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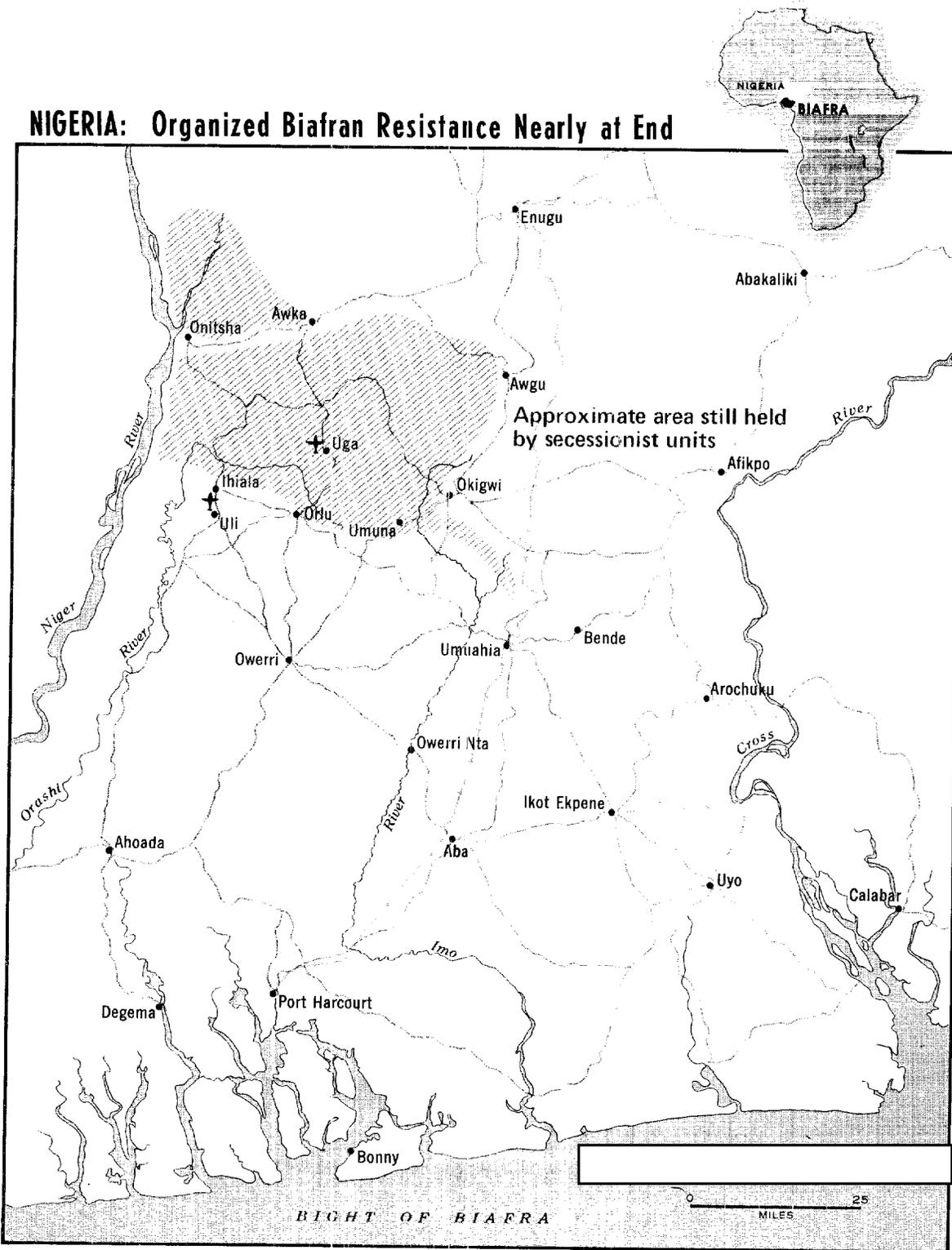
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NIGERIA: Organized Biafran Resistance Nearly at End



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Nigeria: Most organized Biafran resistance will probably end soon.



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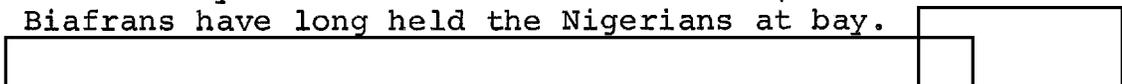
The federal government, which is dominated by minority tribesmen, is willing to deal with Effiong, who is from a minority Eastern tribe. Effiong promised there would be no government in exile, signaling a break with Ojukwu, and appointed a representative to work out the terms of Biafra's return to the federation.



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Although not an Ibo, Effiong probably has the support of most Biafran senior officers. Nevertheless, some secessionist units may continue to fight, particularly those that have held their ground against federal attacks in the north. A breakdown in Biafra's logistics system and a shortage of ammunition will probably prevent them from maintaining organized resistance for more than a few days, however.

There is little information on the fast-moving military situation on Biafra's southern front, but it appears that federal troops have occupied at least part of Ihiala airstrip. There have been no reports of atrocities by the Yoruba-led federal division in the south. There is some danger of retribution by units on the northern front, where the Biafrans have long held the Nigerians at bay.



