

DIRECTORATE OF  
INTELLIGENCE

# *Central Intelligence Bulletin*

**Secret**

**№ 40**

19 March 1971

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Approved For Release 2003/05/19 : CIA-RDP79T00975A018500100001-5

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No. 0067/71  
19 March 1971

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COMMUNIST CHINA - USSR: In anticipation of the upcoming Soviet party congress Peking has issued its strongest polemical blast against Moscow in nearly a year.

The new attack, contained in a joint editorial by the major Chinese propaganda organs, is essentially a restatement of the ideological differences that divide the two parties. It appears designed to drive home the point that despite recent improvements in state-to-state relations the fundamental gulf between Peking and Moscow remains as wide as ever. The Chinese clearly wish to set the record straight on this score before the 24th CPSU congress begins; in a sense the editorial is Peking's reply to the invitation to attend the congress the Soviets claim to have tendered to the Chinese.

In contrasting Chinese adherence to "revolutionary violence" to the Soviet brand of "revisionism," the editorial accuses Moscow of going "all out" in the arms race while oppressing people at home and abroad, and repeatedly denounces Soviet party leader Brezhnev by name. Nevertheless, specific grievances against Moscow such as the putative Soviet "threat" to Chinese territory are not raised, presumably because the occasion calls for a more theoretical or ideological statement of the Chinese position. Indeed, the editorial appears to have been drafted with a view to avoiding as much as possible language which would hamper Peking's diplomatic offensive in both the Communist and non-Communist worlds.

Like the classic anti-Soviet blasts of the early and mid-1960s, Peking's current attack on the "revisionists" has domestic as well as international implications. The themes central to the editorial are also applicable domestically. In this respect Peking seems to be warning cadres at home against "revisionist" sins--a further sign that internal problems have still not been fully resolved.

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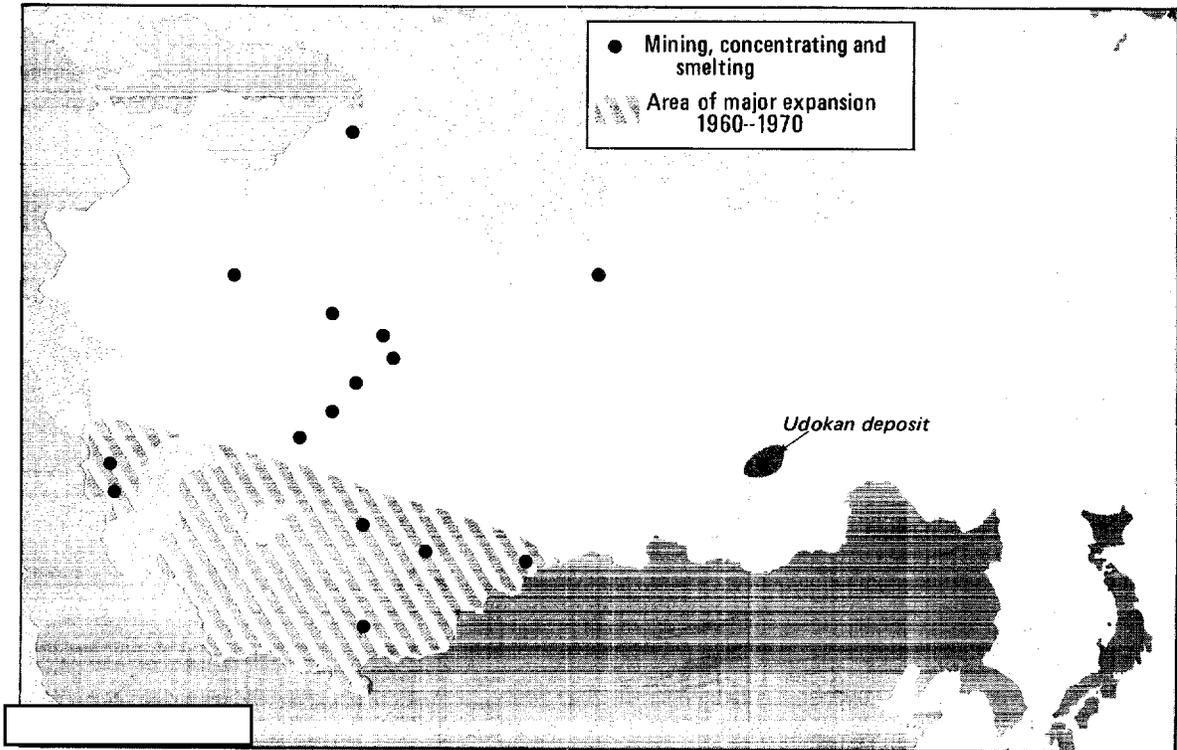
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USSR: The new five-year plan directives indicate that the 1975 target for copper production will be achieved by more intensive use of existing plants, leaving until the end of the decade development of the giant Udokan deposit in eastern Siberia.

