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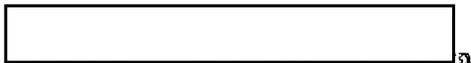
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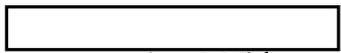
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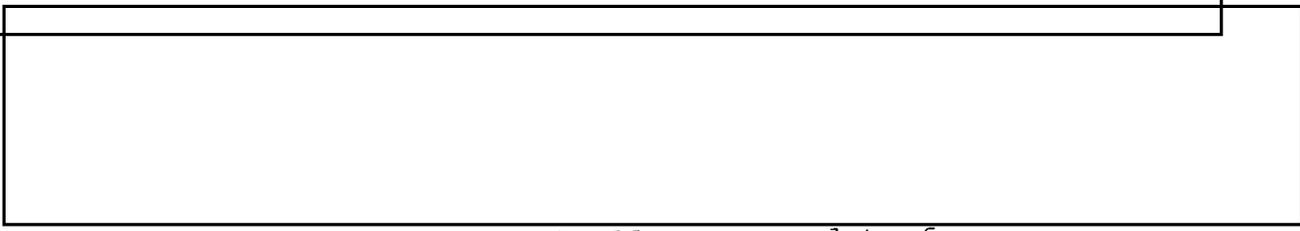
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\*EGYPT: In a speech intended to justify to his Arab allies his postwar turn away from Moscow to a more balanced Soviet-Egyptian relationship, President Sadat last night harshly criticized the Soviets for having consistently opposed Egypt's resort to war.

Sadat delivered his remarks in a long address to the nation designed chiefly to promote a new national action plan that will outline Egypt's domestic and foreign policy for the next quarter century. Devoting a major portion of the speech to the Soviets, Sadat rehashed a long history of unfulfilled Soviet promises of military aid and concerted Soviet efforts to turn Egypt's attentions away from war.

Sadat was careful not to make invidious comparisons between his attitude toward Moscow and his new closer ties with the US, and he frequently blamed the US equally with the Soviets for a failure to move toward a Middle East settlement before the war. He seemed, however, almost to imply that the responsibility for previous US inaction was primarily Moscow's. Charging that the Soviets had deliberately sought to ensure that the Arabs remain militarily weak while Israel was strengthened, he said that the US had come to believe that Egypt and the Arabs were "motionless corpses." He asked why the US should have been expected to put forth any solution if it believed the Arabs were too weak to bargain.

Sadat said in effect that Moscow had forced Egypt to take matters into its own hands. By emphasizing that the decision to initiate the war was entirely an Egyptian one, taken despite Soviet obstruction, Sadat seemed to be telling other Arabs, particularly Syria, that dependence on Moscow as a protector of Arab interests is essentially meaningless. Cairo has recently been showing some concern that Soviet sniping at Egypt's postwar policies, particularly its relations with the US, will affect Syrian willingness to continue disengagement talks with the US and Israel.

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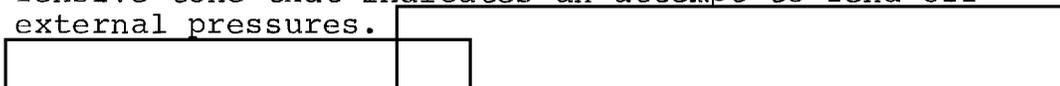
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Sadat's strong speech against the Soviets may herald still more direct attacks in the future on Moscow's interests in Egypt. The speech was preceded yesterday by an Al Ahram editorial questioning the continued value of the Soviet-Egyptian friendship treaty and, although Sadat himself did not mention it, he laid the groundwork for a later call for modification if he comes to feel that it symbolizes too close a relationship with Moscow.

Such a move would risk Egypt's major source of military aid, however, and Sadat will approach the issue cautiously. Although he has shown an increased willingness recently to gamble on the military relationship with Moscow in order to move away from the political relationship, he will seek to avoid antagonizing the Soviets to the point that they might begin active meddling in internal Egyptian affairs. The Egyptians have indicated some concern already at this prospect, and Sadat's explanation of his domestic policies last night took on a defensive tone that indicates an attempt to fend off external pressures.



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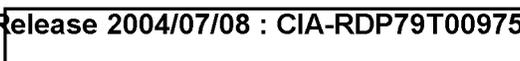
\*Because of the shortage of time for preparation of this item, the analytic interpretation presented here has been produced by the Central Intelligence Agency without the participation of the Bureau of Intelligence and Research, Department of State.

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SOUTH KOREA: The Pak government announced a new, harsh emergency measure on April 3 as part of a determined effort to halt renewed student protest. The government is now defining all antigovernment activity as Communist-affiliated as well as subversive and has made clear its resolve to suppress any organized student political activity.