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Venezuela: President Caldera is continuing to press for more favorable treatment in the US oil market.

He took the unusual action last Friday of using a diplomatic reception at which he was host to engage the US chargé in a lengthy discussion of the US oil import program. Caldera said that US intentions toward Venezuela would be judged by the decision taken on Venezuela's share of the US oil market. He emphasized that Venezuela would be "less than satisfied" with a policy that did not accord Venezuela equal treatment with Canada. The US chargé commented that Caldera is "flint-hard and uncompromising" on the petroleum issue.

In recent weeks the Venezuelan Government has been making urgent representations for an increase in its oil import allotment in anticipation of an early US decision on oil import policy. Venezuelan fears have been strengthened by reports that a study commission recommended favored treatment for Canada.

President Caldera, whose administration is already hard-pressed by financial and political difficulties, wants increased oil imports to help finance his promised reform program. In addition, the issue is a highly nationalistic one, and any US policy adjudged to be discriminatory, whether real or imagined, could cause Venezuela to seek means of economic retaliation.

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IAEA: The US, UK, and France have agreed tentatively to cosponsor an Italian plan to expand the Board of Governors of the International Atomic Energy Agency (IAEA) at the Board's February meeting.

Under terms of Article 6 of the IAEA statute, the Board is composed of 26 members, with 5 seats reserved for those IAEA member states "most advanced in the technology of atomic energy, including the production of source materials." The five states are the US, UK, USSR, Canada, and France. The Board is vested not only with legislative and policy-making functions, but also with executive and administrative responsibilities.

Some IAEA members now wish to increase the number of Board participants. They note that the Nonproliferation Treaty (NPT) is nearing entry into force and that the nonnuclear-weapon adherents to the NPT must negotiate safeguards agreements with the IAEA to prevent the diversion of fissionable material from peaceful uses. An expanded Board would presumably increase confidence in the IAEA.

The Italians propose to revise Article 6 to expand the Board to 33 members, and in the process add Italy and West Germany to the "most advanced" category. If accepted at the February Board meeting, the proposal would then be submitted to the general conference of IAEA members in September. To enter into force, a revision would have to be approved by a two-thirds vote at the general conference and subsequently ratified by two thirds of the IAEA members.

Serious resistance to the Italian scheme is evident among the Soviet bloc, the Africans, and the Scandinavians. The chief Soviet representative to the IAEA in December indicated a preference for stringing out the Article 6 revision problem until 1971 or 1972. He is opposed to an addition of more than four members to the Board, none of which would be in the "most advanced" category.

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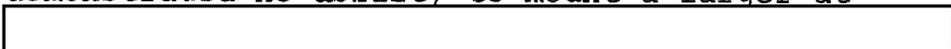
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NOTES

*Thailand: Communist guerrillas yesterday conducted their second small-scale sapper raid in the last six months on the Ubon airbase in northeast Thailand. This latest effort, which cost the insurgents six dead, caused no damage to US aircraft and facilities. This is the first repeat performance by the guerrillas on a major military target in northeast Thailand and suggests a determination on their part to present a more credible military threat. The Communists have long been capable of such nuisance raids against the well-defended bases, but have demonstrated no ability to mount a larger attack.



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USSR-Egypt: A new trade protocol for 1970 calls for total trade, excluding Soviet economic aid deliveries, to reach \$391 million--nearly a 15-percent increase over 1969. The Soviet Union will supply Egypt with machinery and equipment, oil, coal, metals, timber, food, and other goods. Egypt will increase the delivery of industrial and agricultural goods to the USSR as well as supply the traditional cotton, rice, and cotton knitwear. An earlier Egyptian press report indicated that the negotiations also would cover a new five-year trade and aid agreement, but the official announcement at the conclusion of the two-week talks did not mention this.



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*Because of the shortage of time for preparation of this item, the analytic interpretation presented here has been produced by the Central Intelligence Agency without the participation of the Bureau of Intelligence and Research, Department of State or of the Defense Intelligence Agency, Department of Defense.

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India: New Delhi's decision to purchase seven Boeing 737s for its domestic airline instead of Soviet-built TU-154s is at least partially the result of a Soviet failure to come up with a sufficiently attractive package to offset the superiority of the American aircraft. Although the Indians believe the 737 is a better plane than the TU-154, Moscow seemed to have clinched the sale early last fall by tying it to the purchase of Indian railroad cars. Even after the freight car negotiations fell through, the prospect of favorable Soviet credit terms, including liberal interest rates and repayment in rupees, had still seemed to give the USSR an edge.

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Dahomey: A power play late last week by disgruntled army officers failed to restore recently deposed president Zinsou or to eliminate coup leader Lt. Colonel Kouandete. For the moment, at least, the various contending factions remain in a stand-off, although Kouandete may have gained some strength by surviving the challenge. Kouandete reportedly may now attempt to dissolve the ruling military triumvirate and take full power himself. Cotonou, the largest city, is calm and most of the civilian population seems indifferent to the unresolved struggle going on inside the military establishment.

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