The plan projects a 35- to 40-percent increase in copper production, compared with a 60-percent gain achieved in 1966-70. The absolute production increase, however, is about the same. Copper output is estimated to have reached 1.2 million metric tons in 1970 and may approach two million tons by 1980.

Increased mechanization of production, improvements in the technology of metallurgy, and gains in labor productivity will be stressed. This will be a departure from the extensive development of large-scale combines, primarily in Soviet central Asia and the Caucasus, which characterized the 1960s.

Udokan, the location of the largest copper deposit in the USSR, is expected to begin production toward the end of the 1976-80 period. The Soviets hope for an annual output of 350,000-400,000 metric tons, accounting for nearly the entire growth in total copper production for that period. Development is hindered by the remote location, rugged terrain, severe temperatures, and large capital requirements.

Negotiations for foreign technology and financial assistance from Japanese, British, and French firms, under way since 1965; have been complicated by these technical difficulties. Recent press reports, however, indicate that some agreements may be concluded shortly. Development costs are estimated at \$1.4-2.0 billion, about 50 percent of which would be assumed by the USSR. A large portion of the Udokan output probably will be sold in the West to pay for the foreign assistance.

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[redacted] (Map) [redacted]

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SOUTH KOREA: President Pak Chong-hui's appointment yesterday of Kim Chong-pil to fill the new post of vice president of the government party could provide the basis for renewed intraparty strife.

As chief architect of the near-bloodless coup that elevated Pak to power in 1961 and as founder of the government party, Kim was at the center of much of the factional infighting that marked the regime's early years. In 1968, Kim was forced onto the political sidelines when his own presidential ambitions for 1971 almost brought him into open conflict with Pak. His gradual re-emergence as a political power has been strongly fought by party colleagues who have benefited from his political eclipse.

Pak apparently created the post of party vice president especially for Kim in order to take advantage of his considerable political talents in the presidential election in late April and the National Assembly elections about a month later. Kim is one of the few--if not the only--government politicians whose public speaking ability matches that of Kim Tae-chung, the popular opposition candidate for president. Also like him, Kim Chong-pil is attractive to young people and can be counted on to be a strong campaigner in his home province, where support for the regime reportedly has slipped.

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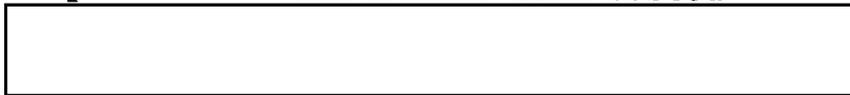
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INDIA: Prime Minister Gandhi's new 13-member cabinet contains five newcomers, but key portfolios remain in the possession of incumbents.

In an apparent attempt to provide her new government with an image of both continuity and change, Mrs. Gandhi has shuffled portfolios and personnel, particularly among the junior members in the larger Council of Ministers, which includes the cabinet. She apparently remains content, however, with the performance of the four veterans who have held the important portfolios of finance, defense, foreign affairs, and food and agriculture since the last cabinet shuffle in June 1970. She kept the sensitive and prestigious home affairs portfolio, which deals with domestic security.

One of the more prominent ministers dropped from the cabinet is Dinesh Singh, former minister of industrial development and before that foreign affairs. Singh incurred widespread antipathy--both domestic and international--while he was Mrs. Gandhi's confidant in the early years of her prime ministership.

Her party's landslide electoral victory earlier this month has largely freed Mrs. Gandhi from her past concern with political survival and parliamentary opposition. As a result, there could be an important shift of power from the party and parliament to the cabinet. Mrs. Gandhi is in a better position than at any time during her five years as prime minister to tackle pressing economic and social problems and to drive through policies that have previously met stiff resistance from vested interests.