Emergency measure number four--the first was issued in January--identifies a so-called "National Democratic Young Students League" as the organization behind the small-scale student protests that started up again last week. There had been no open political activity on campus during the first few weeks of the current school term

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The new decree allows members of the student league five days in which to turn themselves in to the government. After this period, those charged with membership will be subject to court-martial if apprehended; punishments will range from a five-year prison term to life imprisonment or death. The decree prohibits political demonstrations or related activities on any campus. The government also threatens to close any school where such activities occur. The army will aid local authorities or the education minister in restoring order on campuses, if necessary.

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April 19 is the anniversary of the student uprising that overthrew President Rhee in 1960. The new emergency measure seems intended to break the back of student dissent before that date.

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LAOS: After more than 13 months of protracted negotiations, the two Lao sides are finally prepared to form a new coalition government.

Pathet Lao leader Prince Souphanouvong, who arrived in Vientiane on schedule yesterday, plans to journey today with Prime Minister Souvanna to the royal capital of Luang Prabang, where they will be joined by the entire membership of the new coalition's cabinet and advisory political council. Souvanna and Souphanouvong intend to present the coalition to the King for investiture either today or tomorrow.

An official roster of the new government's membership is not available

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It appears that key individuals in Souvanna's present cabinet will continue to occupy important positions in the coalition cabinet, and that for both sides the new government will reflect the remarkable staying power of the Lao ruling elite over more than a decade.

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Souphanouvong, instead of becoming one of the two deputy premiers under Prime Minister Souvanna in the new government, may assume the chairmanship of the Joint Political Council. If true, this would indicate that the Pathet Lao attach considerable importance to the council. The protocol makes the council a policy-recommending body independent of and coequal with the coalition cabinet, and gives it responsibility for organizing general elections.

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WEST GERMANY: Chancellor Brandt has reaffirmed his determination to steer the Social Democrats on a middle-of-the-road course despite some pressures from within the party to adopt a more radical program. At a press conference on April 2, Brandt served notice on the radical leftist element in the party's youth affiliate (Jusos) to toe the line or leave.

The Chancellor's press conference clearly indicates he holds Jusos extremists partly responsible for the Social Democrats' recent setbacks in state and local elections. According to Brandt, "There is no majority in democracy without a middle line. He who abandons the middle line sacrifices his ability to govern." Brandt did not spell out what lies in store for those who do not accept the party line, but he is prepared to accept a variety of views in the party as long as discipline is maintained. Brandt, in fact, "demanded" that the party remain intact in order to play its "role in state and society."

Since the electoral setback in Hamburg on March 3, Brandt has been under pressure to move against the radical wing of Jusos. His speech, however, appears to be a restatement of his earlier position in which he stopped short of calling for a purge but left the door open for local party organizations to oust the recalcitrants.

Looking ahead to the next state elections--in Lower Saxony on June 9--Brandt urged the party to unite in a common cause. He announced that he and other top party officials, in a new show of unity, will attend campaign rallies in Lower Saxony. Brandt also announced he will meet with 15 local party chairmen during the summer.

The Chancellor may have been buoyed by new expressions of support for his government by leaders of the minority party in the ruling coalition. Hans-Dietrich Genscher, who is slated to take over the

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helm of the Free Democrats (FDP) in mid-May, joined other FDP leaders last weekend in publicly expressing confidence in and loyalty to the coalition. According to Genscher, "The FDP-SPD government in Bonn has performed excellently, whereas the Christian Democrat/Christian Social Union has no substantive alternative."

The FDP's reaffirmation of support for the coalition throws cold water on recent rumors that it would leave the government before the federal elections in 1976.

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Chou En-lai: Pressed on Foreign Policy

The Chinese ambassador to London believes that Premier Chou En-lai is under pressure from opponents within the Chinese leadership to show progress on the Taiwan issue. In the ambassador's opinion, failure to act quickly on the issue might leave Chou vulnerable to his opponents--the envoy specifically mentioned Chiang Ching, Mao's wife and leader of the so-called radical camp in the Chinese leadership--who have been seeking ways to introduce criticism of Chou into the anti-Confucius campaign.

Tough Talk

With this in mind, the ambassador claimed, Chou directed Liao Cheng-chih, a close associate, to give a tough keynote speech at the annual meeting on February 28 commemorating the Taiwanese uprising in 1947 against the Nationalist government. This move, the ambassador said, was meant to signal new Chinese interest in the Taiwan issue.

Speeches at the meeting, including Liao's, were in fact more strongly worded than those delivered at the meeting in February 1973, which took place in the wake of the announcement that liaison offices were being established in Peking and Washington. The speeches this year were not menacing, nor did they display a keen sense of urgency.

