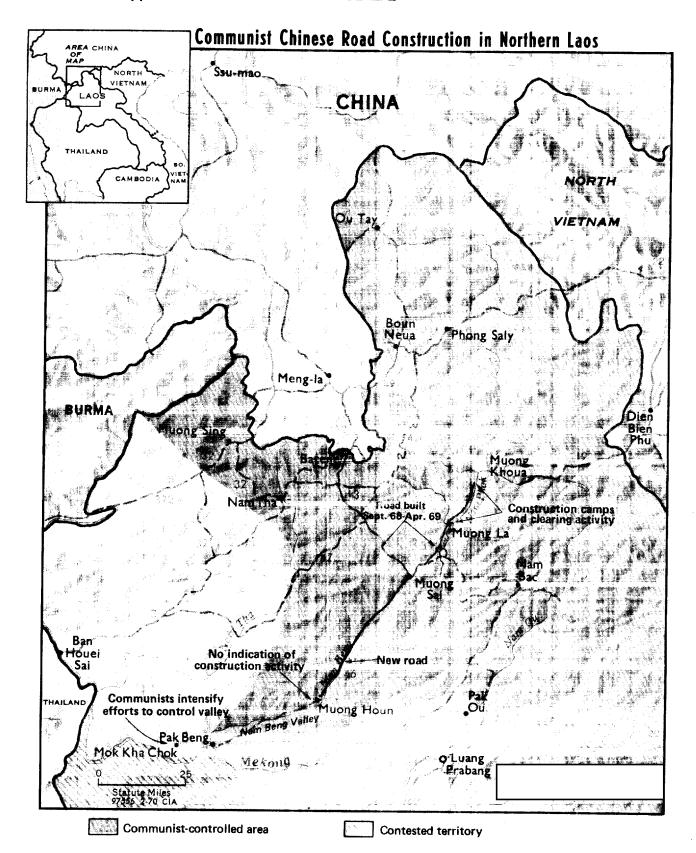
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Laos: Chinese road construction is continuing, but at a slower pace.

the most significant activity has been concentrated northeast of Muong La, where new road construction is in evidence for some 14 miles. Although rugged terrain has made rapid construction of a road network there extremely difficult, the framework for a large bridge spanning the Nam Phak is in place, and a line of new construction camps is strung out along the stretch of new activity northeast of Muong La.

In the Nam Beng Valley, road construction within one mile north of the village of Muong Houn, but there was no apparent indication of preparations to continue construction to Pak Beng. The apparent lack of construction activity south of Muong Houn suggests that the Chinese may have decided to focus their efforts on finishing projects now under way before pressing ahead with new efforts.

The continued presence of government forces at the southern end of the valley may be an additional factor in the Chinese hesitancy to push farther south for the moment. In recent days Pathet Lao forces have launched a drive aimed at clearing the last vestige of government control from the valley. On 8 February the government lost one of its outlying defense positions, and it appears to be only a matter of time before the major outpost at Mok Kha Chok becomes untenable.

(Map)

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Chinese Negotiating with Pakistan to Buy British-built Transports



Hawker-Siddeley Trident 1E

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Communist China - Pakistan: Peking is negotiating with Pakistan's government-owned international airline to purchase four British-built Trident jet transport aircraft.

The status of negotiations is not clear, but the talks are now reportedly centered on finding an agreeable arrangement for payment. China wants assurances from the British that it would be able to purchase spare parts. The UK has informed the US that it intends to authorize the sale of spare parts subject to consultation with COCOM, the international organization that regulates the sale of strategic items to Communist countries.

Peking probably intends to use the aircraft in a role similar to that of the six Viscount turboprop transports acquired from the British in the early 1960s. These aircraft have been used on long-distance domestic routes, and limited international and VIP flights. The remainder of the Chinese civil air fleet is made up of Soviet-built transports, many of which are now obsolete.

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<u>Communist China:</u> Peking is focusing national attention on an anticorruption campaign.

A radiobroadcast on 8 February disclosed that 14 persons were convicted of corruption, theft and speculation at a mass trial held in Amoy in early January. Mass trials and purges for similar crimes also took place recently in Peking and Canton.

The principal targets of the campaign are almost certainly opportunists who took advantage of the breakdown in control during the turmoil of the Cultural Revolution to enrich themselves. According to a Honan broadcast on 9 February, "entrepreneurs" have been buying up state materials and often stealing them outright in order to sell them on the black market for large profits. They were also accused of inciting labor unrest and deliberately causing accidents in production units in order to exploit the situation for their own advantage. The broadcast claims that these manipulators have formed alliances and even committed murder to cover up their crimes.

