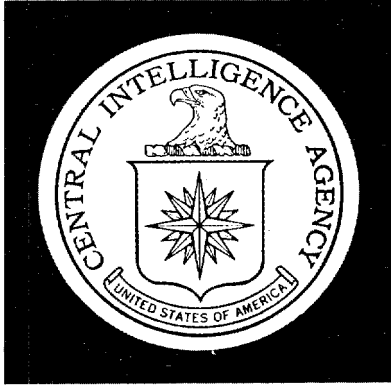


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DIRECTORATE OF  
INTELLIGENCE

# *WEEKLY SUMMARY*

State Department review completed

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45

7 February 1969  
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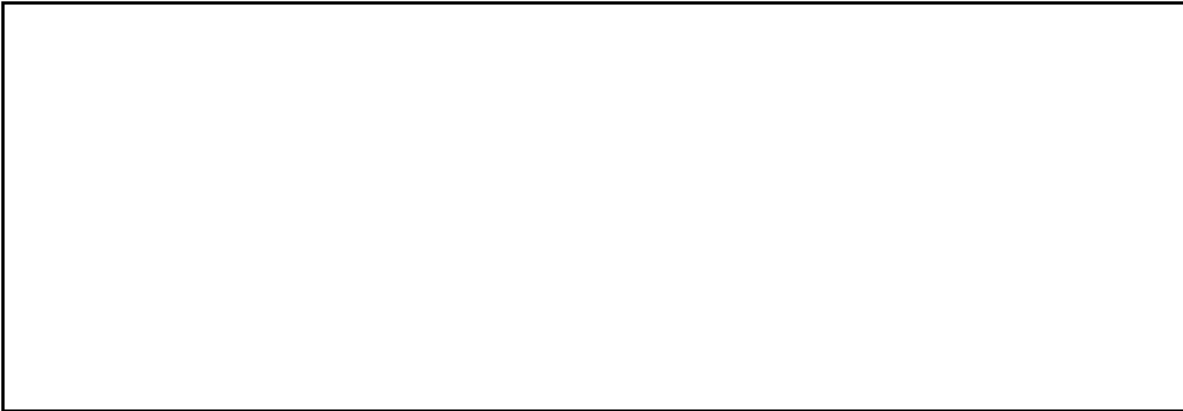
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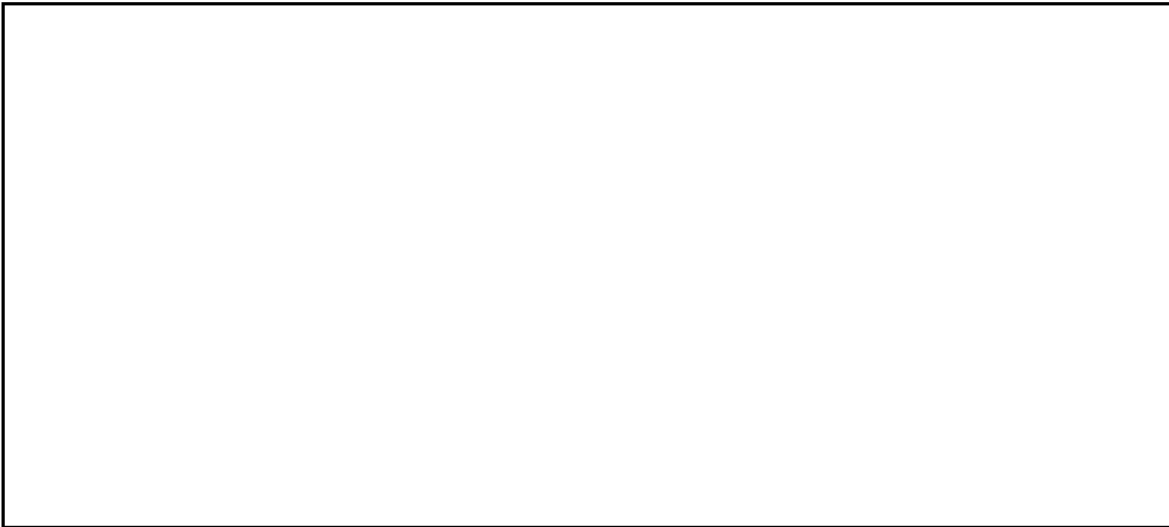
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### FAR EAST

Conflicting approaches in the Paris talks on the key issue of the relationship between political and military questions hardened last week. The North Vietnamese and the Liberation Front delegates insisted that military questions cannot be resolved without a political settlement. Vice President Ky, on the other hand, implied that the South Vietnamese will refuse to discuss political issues in Paris until military problems are settled and insisted on a prior withdrawal of North Vietnamese forces.

The provinces ringing Saigon continue to be the focal point of enemy troop shifts, and over the past few months the Communists have assembled a formidable fighting force in the area. The Communists have probably concluded that continued pressure in this strategic, heavily populated area is likely to have the greatest impact on both the US and the South Vietnamese.

Recent fighting in southern Laos has centered on the government base camp at Thateng, but there are continuing reports of an enemy buildup in other areas of the Bolovens Plateau. Without significant reinforcement from other regions, and given their state of near despair, the southern military leaders might abandon important positions to the Communists, including the politically sensitive provincial capitals of Saravane and Attopeu.



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## VIETNAM

The Communists used the Paris meetings on 30 January to warn the US that there could be no resolution of specific military problems without simultaneous consideration of related political issues. Hanoi's delegate, Xuan Thuy, explicitly rejected US proposals that the first order of business be neutralization of the Demilitarized Zone and mutual troop withdrawal. The Communists want the US to accept at least the broad principles of their four and five points for a political settlement before they will discuss any de-escalation of the military conflict.

Both the North Vietnamese and Liberation Front delegates were careful, however, to hedge their outright rejection of allied proposals with hints that the two sides were not as far apart on political issues as it might appear. Xuan Thuy used some of the most attractive language in the Communist lexicon to discuss the role of the Liberation Front in post-war Vietnam, strongly suggesting that this sticky issue was open to negotiation. He played down earlier demands for a settlement "in accordance" with the Front's program and an immediate important share of political power for the Communists. Instead, he asked for solutions based on "self-determination" and an acknowledgment of the Front's "existence." The Liberation Front spokesman concluded his lengthy harangue

with the promise that if the conference could agree to accept the Front's five points as a basis for settling the war, "it would create favorable conditions for the settlement of all substantive questions."

