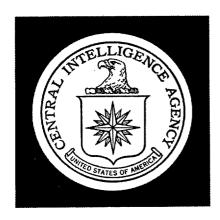


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DIRECTORATE OF INTELLIGENCE

Central Intelligence Bulletin



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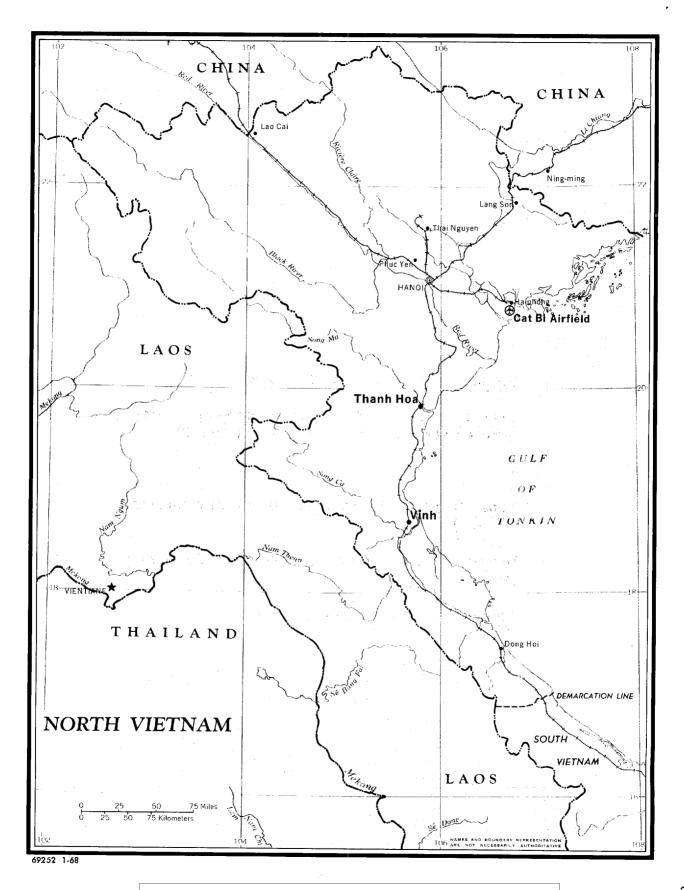
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*Vietnam:

South Vietnam: The arrest of six labor leaders may have prevented early settlement of an electrical workers' strike in Saigon and could precipitate wider labor trouble.

The strike began yesterday morning over demands for additional wage benefits. Union negotiators are reported to have made major concessions and to have been at the 'half-way mark' toward settlement when the police made their arrests, invoking a little-used 1964 law forbidding strikes. The six men are scheduled to be tried by a military court for violation of the law.

It is not clear who authorized the arrests, but Police Director Loan recently indicated that the ban would be enforced. Moreover, the minister of labor, a controversial figure, has advocated police intervention in other recent labor disputes. The mayor of Saigon, who is Loan's brother-in-law, opposed the arrests and may exert some influence toward securing the release of the labor leaders.

Other unions in Saigon, including port and transport workers, had earlier threatened sympathy walkouts if any arrests were made in connection with the electrical strike. Action by these groups could put a serious crimp in public activities in Saigon.

North Vietnam: Unusual flight activity by two MIG-21s in the Thanh Hoa - Vinh area suggests that the North Vietnamese may be preparing to expand their MIG operations southward.

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France-Belgium: France is stepping up its efforts to induce Belgium to buy Mirage aircraft rather than US F-5s.	3.3(h)(2)
To overcome Belgian concern over availability of spare parts for the projected 116 Mirages, Paris had already offered to guarantee never to embargo parts shipments. Despite the favorable French offer, the Belgians have delayed a decision, apparently to avoid appearing	
to reward Paris when its actions in NATO and the EC have aroused much displeasure in Belgium. Ambassador Knight in Brussels believes, however, that the political deterrent may have subsided and that the Mirage is now the probable choice.	
One Belgian official has suggested that the US ought to link conclusion of the F-5 contract to any exceptions or concessions made on the new US balance of payments program. The Belgians want to negotiate for special treatment because they are counting on US help in their efforts to revitalize economically-depressed	
areas of their country.	

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NOTES

*Congo (Kinshasa) - Rwanda: The Congolese decision to break diplomatic relations with Rwanda may be part of a plan designed to shift the blame to Rwanda for the eventual repatriation of the mercenaries. Mobutu has privately expressed a willingness to let all but the mercenary leaders leave for Europe, but apparently feels he cannot publicly sanction the departure. He may reason that, with relations broken, the Congo can now claim it is no longer able to influence what Rwanda does.	3.5(c)
Brazil: Foreign Minister Magalhaes Pinto continues to refuse Brazil's active support for the US position in Vietnam. He told a visiting US senator on 9 January that Brazilian public opinion is influenced by what the foreign minister sees as disunity among the allies in Vietnam and by news reports that even Americans are not supporting the war. The foreign minister does not believe that the end of the Vietnam war will mean an increase in US aid to Brazil, and he has concluded that conditions for an understanding between the US and Brazil on Vietnam have not yet developed.	
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Algeria: On 5 January Boumediene claimed that Algerian foreign exchange and gold reserves had reached some \$400 million. If Algiers follows the French example of holding 75 percent of its reserves in gold, it could soon convert another \$150 million into gold. It converted \$150 million into gold last November and December.	
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