Peking's growing concern with rebuilding the economy has probably prompted the latest crackdown on rampant corruption in enterprises at all levels. In this Sisyphean task, however, there will be resistance not only from the intended targets of the purge but also from many local authorities who are often deeply involved in the same type of activities.

Moreover, any attempts to "further liq	uidate"
loosely defined "class enemies" in the econ	omic
field could provide another opportunity for	faction-
alists to continue to wage political feuds.	_

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Jordan: The cabinet yesterday issued a new 11-point set of internal security restrictions that provides a framework for greater governmental control over the Arab fedayeen.

The new restrictions are similar in content to others that King Husayn has issued in the past but has not consistently enforced. They prohibit unauthorized meetings and demonstrations, ban private storing of explosives, and forbid carrying arms in Amman. A two-week grace period is permitted for compliance.

The reason behind the timing of the new cabinet order is not clear, although Husayn has said periodically that he intends to reassert his authority over the fedayeen.

It is also very unlikely that the King intends a showdown at this time. In the past, Husayn has made only small, careful moves and has attempted to play one guerrilla group against another. At present there are rumors of increased dissension within Fatah, the major fedayeen organization, and Fatah leader Yasir Arafat is visiting Moscow. Husayn may, therefore, be attempting once again to exploit fedayeen dissensions. In any event, the new orders seem certain to increase fedayeen-government tensions.

The various fedayeen organizations have already broadcast a joint statement over Cairo's Voice of Fatah condemning the new restrictions and accusing the government of trying to "drag the country into a bloody civil war." The fedayeen, like the King, probably do not seek a showdown, but a minor incident could well lead to one

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Caribbean: The second Black Power Conference is scheduled for 9-12 July in Barbados.

Roosevelt Brown, one of Bermuda's more radical opposition politicians and organizer of the first conference held in Hamilton last year, has received permission to hold the meeting from Prime Minister Barrow of Barbados. Barrow is probably concerned about the effect the conference could have on the local tourist industry. He apparently concluded, however, that he could not afford to block the conclave and leave himself vulnerable to domestic charges of a sell-out to the white establishment.

Last year's conference was a generally peaceful affair that attracted some 1,300 delegates, largely from Bermuda.

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possible disorders. Despite the publicity accorded the meeting, few tangible results emerged, and Black Power in the Caribbean has remained an ill-defined, nascent concept. Its organizational strength has waned somewhat in the past year after the initial proliferation of "Black Nationalist" groups. It does, however, retain significant potential as a rallying banner for dissident groups, and the possibility exists for spontaneous disorders during the conference.

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Chile-Cuba: A former Chilean senator claims that he has made a deal with Cuba, which, if carried out, would contravene OAS agreements against trade with that country.

Balthazar Castro claims that he has sold wine and other products to Cuba in exchange for sugar, which will be delivered by a Cuban ship next July. Castro is a free-wheeling leftist politician and entrepreneur who has occasionally served as a channel of communications between the Frei government and Fidel Castro. Last year he sold wine, which he produces, to Cuba apparently by using third country invoicing.

The Chilean Government's newspaper recently has twice questioned the legal and moral justification for the "continued ostracism of Cuba." Moreover, Foreign Minister Gabriel Valdes, in his eagerness to establish himself as spokesman for Latin American independence toward the US, often acts on his own initiative in such matters. The US Embassy in Santiago, however, believes that President Frei intends to restrict Chilean initiatives on Cuba to the OAS format.

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USSR-Berlin: The Soviet reply yesterday to the Allied note of 16 December on Berlin proposed that the ambassadors to Germany of the Four Powers open talks in West Berlin during the last half of February. The note made it clear that Moscow is willing to discuss problems involving only the Western sectors of the city. It also proposed that first priority be given to an agreement excluding political activities "incompatible with the international situation" of West Berlin. The reply was cool to Western proposals to highlight communications and access problems, and by emphasizing that East German rights and interests must be taken into account, it implied that Moscow is still firmly supporting Pankow's position in these matters.

USSR-Yugoslavia: The trade protocol for 1970, concluded after a long delay, provides for an overly optimistic increase of 20 percent over the level of 1969. It is highly unlikely that this goal will be reached. Bilateral trade usually has missed the targets set by protocols. Yugoslav figures show that trade last year was 25 percent below the \$500million level anticipated. Cool political relations and Soviet unwillingness to settle its trade deficit with Yugoslavia in hard currency or in commodities specified by the Yugoslavs are impeding the growth of trade. Moreover, the Soviets continue to inhibit the expansion of direct enterprise-to-enterprise trade, preferring to adhere to the more restrictive commodity lists provided in the 1966-70 long-term trade agreement.

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