Vietnamese Communist propaganda this week also reacted for the first time to reports that the US gradually plans to scale down its role in Vietnam before any political accommodation with the Communists has been reached. In a broadcast on 2 February, Hanoi ridiculed the idea of "de-Americanizing" the war. The Communists obviously would like to see the US withdraw its forces unilaterally and completely without making the Communists pay a price in return. They seem to fear, however, that the US is only considering a gradual withdrawal tied to the abilities of the South Vietnamese to take over the main part of the job themselves. They probably realize that if this were successfully executed, even in part, it would undercut much of the pressure on the US to make political concessions to the Communists in order to end the war.

### Political Developments in South Vietnam

Regional antagonisms appear to be increasing in virulence. Supporters of Vice President Ky are involved both on the political

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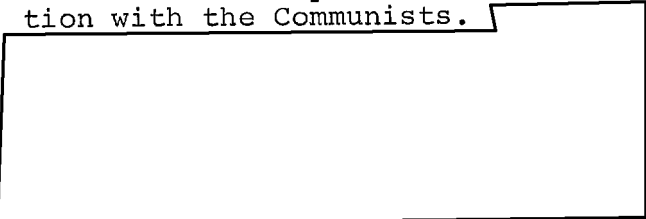
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front against Prime Minister Huong's entourage and within the military against President Thieu's supporters.

The Ky-Huong rivalry--both personal and professional--is in large part drawn along north-south lines. Extremist southerners, many of whom hold influential government positions, have begun a campaign to oust northerners from the bureaucracy. They claim that when Ky was prime minister, he dismissed many southerners from their government posts and that all key ministerial positions on the subcabinet level are controlled by northerners. Huong disapproves of this vendetta, but his close associates, southerners all, believe it is justified.

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to Saigon, where he reportedly hopes to influence Thieu to place his own supporters in primary positions. Ky still believes that only he can lead the country safely through the peace negotiations and into successful political competition with the Communists.



Military Developments  
in South Vietnam

Many of the enemy's combat forces remain preoccupied with preparations for renewed offensive activities in key sectors of South Vietnam and little significant ground fighting was initiated by the Communists. Most fighting, generally small-unit actions, developed in reaction to aggressive allied operations aimed at disrupting the enemy's preparations for battle. Enemy gunners did, however, launch mortar and rocket attacks against allied military positions and installations in widespread sections of the country, none of which accounted for major damage or casualties.

The provinces ringing Saigon continue to be the focal point of enemy troop shifts to enhance their military posture. Over the past few months, the Communists have amassed a formidable fighting force in the III Corps - Saigon area. At least four first-line infantry divisions are currently deployed in the outlying provinces of the corps, while the equivalent

To add to this suspicion and conflict, rumors of cabinet changes are again rampant in Saigon. Ky is returning from Paris

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of an additional eight regiments is operative in the subregions immediately surrounding Saigon. The enemy also has sizable artillery, specialized combat, and local and guerrilla force assets in the area.

The magnitude of such a buildup suggests that the III Corps - Saigon area remains of overriding importance to Communist war planners and that it will be the scene of intensified combat over the next few months. The Communists have probably concluded that continued pressure in this strategic, heavily populated sector is likely over the long haul

to have the greatest impact on both the US and the South Vietnamese.

Communist battle preparations continue in other parts of the country, but at a slower pace and with varying degrees of apparent urgency. The increasing threat in north and central South Vietnam suggests that a new round of hostilities will include at least limited action on more than one front. Furthermore, it is becoming increasingly evident that the Communists are struggling to counter stepped-up allied pacification efforts to assume more control of controversial areas.

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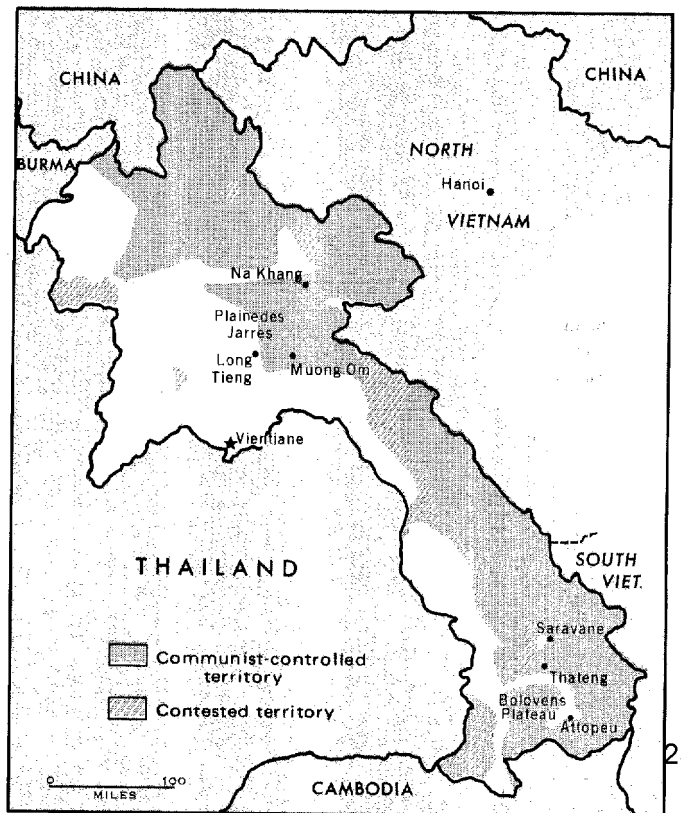
### COMMUNIST PRESSURE CONTINUES IN SOUTH LAOS

An extensive enemy offensive may be unfolding in south Laos.

On 2 February, North Vietnamese forces renewed their offensive against the government base camp at Thateng along the northeastern rim of the Bolovens Plateau. Although the 400-man garrison beat off several ground probes, much of the base's perimeter defense has been destroyed. There are presently some five Pathet Lao and North Vietnamese battalions encircling the camp, which has made aerial resupply of the base extremely difficult. It is doubtful that the defenders could hold out against an all-out assault.

Most recent fighting has centered on Thateng, but there are continuing reports of an enemy buildup in other areas of the Bolovens Plateau.

