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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

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C O N T E N T S

(Information as of noon EDT, 28 May 1969)

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FAR EAST

No new Communist initiatives are likely in Paris pending the meeting between Presidents Nixon and Thieu on Midway on 8 June. Xuan Thuy, chief of North Vietnam's delegation to the Paris talks, has returned to Hanoi for consultations and will probably remain there until after Nixon and Thieu confer.

Before he left Paris, Xuan Thuy hinted that Hanoi might approach US proposals for mutual troop withdrawals through the kind of "understanding" which broke the bombing impasse last year. Otherwise, the Communists have not elaborated on the Front's new ten points to counter US proposals.

Many Communist military units in South Vietnam are now in a high state of readiness, and another outbreak of county-wide attacks could come at any time. A summer offensive featuring a series of shelling and sapper attacks seems quite probable.

Moscow and Peking have been maneuvering for political advantage in advance of the opening of the World Communist Conference in Moscow on 5 June. The Chinese have been trying to undercut the Soviets' image by countering Soviet charges of Chinese aggressiveness with their own charges of Soviet provocations along the Sino-Soviet border. The Chinese have also tried to project an image of reasonableness by agreeing to talks with the Soviets on border river navigation and border demarcation.

Meo leader Vang Pao is continuing his counteroffensive in the Plaine des Jarres area of Laos despite the Communists' success in recapturing Xieng Khouangville. Vang Pao's longer range plan is to try to press northward into the Plaine itself. There are, however, continuing signs that additional North Vietnamese reinforcements may be moving into the area.

The security situation in Malaysia improved considerably this week. Re-establishment of any meaningful racial harmony will take some time, however; many Chinese are now convinced that members of the Malay party of the tri-party Alliance deliberately planned the disturbances that began on 13 May.

Deputy Prime Minister Razak has made it clear that the National Operations Council will remain as the effective government for some time. Malay leaders, who have concluded that Prime Minister Rahman must be eased out, recognize that a future government that will ensure the primacy of the Malays will, at the same time, have to give enough voice to the Chinese to gain their acquiescence.

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VIETNAM

The Vietnamese Communists are still pondering how to respond to President Nixon's peace initiatives of 14 May. The clearest sign of this is the current trip to Hanoi by Xuan Thuy, chief of the North Vietnamese delegation at the Paris talks. It comes soon after the North Vietnamese had thrashed out their basic strategy and laid out a new negotiation position in the Front's ten-point program of 8 May.

Xuan Thuy's return to Hanoi probably is designed to work out new diplomatic tactics in the light of President Nixon's proposals. He probably will stay at least until after Presidents Nixon and Thieu meet on 8 June.

In the meantime, the North Vietnamese and Liberation Front have been spelling out their objections to the new US proposals. At the 22 May sessions of the Paris talks, the Communists rejected US proposals for mutual troop withdrawals but left an impression that Hanoi might be willing to tackle this issue through the kind of "understanding" which broke the impasse on the bombing question last year.

The Liberation Front's Tran Bui Kiem reinforced earlier impressions that the main Communist objection to allied proposals to date is that they do not provide adequate assurances for the survival of the Communist apparatus, much less its ability to function as a legitimate political entity. In particular, he re-

jected the idea of elections held under the authority of the present Saigon government.

Kiem repeated the proposition in the Front's program that "neither party shall impose its political regime" on the South during an interim period between a cease-fire and general elections. He also said that the Front proposed a "provisional coalition government" for this period, but he left ample room for bargaining on this issue. Kiem did not say that the Front's proposal was the only way to solve the problem of interim political authority, but he did insist that such a transitional period required a "provisional administration."

The Military Situation
in the South

Many Communist units are in a high state of readiness and another outbreak of country-wide attacks similar to those of 12-13 May could come at any time.

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9th Divisions do not pose an immediate danger to the capital but they remain active in countering allied sweeps and in harassing outposts. These forces could strike hard at outlying bases and towns at any time.

