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DIRECTORATE OF
INTELLIGENCE

Central Intelligence Bulletin

State Department review completed

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23 January 1971

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Approved For Release 2003/08/26 : CIA-RDP79T00975A018100030001-7

Approved For Release 2003/08/26 : CIA-RDP79T00975A018100030001-7

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No. 0020/71
23 January 1971

Central Intelligence Bulletin

CONTENTS

CAMBODIA: Phnom Penh is bracing for additional terrorist actions. (Page 1)

SOUTH KOREA - SOUTH VIETNAM: Seoul has contingency plans for withdrawing troops from Vietnam. (Page 2)

POLAND: The leadership is showing a new approach to handling unrest. (Page 3)

CHILE: Agrarian reform is causing apprehension in the countryside. (Page 5)

ZAMBIA: Political discontent is increasing. (Page 6)

LIBERIA: President Tubman will run for a seventh term. (Page 7)

THAILAND: Trade with Communist China (Page 8)

CONGO (KINSHASA): Olenga's return (Page 8)

TRINIDAD: Elections scheduled (Page 9)

VENEZUELA: Natural gas exports (Page 9)

SECRET

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CAMBODIA: Phnom Penh is bracing for additional Communist attacks and terrorist actions, but there are no signs that major Communist elements are moving into the area.

Prime Minister Lon Nol told the US ambassador yesterday that he plans to reinforce the capital's defenses with a trusted brigade of Khmer Krom troops currently involved in the Route 4 operation and other troops currently in the Skoun area. In the meantime, increased security precautions are being taken to protect Pochentong Airfield and the city's power plants and petroleum depots, and sweep operations are under way in the outlying areas from which the Communist mortar and sapper attacks were mounted.

There are still no signs that the Communists are in a position to move in force on the city itself. Hit-and-run attacks on important targets in and around Phnom Penh can be expected, however. An explosion in the residence of the South Vietnamese ambassador was reported yesterday, indicating the Communists have also renewed their terrorist activities in the city.

The attacks are a major departure in Communist tactics in Cambodia. For the past ten months they have avoided taking the war directly to the capital, although they clearly have had the capability of doing so. Even in the face of increased government security precautions, the Communists can still make things a good deal tougher in the city if they are determined to shake the resolve of the Cambodian leadership or to bring into question the continuing viability of the Lon Nol regime.



25X1

23 Jan 71

Central Intelligence Bulletin

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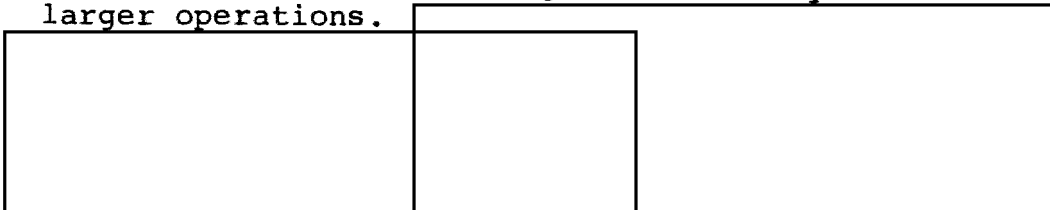
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SOUTH KOREA - SOUTH VIETNAM: Seoul is seriously considering the future of its military forces in Vietnam in the light of US troop withdrawals from that country.



It is likely that President Pak Chong-hui, who is up for reelection this year, has other considerations in mind in addition to normal contingency planning. His recent statement that the government is studying the phased withdrawal of troops from Vietnam seems intended to undercut similar proposals made by the opposition and thus remove the issue from the election campaign. Pak may also intend to put Washington on notice that he is raising the price of the Korean troops in Vietnam. South Korean tactics in similar situations suggest that he will argue that domestic political considerations demand that he be able to show something more to justify keeping Korean troops in Vietnam when the US is reducing its forces both in Vietnam and Korea.