The deteriorating situation at Thateng and the prospect of Communist moves elsewhere are wearing down the already slender resolve of the government's military commanders in the south. Without significant reinforcement from other regions, and given their state of near despair, the southern leaders might abandon important positions to the Communists, including the politically sensitive provincial capitals of Saravane and Attopeu.



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In the north, meanwhile, there has been no new major fighting. Military activity has been limited to enemy ground probes of the outlying defenses of General Vang Pao's headquarters at Long Tieng, and the exchange of isolated outposts southwest of Route 4 in the Muong Om area. The Na Khang area, site of a key government guerrilla base, remains quiet.

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## EUROPE

Kremlin watchers were more intrigued than usual this week. This was partly because of the still cloudy shooting incident in Moscow last month and the treatment of sensitive issues in the Soviet press in ways that suggested controversy in the leadership. Kosygin was noted in public, however, for the first time since late December. At week's end it was too early to tell if the total import of these matters equaled the apparent sum of their parts.

Whatever the case, Moscow moved ahead on a number of diplomatic fronts. It welcomed President Nixon's action on the nonproliferation treaty and prepared for possible meetings of the four powers in New York on the Middle East. Articles in both Izvestia and Pravda reiterated Soviet readiness to talk on strategic arms limitation.

In Czechoslovakia, with a party plenum scheduled for next month, factionalism and political bargaining are sharpening. The most powerful conservative figure, Husak, leader of the Slovak party, is moving to unseat Dubcek. He needs the votes controlled by Lubomir Strougal, leader of the Czech party, who so far does not seem to have been lured away from Dubcek. This may only mean the price is not right.

A high-level Czechoslovak delegation led by national front chairman Erban was received in Moscow by all the top Soviet leaders during a four-day visit. Erban, a moderate supporter of Dubcek, is the highest ranking Czechoslovak leader to visit Moscow since the fateful Kiev meeting last December.

Rumania's Ceausescu and Yugoslavia's Tito met in a Rumanian border town last weekend to consider common responses and tactics if Moscow puts the heat on in the spring. This is the sixth such comfort session the two Balkan leaders have had since January 1966.

In Italy, continuing worker and student demonstrations preoccupied both the government and the Communists. Some leaders at the 12th Communist Party congress, opening on 8 February in Bologna, will want to back the demonstrators, but the party will probably avoid open endorsement in view of its policy of pursuing a peaceful road to power.

West Germany's Gerstenmaier affair drew to a close. The veteran Bundestag president stepped down on 31 January, victim of a public outcry over his acceptance of a reparations payment stemming from the Nazi era. Refugee Minister von Hassel was elected as his successor.

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## SOVIETS FOSTER ANXIETY ABOUT BERLIN ELECTIONS

Soviet diplomats are fostering anxiety among some West German officials in an effort to get Bonn to reverse its choice of West Berlin as the site for electing the next federal president on 5 March. While its prospects appear slim, Moscow's line suggests that it has some hope for a relocation or, failing that, of extracting other West German concessions.

In a conversation on 31 January with Major Schuetz of West Berlin, the USSR's ambassador to East Germany strongly urged that the election be held in West Germany. He also said that Soviet patience is exhausted and that serious countermeasures might be expected, although, as usual, these were not specified. Schuetz later told the British ambassador that the Soviet comments implied a stronger reaction than he had thought likely.

Other Soviet officials have sought to play up differences among West German politicians by combining blandishment with the threats. For instance, the Soviets have left the impression that the fate of possible agreements between Bonn and Moscow on civil air routes, cultural and commercial exchanges, and the renunciation of force could rest on Bonn's decision about the election. This is tailored especially for the Social Democrats, who have the ministries of transport and all-German affairs as well as

economic and foreign affairs in Bonn's coalition government.

Moscow clearly is appealing to party leaders and others who hope for achievements they can point to before West Germany's general elections later this year. Soviet Ambassador Tsarapkin has scheduled another meeting with Foreign Minister Brandt, who the Soviets may expect to be susceptible to this tactic.

This approach costs Moscow nothing and may reap benefits even though Bonn stays with its decision. By fanning controversy over the election, the Soviets seek to implant the notion that West Germany should at least try to mollify the USSR by cutting back future activities in Berlin or by making concessions on other bilateral subjects. The West Germans have defended their original decision, but at the same time have hinted they might be willing to reconsider if the Soviets would grant concessions affecting the viability of Berlin.

Such major Bonn figures as Chancellor Kiesinger and All-German Affairs Minister Wehner continue to have reservations about the Berlin site. Their objections center on the risk of Soviet and East German harassment and on the possible damage to Bonn's efforts to talk with Moscow on a broad range of issues. At present, however, the decision to hold the election in Berlin appears firm.

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## USSR PUSHES INTERNATIONAL FISHING OPERATIONS

The continued expansion of Soviet commercial fishing operations has enabled the USSR to penetrate many traditional fishing grounds of the free world. Strong protests by nations fearing Soviet exploitation of their marine wealth as well as the extension by some South American countries of their territorial limits from 12 to 200 miles, however, may push Moscow toward greater international cooperation in fishing on the high seas.

The Soviet fishing fleet--unquestionably the world's largest and most modern--regularly operates in international waters of the Atlantic, Pacific, and Indian oceans as well as the Caribbean Sea and African waters. In recent years, the movement of Soviet ships beyond their traditional fishing waters of the North Atlantic and the North Pacific has been facilitated by agreements that the USSR has reached with 14 underdeveloped countries to develop their fishing industries. While providing for Soviet aid in establishing indigenous fishing fleets, ports, and canneries, these agreements also have provided fishing facilities for expanded Soviet activity in nearby waters. In recent months, Moscow has signed pacts covering fishery aid with Algeria, Chile, Iraq, and Pakistan, and a similar agreement is probable soon with Southern Yemen.

Moscow also has cooperated with the Food and Agriculture Organization (FAO) in setting up seminars on various aspects of commercial fishing. Last November, for example, trainees from Asian, African, and East European countries partici-

pated in a four-week study cruise aboard a Soviet oceanographic ship during which Soviet and other FAO experts gave lectures and demonstrations in marine biology and oceanographic science.