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EUROPEAN COMMUNITIES - UK: Accession negotiations remain stalemated because of differences among the Six and British reluctance to show any give on how much the UK will initially contribute to the EC's budget.

At a ministerial-level meeting on 16 March between the UK and the Six, there was no progress on the principal outstanding issues--financing, arrangements for New Zealand's dairy exports, and guarantees for sugar exports of the Commonwealth countries. On financing, France maintains it is now up to London to better its initial offer. The other members want bargaining on this question to resume on the basis of a Community counteroffer.

All Six agree that certain assurances can be given to maintain EC imports of New Zealand dairy goods and Commonwealth sugar, but Paris is less forthcoming on these issues than the others, perhaps in the hope of eliciting a tougher position on financing from its EC partners.

Should the French continue these tactics, it seems doubtful that the Six can work out a common negotiating position before the next ministerial meeting with the British on 11 May. The British did succeed in tentatively scheduling two extra meetings after the 11 May session, and this could provide more time to thrash out differences. Failing this, both sides may see some advantage in setting the stage for a "crisis" which would be resolved perhaps in marathon sessions or even at the summit level, where the political importance of British membership would be clearly in focus.

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GREECE: Prime Minister Papadopoulos has ordered the release of political detainees, but there is no sign that he is contemplating an early end to martial law.

A government spokesman recently announced that the majority of the 300 political detainees would be released by the end of April. Some 60 or 70 individuals still considered to be dangerous will, however, be sent to remote villages with their families where they will remain under surveillance. In addition, [redacted] only ten of another 40 persons arrested for terrorist acts in late 1970 and since held without charge will be brought to trial. [redacted] the trial will not take place until September in order to avoid bad publicity during the summer tourist season.

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The wording of the press release was obviously intended to indicate that the release of these detainees is a follow-up to Papadopoulos' promise on 19 December to do so rather than a result of international pressure on the government. In any event, occasional large-scale roundups of persons the regime considers dangerous will continue.

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TURKEY:

[redacted] the left-  
ist Revolutionary Youth Federation [redacted]

[redacted] may soon kidnap a diplomat or one of his family as a hostage in seeking the release of terrorist leader Deniz Gezmis. Gezmis, who engineered the previous American kidnappings in Turkey and who is the self-styled leader of the embryonic Turkish People's Liberation Army, was captured Wednesday along with another member of the gang. Two others are still at large.

[redacted]

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CHILE - NORTH VIETNAM: Six North Vietnamese representatives arrived in Santiago on 16 March to set up a commercial mission and a news agency office. Chilean Foreign Minister Almeyda announced that the mission will have the same status as the existing North Korean one. According to the Chilean Communist Party newspaper, the mission will become an embassy when Chile establishes relations with North Vietnam. Cuba is the only other country in Latin America with official North Vietnamese representation.

[redacted]

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MALAYSIA: In an effort to halt declining prices, the government is now intervening by making purchases in the world natural rubber market. Natural rubber prices had been falling steadily since mid-1969. As the world's largest producer Malaysia is most concerned about the drop in prices and its intervention has temporarily halted the decline. By highlighting the poor market conditions, Malaysia may hope its action will influence the US not to resume sales of stockpiled rubber.

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ARGENTINA: The presence of army troops and tanks in the streets prevented a renewal of violence in Cordoba yesterday, but a 14-hour general strike reportedly paralyzed the industrial city. General Lopez Aufranc, the commander of the Cordoba military zone, declared the city to be in a state of emergency and warned that his troops were authorized to take whatever action necessary to prevent looting or vandalism. Meanwhile, a key Cordoba labor leader told a US official that the prime objective of the Cordoba confederation's "struggle plan" is to force the removal of President Levingston and bring about the establishment of a nationalist military government in Argentina similar to that in Peru.

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SWEDEN: The Riksbank has lowered its official discount rate from a postwar high of seven percent to 6.5 percent to encourage further industrial investment. This move, concurrent with a lessening of inflationary pressures after three years of economic overheating, follows the recent lifting of the price freeze on producers' goods. The rate change, as well as continued government restrictions on housing and public investment, should stimulate the transfer of limited investment to the manufacturing sector.

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