There are over 48,000 South Koreans organized in 31 battalions deployed along the coast of South Vietnam's Military Regions (MR) 1 and 2. The five battalions operating regularly in MR-1 and the 26 battalions in MR-2 have been careful to keep their casualties down in recent years, and they have not inflicted substantial damage on the enemy in their larger operations.



23 Jan 71

Central Intelligence Bulletin

2

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25X1

25X6

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POLAND: The new leadership's handling of continuing labor unrest on the Baltic coast is beginning to reveal a modus operandi quite different from the past.

Not wishing to risk the resumption of violent disorders, the new regime has renounced force as a way of responding to the people's demands. More significantly, however, it appears to have made a conscious decision to allow grievances, many of long standing, to surface and be catalogued for correction.

This decision has meant the tacit acceptance of work slowdowns and the consequent loss of production as the legitimate bargaining tools of the workers; there have been no reports of penalties being imposed on workers involved in such actions. It has also meant that the security authorities no longer have a direct role to play on the side of the establishment in worker-management discussions; the police have kept a low profile since the end of the riots. The only demand made on the workers by the regime press has been that criticisms and demands for changes be constructive and within an undefined realm of feasibility.

Perhaps the most telling evidence of the new leaders' style can be found in the actions of the people themselves. The workers on the coast exhibit an ever-growing confidence that the time has come, after years of toleration on their part, to correct many of the faults endemic to Gomulka's style of rule. It is clear that they have hopes of convincing the new leaders that this must be done, otherwise they would not be negotiating with local authorities and the new officials in Warsaw. They would either be in the streets or resuming their sullen apathy.

Signs are also beginning to appear that the workers' hopes, although heavily larded with cynicism, are spreading to other strata of the society.

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23 Jan 71

Central Intelligence Bulletin

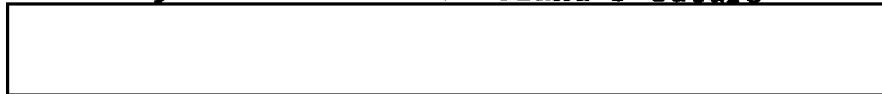
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Students in Szczecin, for example, have recently demanded better conditions for study and life. None of all this is revolutionary in intent; rather it betrays a strong need to vent pent-up frustrations and seek real improvements within the system.

The dangers for the new leaders in their adopted course are obvious, and they have not hidden their need for time to plan changes, assign priorities, and find the proper people to carry out reforms. Their low-key approach indicates not only a desire gradually to restore calm, but also the pressure of time. There are fresh reports that the party central committee will meet next week in a pivotal session that could go far to decide Poland's future course.



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CHILE: The government's agrarian reform is causing considerable apprehension in the countryside.

Agriculture Minister Chonchol announced on 18 January that all farms of more than 1,360 acres in Cautin Province, the scene of recent illegal land seizures, would be expropriated without regard to their efficiency. He coupled this statement with the announcement of a public works and literacy program and the launching of the provincial peasant council. Chonchol tried to calm the fears to the agricultural sector by labeling as "absolutely false" rumors that private sector agriculture will cease to exist. President Allende recently gave similar assurances to the president of the National Agricultural Association.

Despite these attempts to soften the impact, the government's policy is causing farmers a great deal of unease. Although crops have been good this year, there reportedly is an attitude of despair among farmers in Cautin. Many may sell their holdings to the government voluntarily rather than wait for expropriation. The US Embassy in Santiago comments that this development is similar to other moves by the Allende government: initial intimidation with strong threats followed by a comparatively reasonable alternative that gives the government what it wants without too much obvious pressure.

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ZAMBIA: Political discontent has risen in Lusaka, and government officials are fearful both of trouble from resident whites and of cross-border attacks by the Portuguese.

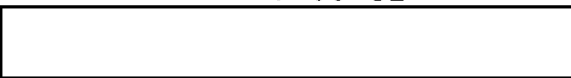
President Kaunda, who is attending the Commonwealth Conference in Singapore, has come under unexpected widespread criticism from supporters in his ruling United National Independence Party (UNIP). The discontent centers on Kaunda's increasing tendency to act arbitrarily. A troublesome problem now is that important party leaders are irked because he recently reshuffled the cabinet and made important policy decisions without consulting them.