The Soviet fishing fleet, which now includes more than 3,500 ocean-going fishing and support ships, is still being augmented. Recent acquisitions from Denmark include two trawler-training ships that will serve as floating schools to help meet the USSR's need for professional seamen. Each ship has accommodations for about 110 apprentices plus classrooms for navigation and radio instruction. With the delivery of three more identical ships still on order, the USSR soon will be able to train 550 apprentices at one time. Moscow also has placed orders for 40 fish-factory and refrigerator ships in Western countries as well as sizable contracts for trawlers with Poland and East Germany.

In 1967, the Soviet fishing fleet brought in 5.8 million tons of fish--the third largest world catch for that year after Peru and Japan. Despite the modernization of the Soviet fleet and improvement in fishing techniques, however, the total fish catch of 8.7 million tons planned for 1970 probably is overly optimistic. The preliminary plan for 1971-75 calls for an increase of the total catch to only 9.5 million tons in 1975, a projection of the annual average increase achieved since 1960. This rate of growth probably reflects domestic inadequacies in fish-processing and refrigerating facilities as well as distribution problems.

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## FACTIONALISM SHARPENS IN CZECHOSLOVAK PARTY HIERARCHY

Factional infighting among the Czechoslovak leadership intensified as the pro-Soviet conservatives stepped up their efforts to gain greater influence in the central committee.

The conservatives are trying to put together a majority in the central committee before the party plenum next month. Slovak party leader Gustav Husak has solidified the Slovak group and is now trying to seduce Czech party boss Lubomir Strougal, who controls a key number of votes. Any cooperation between these two moderate-conservatives will be fragile at best, as both are guided by their own ambitions and must also be responsive to the differing interests of their constituencies.

The progressives, their cohesiveness apparently declining, are hoping to strengthen their position by forcing an early party congress while they still have a majority. The Russians, however, probably will not permit a congress until they can be sure that a majority of delegates will support the conservatives and moderates most responsive to Soviet objectives. Some progressives and moderates are now reassessing their positions as a result of the growing influence of the conservatives, and a sizable defection into Husak's camp could turn the tide against Dubcek. On 5 February, Dubcek tried to reassure his wavering progressive supporters that he would oppose conservative attempts to dominate the party as well as "extremist" efforts to create another crisis situation.

Encouraged by the growing influence of conservatives at the top levels of the party, pro-Soviet hardliners in the Ministry of Interior are becoming increasingly active.

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Meanwhile, the Dubcek leadership has responded to Soviet insistence to crack down on the outspoken mass media. Party officials have allegedly given editors an expanded list of censorship restrictions, and some uncompromising radio and television personalities have been shifted. The regime also intends to transfer or demote more dissident journalists and to institute pre-censorship for such anti-Soviet weeklies as Reporter, the Prague version of Time.

The Soviets continue to find ways to make their requirements known to Czechoslovak officials on all levels of the party and government. Three more Czechoslovak delegations were in Moscow last week, including a national front entourage led by presidium executive committee member Evzen Erban and including the heads of major mass organizations and "puppet" political parties. In addition, Foreign Minister Jan Marko made a familiarization trip to the USSR on 5 February.

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## RUMANIANS AND YUGOSLAVS STEP UP COOPERATION

Rumania and Yugoslavia drew a bit closer as a result of the meeting between party chief Ceausescu and President Tito on 1 and 2 February. They probably agreed on common tactics in response to Moscow's efforts to force them into greater cooperation with the Soviet bloc.

The two leaders may be looking ahead a few months to what they consider will be a time of troubles with their Communist neighbors. Rumors are rife in Eastern Europe of forthcoming summit meetings where basic changes will be attempted in the Warsaw Pact and the Council for Mutual Economic Assistance (CEMA). Moscow is said to be driving for a tighter command structure and greater standardization of forces within the pact. Greater integration of the economies of Communist Europe would probably be on the agenda of a CEMA summit.

Bucharest has consistently opposed measures of this sort on the grounds that they would infringe on its sovereignty. In light of the USSR's demonstrated willingness to use force in Eastern Europe, Rumania apparently fears it may be forced to accept Soviet demands in both CEMA and the pact or risk being isolated from the inner workings of each organization, or worse.

Ceausescu and Tito probably thoroughly reviewed the question of the Warsaw Pact maneuvers to be held later this year in Ru-

mania. Details such as timing and location are yet to be settled. Because the maneuvers will in effect put pressure on Yugoslavia as well, Tito would want to know Rumania's options and contingency plans if the USSR departs from the terms of the agreement on the maneuvers. In their communiqué, the two leaders emphasized the UN resolution on friendly relations among European states, and may have been attempting to direct attention to the possibility of heavy-handed Soviet tactics.

They probably also discussed what attitude Rumania would take at working groups to prepare for an international Communist conference--both leaders have criticized plans to hold such a conference. Yugoslavia stands by its previous position not to attend the meeting, but Rumania will have representatives present when the next working group convenes this month in Budapest.

The two leaders announced an important agreement for expanded collaboration on industrial, scientific, and technical matters. Such collaboration is mainly intended to reduce the two countries' dependence on Moscow in these areas.

This is the sixth time the two leaders have met since January 1966; they last met in August, to discuss and express their opposition to the invasion of Czechoslovakia.

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## MINORITY UNREST PERSISTS IN YUGOSLAVIA

Violent disturbances late last year in Yugoslavia's Autonomous Province of Kosovo and Republic of Macedonia are symptomatic of the country's omnipresent problem of nationalist rivalries.

Belgrade blamed "irredentists" and foreign intelligence activists for the riots but admitted that its liberal minority policy had led to rising expectations that could not be quickly satisfied. The economic backwardness of the area is at the base of the unrest.

The demonstrators were a small but significant part--intellectuals, teachers, and students--of Yugoslavia's Albanian minority of about one million. They want republic status within the federal system for Kosovo. A few extremists called for union with Albania but apparently attracted little, if any, popular support. The only real evidence of a desire for boundary changes was seen during the late December riots in Tetovo, Macedonia, when a number of Albanians there carried placards asking for the inclusion of that area in Kosovo.

There is no evidence to substantiate the regime's claims of foreign involvement, but the potential is there. A Hungarian official recently hinted that Budapest may exploit Yugoslavia's nationality problems unless Belgrade tempers its stand on Czechoslovakia. Belgrade has already complained about Hungarian broadcasts into Yugoslavia. Moreover, there is the ever-present concern in Belgrade that Moscow

might attempt to use Yugoslavia's nationality problems to counter Belgrade's criticism of Soviet policies. Albania periodically condemns Belgrade's "oppressive" policies in Kosovo.

