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WEEKLY REVIEW

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

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Far East

Page 1 THE WEEK IN PERSPECTIVE 2 VIETNAM Hanoi's leadership is trying hard to present a picture of confidence and to avoid any suggestion that Ho's death will change anything. The military lull in the South was broken briefly last week by a brief flurry of activity that may be a prelude to increased pressure on the delta, where South Vietnamese troops have already begun to take on a greater role in the war. President Thieu has warned the South to expect to assume more of the war burden, but has also expressed (b)(3)his concern that the US not withdraw troops too rapidly. 4 PEKING AND MOSCOW TO HOLD BORDER TALKS China's announcement on 7 October that it would enter talks with the USSR marks the first concrete result of the Kosygin-Chou meeting last month, and reflects recent efforts by both sides to reduce tensions along the border. The proposed talks appear to be only a tactical move, however, and will not resolve fundamental differences dividing the two states. (b)(3)(b)(1)(b)(3) 9 HOSTAGE RELEASE EASES SINO-BRITISH TENSIONS Peking's release of a British correspondent has removed an irritant in Sino-British relations.

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STRAINS IN RULING OKINAWAN LEFTIST COALITION The weak administration of Okinawa's Chief Executive is beginning to lead to strains within the leftist coalition government. Militant leftists may as a result be freer to raise more of a fuss over the issues of US base rights, reversion to Japan, and nuclear weapons.

Europe

THE WEEK IN PERSPECTIVE

ARMS CONTROL PROGRESS IS UNEVEN The US and the USSR have presented their draft seabeds treaty at the Geneva arms control conference, where enthusiasm for a substantive UN General Assembly resolution on chemical and biological warfare appears to be diminishing.

POLICY TOWARD BONN DOMINATED EAST GERMAN ANNIVERSARY Speeches by Soviet leader Brezhnev and East German boss Ulbricht served to pinpoint strains caused by differences in their attitude toward West Germany.

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16 PARTY FACTION CLASH IMMINENT IN CZECHOSLOVAKIA Infighting between party chief Husak's "realist" faction and the rival pro-Soviet group will intensify as a result of the campaign by the ultraconservatives to shift the balance of power in their favor. (b)(1)(b)(3)19 SWEDISH SOCIAL DEMOCRATS ELECT NEW LEADER Olof Palme, elected party chairman to succeed Tage Erlander and also likely to be named prime minister on 14 October, is cultivating a moderate image and may attempt to improve Swedish-American relations. 20 USSR SEEKS TO EXPAND HEAVY TRUCK PRODUCTION Unprecedented investment allocations for the motor vehicle industry and attempts to secure Western technology underscore the urgent Soviet desire to produce more trucks. (b)(1) (b)(3) Middle East - Africa 21 THE WEEK IN PERSPECTIVE 23 ARAB-ISRAELI SKIRMISHES CONTINUE APACE Egypt and Israel recently used night air strikes against each other for the first time. (b)(1) (b)(3)24 ANTIFOREIGN VIOLENCE ERUPTS IN IVORY COAST Foreign workers are increasingly in conflict with unemployed Ivorians. Repressive force has returned an uneasy calm, but further clashes seem inevitable because of student and labor discontent. 25 SUDAN DISCUSSES AID WITH USSR AND WORLD BANK Sudan may have the option of turning to the USSR for assistance on a large-scale irrigation scheme if the International Bank for Reconstruction and Development does not provide financing. (b)(3)TOP SECRET UMBRA 10 Oct 69 Page iii WEEKLY REVIEW

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PRESIDENTIAL CAMPAIGNING BEGINS IN COLOMBIA Political campaigning by Conservative Party presiden tial hopefuls has temporarily taken the political sp light.	30 - ot-
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PEKING AND MOSCOW TO HOLD BORDER TALKS

China's announcement on 7 October that it would enter talks with the USSR is the first fruit of the Kosygin-Chou meeting last month and reflects recent efforts by both sides to reduce tensions along the border. The two sides have agreed on a meeting of deputyministers in Peking, and Western news reports, quoting Soviet sources, state that the talks will begin later this month. This has not been officially confirmed, however.

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The Chinese announcement, while it obviously attempted

to enhance China's case in the dispute with Moscow, represented a noticeable retreat from Peking's border statement last May. At that time the Chinese indicated that discussions to ease the border conflict would require Moscow's prior recognition that the present boundary is based on "unequal treaties," and the negotiation of a new comprehensive settlement. Peking's announcement of 7 October, however, omitted this demand and stated that the "status quo" along the frontier

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would be acceptable for the time being.

China's more flexible approach was dictated by Peking's concern over the current border crisis. The Chinese statement pointed to what it termed "nuclear war threats" by Moscow and disavowed any Chinese intention to launch an atomic attack. China's anxiety over the dangerous frontier situation is evident from pointed references in recent Chinese propaganda to "surprise nuclear attack," as well as indications that Peking is preparing contingency plans for extended conflict with Moscow.

The Soviet Union has been pressing China to hold border talks for some time, and the two may have already reached a limited understanding regarding steps to quiet the border before Peking released its statement.

during the Kosygin-Chou meeting both sides reached a tentative agreement to talk on border problems and have since had several contacts on an official level. China's announcement on 7 October mentioned two earlier Chinese communications to Moscow--on 18 September and 6 October.

Both sides have already taken limited steps to lessen outward signs of hostility apparently in anticipation of the

negotiations. Although Peking at first did not reciprocate Moscow's near halt on anti-Chinese propaganda following the Kosygin-Chou meeting, the Chinese softened their polemics against the USSR during national day ceremonies and reduced domestic anti-Soviet propaganda. The Soviets sent unusually cordial anniversary greetings to China this year, and Soviet ambassadors attended Chinese National day receptions in a number of foreign capitals for the first time in several years.

Nevertheless, the Chinese statement clearly implies that the proposed border talks will be only a tactical move designed to ease border tensions and will not resolve fundamental differences between the two states. A lengthy Chinese release of 8 October refuted in detail the USSR's most recent major statement on the border (b)(1)conflict and indicated Peking's intention to continue debate on (b)(3) its fundamental differences with Moscow. It also contained a five-point plan that established China's stand for the upcoming talks. Apparently to mask its retreat on the question of border talks with the Russians, Peking maintained that a final over-all settlement will still require Moscow to recognize the "unequal(b)(1) treaties and conclude a new $_{\mathrm{The}}$ (b)(3) "equal" treaty with China. statement emphasized, however, that pending such a development, both sides should maintain the status quo along the border and take steps, including troop withdrawals from disputed areas, to avert further conflict along the (b)(3) frontier.

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