Kaunda is also facing renewed trouble from former vice president Simon Kapwepwe and other Bemba leaders who are again complaining of discrimination. If Kapwepwe and his followers resign from UNIP, as rumored, the party could lose support among the Bembas, a major source of its strength.

Despite these difficulties, Kaunda's personal position does not yet appear in danger; he has handled similar problems in the past.

Meanwhile, army units in Lusaka are guarding several government installations, and armored patrol units are on alert. These actions caused considerable uneasiness in the capital. Many government leaders are concerned that Lisbon may mount paramilitary raids into Zambia similar to those into Guinea last November.

In addition, the defense minister is worried about possible sabotage from resident whites because of Kaunda's bitter opposition to British sales of naval arms to South Africa.



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LIBERIA: Aging President Tubman's announcement on 21 January that he will run for a seventh term ends speculation that poor health might force his retirement, but the succession question remains the country's most important political problem.

The 75-year-old Tubman, president since 1944, is ensured victory in the elections scheduled for early May. He will receive the formal nomination of the True Whig Party--Liberia's only party--at a national convention to be held later this month. Tubman's announcement that Vice President William Tolbert would again be his running mate ensures Tolbert's reelection also.

Ill health has sidelined Tubman with increasing frequency during his present term. Should he die or be incapacitated in the course of the next four years, Liberia's stability, which presently rests largely on the highly personal political system created by Tubman, would be tested. Tolbert, the constitutional successor, has not shown that he possesses Tubman's political skills, and he has numerous enemies among the ruling elite.

25X1

23 Jan 71

Central Intelligence Bulletin

7

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THAILAND: Bangkok has announced that it has established a committee to study the feasibility of trade with Communist China. This move appears designed to demonstrate that the government is making every effort to alleviate the country's economic troubles, while at the same time underlining Bangkok's desire to limit economic and political dependence on the US. It is not clear how hard Bangkok is prepared to pursue economic ties with Peking or if the Chinese would be receptive. Although trade with China will not alleviate Thailand's balance-of-payments problem, it would be part of Thanat's effort to expand trade with Communist countries and to explore the possibility of a political channel to Peking. Late last year a trade pact was signed with the USSR. [redacted]

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CONGO (KINSHASA): The return of Nicholas Olenga, a leader of the 1964-65 Simba revolt, will be a significant test of President Mobutu's sincerity when he promised amnesty to all political offenders who turn themselves in by 31 January. On 17 January, Olenga was delivered to the Congolese Embassy in Kampala by Ugandan authorities, who had kept him under protective custody since 1966. A Kampala press report, however, implies that Olenga was returning willingly, [redacted]

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[redacted] many Congolese army officers would oppose a pardon for Olenga, because they still bitterly resent being routed by his hordes of untrained, poorly armed peasants, and some are likely to seek his execution. Mobutu is well aware, however, that any openly punitive treatment of Olenga would deter other formerly prominent émigrés from returning. [redacted]

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TRINIDAD: Prime Minister Williams has tentatively scheduled the next general election for 21 April, the first anniversary of the imposition of a state of emergency. Williams apparently intends to withhold his final decision until he samples public attitude during Carnival in late February. Williams evidently selected the 21 April date to impress upon his political opponents and the radical elements who on that date two years ago failed to overthrow his government that he is once again in control.

[Redacted]

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VENEZUELA: Caracas is moving rapidly to develop its natural gas exports. Following President Caldera's recent decision to place natural gas reserves under state control, a government mission in Paris began contacting European shipyards to determine if seven methane tankers could be delivered by 1975-76. The government seems confident that it will be able to secure international financing for the tankers and for two gas liquification plants, an investment that will total almost \$1 billion. Although private oil companies, which presently control the gas reserves under petroleum concessions, are resigned to Caldera's action, at least one company intends to initiate a pro forma court action claiming violation of its concession rights.

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