The demonstrations occurred at a time when considerable attention is being placed on raising the status of Yugoslavia's national minorities; Tito himself has indicated sympathy with the Albanian cause. The regime has granted the Albanian minority the right to display its national flags and emblems and to celebrate national holidays.

Opposition to the Albanian demands by Serbs and the conservative opposition within the Serbian Republic party has gained strength since the riots. In several instances, the Serbs elected delegates to the forthcoming ninth Yugoslav Communist Party congress who were opposed to the regime's liberal minority policy. Only with great difficulty was the party able to annul the returns and elect more moderate candidates.

Despite the rioting, regime officials indicate they intend to continue their liberal policy toward Kosovo. The problem is far from settled, however, and national rivalries could be a disruptive factor during the party congress, scheduled to convene on 11 March. Furthermore, any concessions to the Albanian minority could set a precedent for demands of the Hungarian minority in the Vojvodina Autonomous Province, also a part of the Serbian Republic.

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## DE GAULLE PROMISES FRENCH REFERENDUM THIS SPRING

The referendum that President de Gaulle recently announced would be held this spring officially will be on changes in the Senate and regional government. Many Frenchmen, however, will see it as a chance to vote for or against De Gaulle. He himself would probably interpret a large "yes" vote on the referendum as a convincing--if indirect--endorsement of his statement last month that he planned to serve until his term expires in December 1972.

The referendum, the first since the one in October 1962 that established direct elections for the presidency, will provide for a radical overhaul in French local government and will strip the Senate of most of its few remaining powers. Councils will be created for each of the country's 21 regions, and a large part of the regional administration currently conducted in Paris will be transferred to these councils. They will be composed of local councilors, deputies to the National Assembly, and representatives of labor, farmers, and business organizations as well as of the universities.

The Senate, a traditionalist body that has tended to be hostile to Gaullist programs, will become purely consultative. It will "examine" all economic and planning legislation before submission to the National Assembly. De Gaulle has long contended that

the Senate, heavily weighted in favor of rural areas, has ceased to be representative.

Calling voters to the polls at a time when labor and student unrest continues and the economic outlook is still uncertain carries the risk of a high abstention rate. If the vote is in March, which many observers are predicting, it will coincide with a scheduled round of wage talks between unions and employers--a potential source of serious industrial trouble. De Gaulle, however, may reason that conditions will be even less auspicious later in the year.

There is discontent over the austerity program designed to save the franc and opposition to the embargo De Gaulle recently imposed on arms to Israel, but his popularity rating has remained relatively stable. In polls taken late last month by the reputable French Institute of Public Opinion, 53 percent of those queried said they were satisfied with the President. His personal popularity, coupled with the favorable attitude toward regionalization that even many Gaullist critics have, would seem to ensure a referendum victory. Centrist political leaders are predicting that between 55 and 65 percent of those who vote will approve the referendum.

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### MIDDLE EAST - AFRICA

The Arab states and Israel focused their attention on US discussions of the Middle East and a possible favorable US response to the French proposal for four-power talks. The Arab states were hopeful that such talks would begin, but Israeli leaders viewed this possibility as the beginning of an eventually imposed solution.

The Iraqi Government, after considerable diplomatic pressure from many nations, released an American oilman imprisoned on trumped-up charges of espionage. The release was portrayed as a magnanimous gesture, perhaps to counter world-wide indignation over the recent public hanging as alleged Israeli spies of 14 Iraqis, nine of whom were Jews.

In Pakistan, President Ayub invited opposition leaders to meet with him on 17 February and he asked the spokesman for the opposition coalition to select the invitees. Reaction to the proposal has been lukewarm, and many opposition leaders believe that Ayub must make some significant conciliatory gestures before discussions can get under way. Even if the meeting takes place, there is little hope that it will end the turmoil or resolve the political crisis.

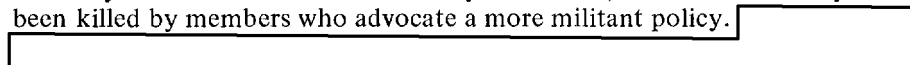
Prospects for Congress Party gains in northern India are poor as the midterm state assembly elections get under way. The earlier trend toward Congress in West Bengal apparently has been arrested. In Bihar and Uttar Pradesh, Congress probably will fail to gain enough seats to form stable governments. Congress appears a sure loser in the Punjab, where a local Sikh communal party and the Hindu nationalist Jan Sangh have come on strong.



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Nigerian federal leaders are showing increasing signs of frustration as they prepare for another offensive. The Biafrans are again apparently receiving considerable amounts of arms over the nightly airlift and appear capable of at least maintaining the military stalemate.

Eduardo Mondlane, leader of the Mozambique Liberation Front (FRELIMO) and the strongest voice for moderation, was assassinated on 3 February. The Front has been beset by dissension, and Mondlane may have been killed by members who advocate a more militant policy.



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DACCA 25 January

KARACHI 25 January



DACCA 28 January

Riots  
and  
Demonstrations  
in  
PAKISTAN



RAWALPINDI  
17 January

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## PAKISTAN'S PRESIDENT AYUB PROPOSES TALKS WITH OPPOSITION

President Ayub's announcement that he will invite "responsible" opposition parties for talks has temporarily placed a damper on antigovernment violence, but it appears unlikely to resolve the country's three-month-old political crisis.

In his eagerly awaited first-of-the-month broadcast, Ayub indicated that he is ready to discuss opposition proposals and will "have no hesitation in agreeing to any settlement that is arrived at through mutual discussions." He emphasized that the 1962 Constitution--which he has stoutly defended in previous speeches--can be amended. He did not enumerate specific aspects of the constitution that he considers negotiable, however, and did not suggest that he would meet key opposition demands for a parliamentary system of government and direct elections.

All major opposition parties, except ex - foreign minister Bhutto's leftists and the pro-Peking extremists, will reportedly be invited to participate. Independent government critics with no party affiliation, such as Asghar Khan, will apparently not be included.

Most opposition leaders are far from optimistic about talks. The few who have commented on the proposal are skeptical of Ayub's motives and suggest that he is only trying to divide the opposition. The new opposition

coalition has said that its "collective opinion" will be expressed in due course. Thus far, however, Ayub has done nothing to create a favorable climate for a meeting--such as ending the state of emergency or releasing political prisoners--and there is considerable feeling that he must make some such gesture before talks can begin.