Nevertheless, the statements have been handled by Chinese propaganda outlets in a way that indicates treatment of the Taiwan issue is a subject of high-level wrangling in China. Outlets in Hong Kong did not release the text of a speech by Fu Tso-i, another important speaker at the meeting, for 24 hours; when they did, Fu was quoted calling for the "liberation" of Taiwan.

This version was superseded by another which spoke of "peaceful liberation" of the island; it in

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turn was canceled, and a final version restored the original formulation, omitting the word "peaceful." This unusual pulling and hauling almost certainly involved high-level decisions in Peking.



The communiqué issued on the occasion of Secretary Kissinger's most recent visit to China last November showed no sense of urgency on the Taiwan question, and since then Chinese officials have not pressed for early resolution of the problem. Some officials have expressed concern, however, at the appointment of so senior a diplomat as Ambassador Unger to head the US mission in Taipei.



The Chinese may anticipate that Vice Premier Teng Hsiao-ping and Vice Foreign Minister Chiao Kuan-hua will have an opportunity to discuss Taiwan, as well as other issues, with US officials when they visit the US for the special session of the UN General Assembly next week.

Against Confucius

Discussion of foreign policy issues has been an important component of the anti-Confucian campaign in recent months. Thus far both Chou and Mao have seemed determined to preserve the foreign policy followed by Peking over the past several years. Aspects of that policy undoubtedly have been under fire, perhaps from several quarters, for much of the past year. The criticism may have grown more intense since Chiang Ching-kuo late last month became more active politically, after a period of relative eclipse.

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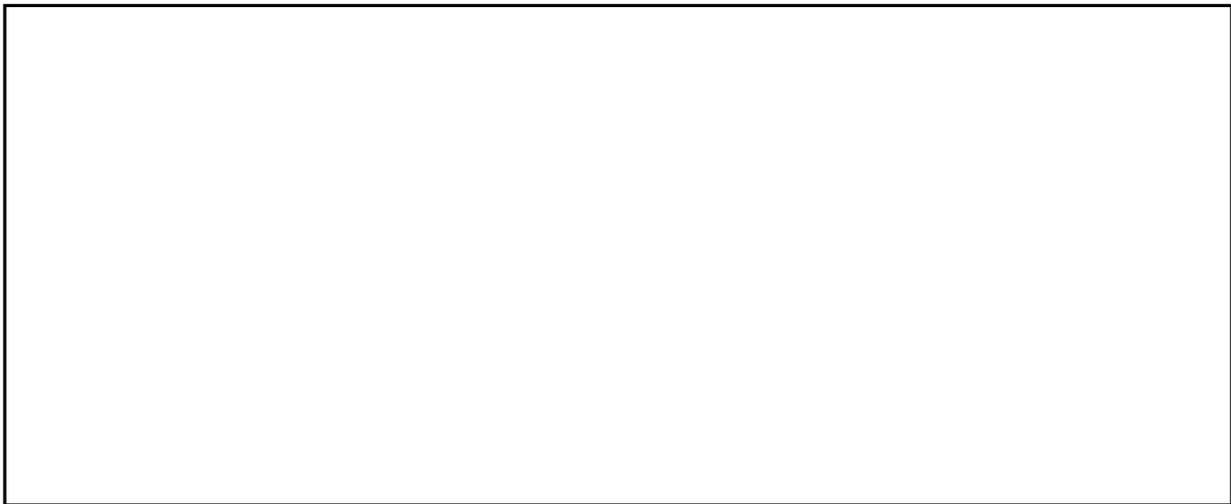
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Her political vigor may be related to an apparent attempt to identify with regional military leaders, who themselves may have come under criticism in the course of the anti-Confucius campaign. This marriage of convenience may have brought Chou, and perhaps Mao as well, under some pressure, as did a similar attempt in the period immediately preceding the Tenth Party Congress last summer.

Last week, for example, Chou remarked in a banquet speech that China, as a socialist country, would of course continue to support revolutionary causes. The Premier has made such public remarks before, but in this and other similar statements recently he seemed to be replying to unnamed critics.

A need on the part of Chou and his supporters to indicate that China is not a patsy of the developed nations may also have been responsible for recent references at widely scattered rallies to US and Japanese "atrocities." The point of these rallies was to demonstrate that any accommodation with the Soviet Union would leave China vulnerable to similar humiliations, but the reference to alleged events of 30 or more years ago seems gratuitous.



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On another issue bearing on China's relations with the West, Chou seems to be holding the line. A recent article in People's Daily reiterated the importance China attaches to continued imports of advanced technology from the West, noting the necessity of such imports to China's plans for more rapid development. Representatives of Western firms have in fact encountered few delays or difficulties in conducting business with the Chinese recently, and the volume of Chinese imports of Western goods has shown no signs of diminishing.