Some leftist leaders and dissident students have already rejected Ayub's offer and demanded that troops be withdrawn from all cities. In both East and West Pakistan, students are continuing to defy the government and to press their demands. They will probably refuse to accept any compromise whatever. Opposition plans are as yet unclear, but a "negotiate and fight" strategy seems most likely--conferring with the regime for immediate gains but maintaining an activist stance to force further concessions.

President Ayub is probably also pessimistic about the outcome of the talks. If they fail, he will be faced with the unpleasant choice of far-reaching concessions or more repressive measures, with martial law as a last resort. He could justify harsh tactics by pointing out that he had first tried conciliation. Many observers continue to believe that the turmoil can only be brought to an end if Ayub steps down. Although such a move would be out of character for him, the possibility cannot be completely discounted.

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ARMY DISCONTENT RISING IN CONGO (KINSHASA)

Army discontent appears to be increasing in Congo (Kinshasa). In its new mood, the Congolese National Army (ANC) belatedly joins other sectors of the population that have suffered a decline in living standards while the regime seemingly ignores their plight. The troops are unlikely, however, to transform their complaints into actions in the near future.

The ANC in the past has fared better than other groups because it forms the base of President Joseph Mobutu's power structure, and Mobutu has paid it special attention. Junior officers have long been unhappy with the army hierarchy, which is studded with incompetent and often semiliterate veterans who served in preindependence days and got their posts only through seniority. Mobutu still depends upon the continued loyalty of these men, and his decision to keep them in command positions rather than retire them is based on political and not military considerations.

Several recent events, however, have further irritated the already disgruntled troops. The military pay raise on 1 January was far short of what was anticipated and what junior officers thought "proper."

[redacted] in early January two widely respected colo-

nels were dismissed and replaced by cronies of the notoriously unpopular ANC commander, Louis Bobozo. Morale at ANC headquarters sank to a new low, and antigovernment handbills began circulating.

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The military is not really out of line in voicing displeasure. Since the 1967 monetary reform, prices have gone up freely while wages were controlled, and the average Congolese has experienced a one-third decrease in his standard of living. Yet, when money is tight and the government supposedly operating on an austerity budget, Mobutu has been extravagant with his personal spending and his handouts to friends and allies. Moreover, Mobutu currently is preoccupied with intra-African affairs and has neglected serious domestic problems.

At this time, no civilian is in a position to challenge Mobutu, and army malcontents seem unprepared to carry their threats through. They have no leaders of sufficient stature to replace Mobutu should they attempt a coup. There is no indication that the discontent extends to the key paramilitary units who are personally responsible--and presently loyal--to Mobutu.

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## SOUTH AFRICA'S AFRIKANERS AGITATED ABOUT APARTHEID

Apartheid in South Africa is being questioned anew not only by traditional opponents of Pretoria's segregationist policies, but also by Afrikaner intellectuals and other influential members of the ruling Afrikaner community. Criticism from within the Afrikaner citadel will not induce major changes in the government's policy, but it may eventually force the Nationalist Party leaders to deal more realistically with the impracticalities of apartheid.

Much of the recent criticism of apartheid comes from the Afrikaans press despite the fact that each of the major Afrikaans-language newspapers has at least two cabinet members on its board of directors. One of the more influential, conservative Afrikaans papers has stated "that the whites of South Africa are not spiritually prepared for the great undertaking of separate development," and that most whites are enthusiastic "segregation talkers" but lukewarm "segregation doers." Another, more liberal Afrikaans paper has expressed considerable concern over the government's failure to even come close to the minimum goals for Bantustan development. One of the more independent of the Afrikaner-run papers went so far as to warn its readers that the white community cannot expect to dominate the black majority indefinitely.

Among the recent critics of apartheid has been an eminent Afrikaner sociologist from Pretoria University who evoked widespread reaction by his statements

that the ideals and goals of apartheid will never be reached, and therefore should be abandoned. This same professor has supported the call of several key Afrikaner newspapers for the holding of a "volkskongres" of representative whites to reflect on the basic concepts of apartheid.

The administrator of Natal Province, an Afrikaner reputed to be something of a Nationalist Party renegade, has also been notably frank in his criticism of apartheid. His primary message has been to the effect that apartheid cannot work without major new sacrifices--in terms of money, comfort, and effort--by the whites to ensure the success of the African homelands program. Further, he has said that at "five minutes to twelve" the South Africans can no longer proceed at a leisurely ox-cart pace in the implementation of apartheid.

Such criticism of apartheid does not portend an imminent crisis for the South African Government; indeed, it may be flourishing largely because the Nationalist Party is so securely in power. The Afrikaner intellectual, almost by definition, is out of step with most of the Afrikaner body politic, and has very little influence on political decision-making. On the other hand, Prime Minister Vorster is not the hard-line ideologist that his predecessor Verwoerd was, and under the pressure of fraternal criticism Vorster might be willing to make gradual pragmatic changes in apartheid policies.

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## WESTERN HEMISPHERE

International and regional affairs preoccupied several Latin American governments this week.

After months of negotiations, Peru on 1 February renewed diplomatic relations with the Soviet Union. The number of Latin American countries that exchange diplomatic representatives with the USSR—eight—now equals the peak reached shortly after World War II. If Venezuela and Ecuador renew relations, as is expected soon, the Soviet presence in Latin America will reach an all-time high.

Several Caribbean leaders are meeting in Trinidad this week to discuss a variety of common problems. High on the list for discussion is the future of the proposed Caribbean Development Bank. Several heads of state have complained about the delays encountered in establishing the bank, and some countries may eventually drop out of the Caribbean Free Trade Association because of the failure of efforts to achieve economic cooperation.

Recent difficulties in the Central American Common Market stem from the inability of Costa Rican President Trejos to gain legislative approval of the San Jose Protocol endorsed last July by President Johnson. Costa Rica's failure to ratify the protocol may prompt the other common market countries—particularly Nicaragua—to resort to economic retaliation.

Other fissures in Central American unity were revealed at the meeting of foreign ministers of the Organization of Central America on 31 January. The meeting was recessed until 17 February before decisions had been reached on any agenda items, including the election of a new secretary general. Nicaragua's refusal to support the Honduran candidate unless Honduras would support the immediate creation of a tribunal to settle integration disputes was the major stumbling block.

Brazil's military government has assumed even more dictatorial powers by freeing the decision-making process from judicial interference. In a new institutional act signed on 31 January, the Supreme Court's power to respond to an appeal for habeas corpus or to review crimes against security laws was restricted. The new decree raises the prospect of a further deterioration in relations between the executive and judicial branches.

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## PERU-IPC DISPUTE INTENSIFIES

In what could be virtually the last move to complete the expropriation of all of the International Petroleum Company's (IPC) holdings, the government has announced that the company's "debt" to the state has been placed at more than \$690 million. In a speech on 6 February, President Velasco said measures were being adopted to assure payment of the huge debt and criticized the US for its threatened use of economic sanctions against Peru.

IPC failed to make payment on 5 February as demanded on an alleged \$15 million debt to the state oil company for refined oil products drawn from the expropriated Talara refinery and used in IPC's distribution outlets. The state oil company has threatened to confiscate IPC's remaining assets and auction them off to fulfill the obligation. Although the finance minister promised IPC's president that the company would be given an ex-

tension to 8 or 9 February, there is no assurance that he can deliver on this promise.

Meanwhile, Peru established diplomatic relations with the Soviet Union on 1 February amidst great fanfare and high-sounding speeches. The event received broad coverage in the local press, with most publications supporting the move. Only the conservatives, whose original support for the military government has been wavering anyway, expressed disapproval.

In addition, a Soviet commercial mission arrived in Lima on 5 February. The Soviet ambassador to Chile, in Peru for the exchange of notes on 1 February, is reported by the Peruvian press as stating that the USSR could supply Peru with machinery and equipment for its oil industry, as well as heavy farm equipment and passenger airplanes.

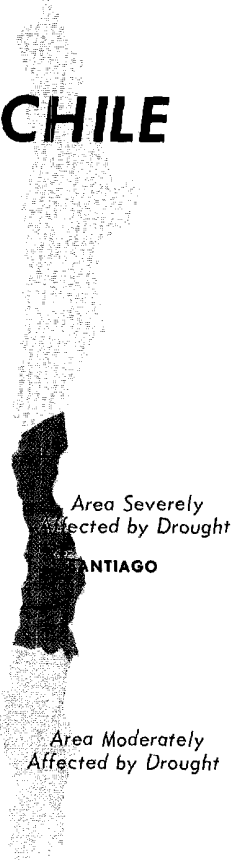
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UNREST INCREASES IN CHILEAN COUNTRYSIDE

**CHILE**

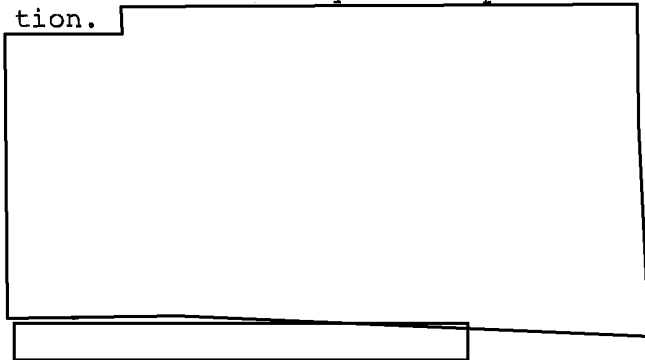


Farmers in southern Chile are becoming increasingly disturbed over low prices for their crops and the threat they see from the agrarian reform program. Their grievances are complicated by the damage caused by the current drought, the worst in more than forty years.

On 15 and 18 January, landowners demanding higher government prices for wheat erected roadblocks at several strategic points along the Pan American Highway in southern Chile. More than forty persons were arrested, including the publisher of a rightist newspaper.

Because of the drought, overall agricultural output is expected to be 20 to 30 percent less this year than last. In addition to the immediate serious effects on crop output and livestock herds, the drought is causing landowners to lay off some of their employees. These peasants, encouraged by some Socialist members of parliament, have invaded farms, and police force has been needed in some cases to dislodge them.

The landowners also are apprehensive about the impact of the government's agrarian reform program, fearing that their lands will be seized without adequate compensation.



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## GROWING RAPPORT BETWEEN ANDEAN AND COMMUNIST COUNTRIES

Peru's renewal of relations with the USSR on 1 February follows a year of increasing contacts between the Communist nations of Europe and the countries of northern and western South America. Since Colombia and the USSR re-established relations in January 1968, there has been a flurry of Eastern European visitors, announcements of commercial negotiations and agreements, and probings by the Andean countries toward diplomatic recognition.

Peru noticeably increased contact with Eastern Europe during 1967 and 1968. Growing markets in the bloc for its major export, fishmeal, led to the dispatch in mid-1968 of a large delegation that negotiated commercial or consular agreements with the USSR, Czechoslovakia, Poland, Hungary, and Rumania. Since President Belaunde's ouster on 3 October, the military government has moved quickly to establish diplomatic relations with Rumania, Yugoslavia, Czechoslovakia, and the USSR, and to ratify some of the agreements that had been pending. The Peruvian foreign minister announced that scientific and technical as well as economic assistance will be sought from the USSR and implicitly accused the US of a lack of interest in the development of Peru.

The Soviets, obviously pleased by the Peruvian Government's defiant attitude toward the US, have responded with alac-

rity but without overstepping the very correct image they are carefully cultivating in the Andean nations. Soviet propaganda has praised the Peruvian junta for its expropriation of US oil holdings but the USSR will probably withhold final judgment until it is more certain of the lasting nature of the military government's "anti-imperialist" posture. The Soviet economic mission that arrived in Lima on 5 February will probably be willing to extend economic credits to Peru, but whether such credits will lead to any more actual economic benefit to Peru than has yet been the case for Chile remains to be seen. Among the materials suggested by the mission, according to the Peruvian press, was equipment for exploiting petroleum deposits.