The tone of the People's Daily article was distinctly defensive, and was apparently occasioned by earlier material appearing in the Chinese media that criticized a tendency toward "over-reliance" on such imports. The basic disagreement in this area seems to be over what the proper level of such imports should be, and not whether China should continue to purchase machinery and technology from the West.

The argument has been fueled not only by criticism in the press but also by wall posters. At least one of these is reported to have criticized Chou by name.

#### Basically Intact

On the basic tenets of Chinese foreign policy, however, the media have continued to carry themes that have been dominant for the past several years. In particular, the press has continued to emphasize the idea of an international balance of power, which Peking has considered essential for the protection of Chinese national interests. Peking, for example, has recently

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found comfort in a spate of items underlining continuing "contention" between the US and the Soviet Union in all parts of the world, and Chou himself pointedly hammered on this thesis on the eve of Secretary Kissinger's visit to Moscow.

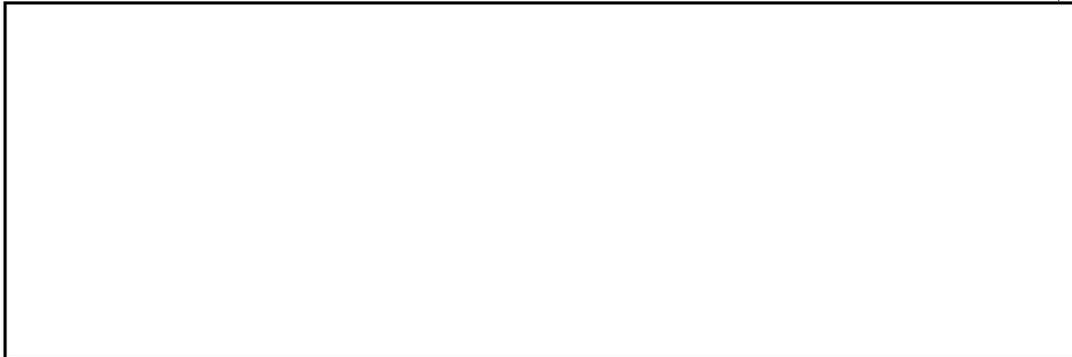
The Chinese ambassador in London is almost certainly right in claiming that Chou is now under pressure--on Taiwan as well as other issues. The substance of Chinese foreign policy still appears to be intact, however, even though the rhetoric in which that policy is conducted undoubtedly has undergone a change in recent weeks.

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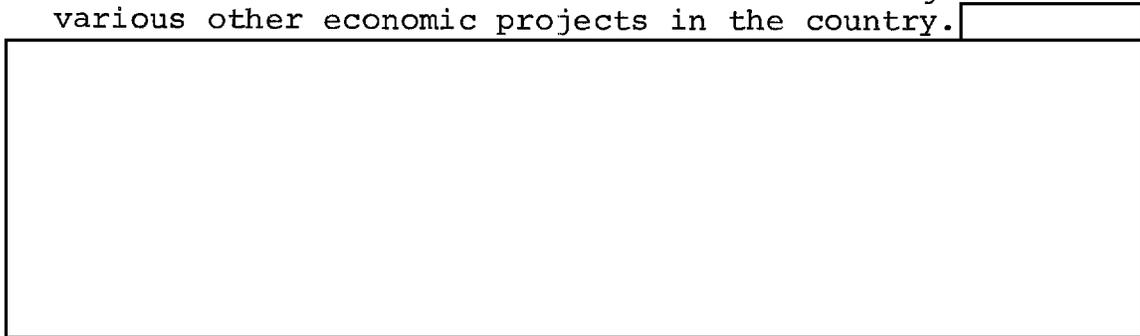
FOR THE RECORD



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China-Tanzania: President Nyerere's visit to China last week has resulted in a new \$75-million interest-free credit to Dar es Salaam. Tanzania will use the aid for developing coal and iron ore mines in the southern part of the country. The coal and iron ore will eventually be exported by way of a new rail link to the Tan-Zam railroad. The new credit, intended to expand Tanzania's industrial base, increases China's total economic aid commitment to mainland Tanzania to \$315 million. Almost all of China's previous commitments had been used by the end of 1973, when the Tanzanian portion of the Tan-Zam was completed. China still has an estimated 600 technicians working on various other economic projects in the country.

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USSR-US: Moscow is relying increasingly on US technology to tap Siberian oil reserves. US exports of oil-field equipment to the USSR exceeded \$100 million last year. The backlog of Soviet orders already on the books of US firms is probably double that amount. Most of the imports can be used in Arctic or permafrost regions; the US has a near monopoly on this type of equipment.

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