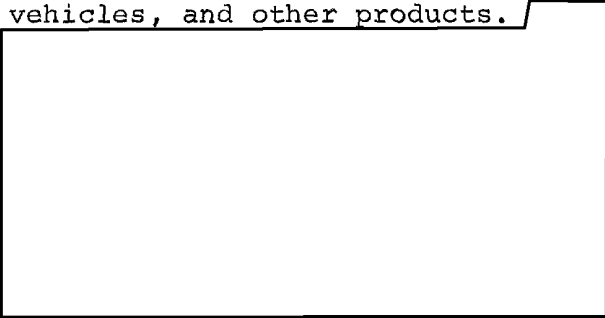
Venezuela has resumed a discussion of renewed relations with the USSR that was interrupted by the invasion of Czechoslovakia. Caracas presently has diplomatic ties with Poland, Rumania, and Yugoslavia, and is moving toward resumption of relations with the USSR and Hungary, possibly before President Leoni leaves office in early March. President-elect Caldera also favors relations with all countries, including Eastern Europe and the USSR.

The Ecuadorean Government expects a Soviet delegation--apparently the one now in Lima--on 15 February to discuss both the

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exchange of ambassadors and "formalization" of commercial relations. Ecuador's expectations have been raised by cocoa sales for \$12 million cash to the USSR in 1968 and prospects of selling a large and economically critical crop of bananas of a type unwanted in Japan, the US, or Western Europe. In return it has accepted offers from the USSR, Poland, Rumania, and Czechoslovakia to sell electrical installations, machinery, cement, vehicles, and other products.



Bolivian President Barrientos' recently reiterated in-

terest in seeking credits from the USSR is apparently a combination of reluctance to be left behind and a drive to pique US attention.

The likelihood that Eastern European countries and the Soviet Union can contribute substantially to increased markets or economic development of the Andean countries is not great. More important is the opportunity to establish Communist missions as an accepted and integral part of the local scene in these countries. Thus far, the Communist representatives have been careful not to give grounds for any suspicion of their activities. The rapid growth of the Soviet Embassy in Colombia to 23 officials indicates, however, an intent to establish a strong presence. Columbia has three representatives in Moscow.



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### INDEPENDENCE CONFERENCE ON BRITISH HONDURAS DELAYED

British Honduran Premier Price's request to postpone the constitutional conference set for March has temporarily reduced tensions and provides additional time for negotiation between Britain and Guatemala on Guatemala's century-old claim. A basis for settlement is not yet clear, however, and the pressure for independence will continue to build.

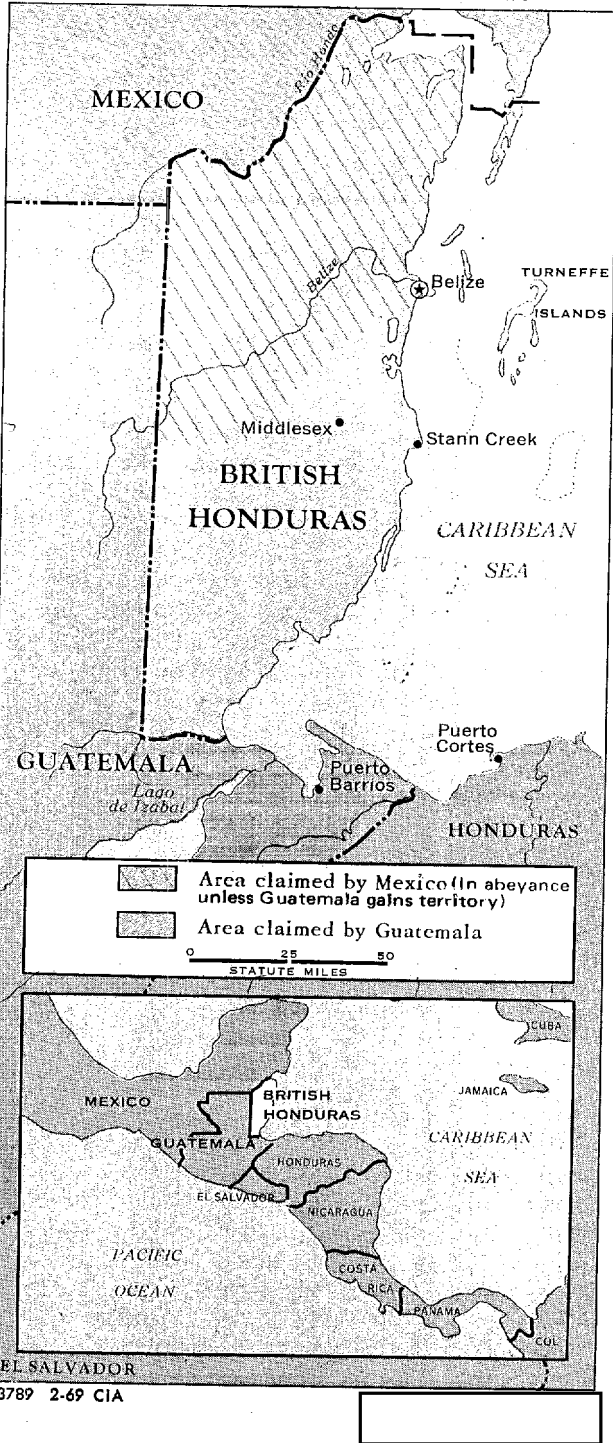
The impasse stems from Guatemala's demand for hegemony over

British Honduras and Britain's refusal to accede to any agreement that would be unacceptable to Belize. Guatemala contends that resolution of its territorial claim to the colony must be a precondition to any movement toward independence and that any prior announcement of a constitutional conference would virtually destroy hope of a negotiated settlement. Guatemala has rejected the British offer of two million pounds to settle the dispute, however, and

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British Honduras: Territorial Claims



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appears to be holding out for some control over British Honduras' defense and foreign affairs.

Price regards his party's overwhelming victory in the 1965 election as a mandate to proceed with independence, and he is determined to achieve it before the next general election which must be held no later than March 1970. His request to Britain for a postponement of the constitutional conference appears to have been a political move rather than the beginning of a new policy

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Thus, relatively little time remains for a settlement to be negotiated which would preclude the need for a British defense guarantee. The British, thus far, have been reluctant to extend such a commitment but in the absence of a settlement of the Guatemalan claim they would probably have to include this guarantee as part of the independence agreement.

The opposition National Independence Party fears that its chances of toppling Price would be slim if independence is granted, and are therefore strongly in favor of delay until after new elections. Should the opposition do well in the city council elections, its contention that Price does not have a mandate to lead the country to independence will be stronger. In that event, the British might be able to gain additional time for negotiations by pressing Price to delay until after new elections.

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