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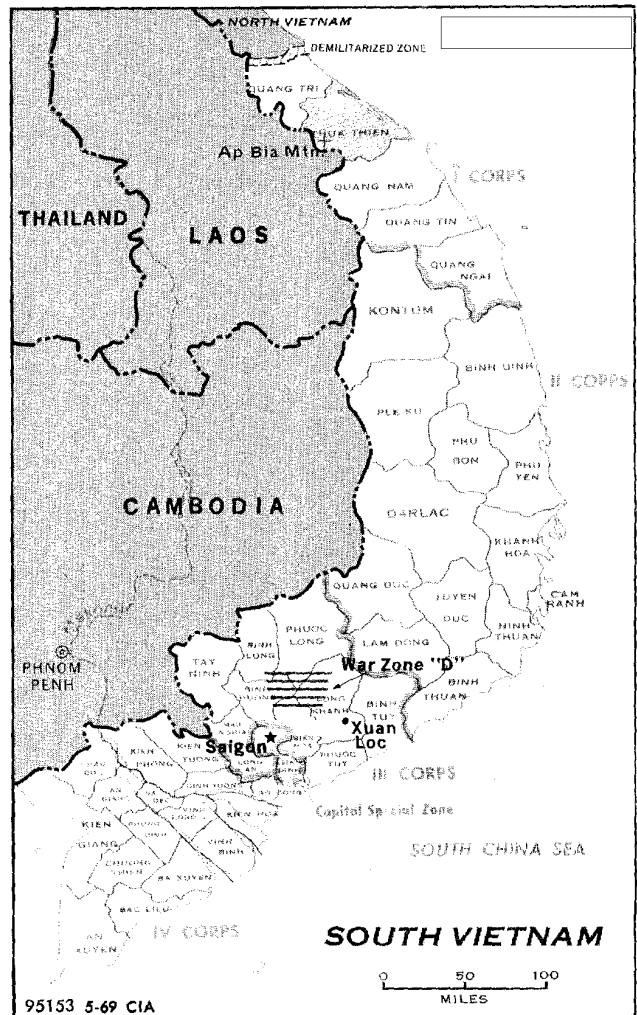
In Saigon, enemy activity fell off sharply during the week,

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The Threat by Area

Communist forces in the northernmost provinces could play a much greater role in a summer campaign than they did in the spring offensive in late February and March. Elements of the North Vietnamese 325th Division and several independent regiments have recently been more active in the Demilitarized Zone area. The impact that these units can have on the situation in I Corps was dramatized a week ago by the heavy fighting on Ap Bia Mountain in western Thua Thien Province where the 29th Regiment made a determined stand. More heavy enemy action is also anticipated in II Corps in the coming weeks.

In the provinces around Saigon, most enemy main force units remain in much the same positions that they have occupied since the spring offensive tapered off in late March. The 5th Division, however, which shifted southward out of War Zone "D" earlier this month, continues to pose a serious threat to Xuan Loc northeast of Saigon. To the northwest of Saigon, the Communist 1st, 7th, and

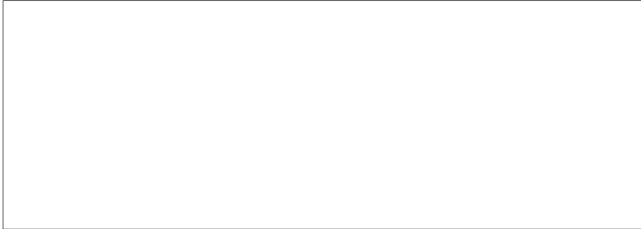


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In the delta, Viet Cong initiated actions were generally light but the enemy lost heavily in a number of clashes with US and South Vietnamese troops. Recent evidence indicates that the Communists are introducing substantial numbers of North Vietnamese troops into the delta for the first time in the war. Viet Cong defectors have been coming over in record numbers in the delta and the enemy has been able to mount only a few significant offensive operations in recent months.

On 26 May the Communists announced that they would observe a 48-hour cease-fire in honor of Buddha's birthday beginning at 7 AM on 29 May. The South Vietnamese Government announced some time ago that allied forces would cease offensive operations for 24 hours at 6 AM on 30 May.

The Saigon Political Scene

President Thieu's new National Social Democratic Front was successfully inaugurated at a convention in Saigon on 25 May. Thieu appeared in his role as

President of the Council of Chairmen, along with the leaders of the six parties which now constitute the organization.

Thieu emphasized that the new front was not intended to provide South Vietnam with a dictatorial, one-party system, but rather to open the door to all those who want to join the anti-Communist fight. He said a way would be found to associate social, religious and other groups with the new group, although the front itself would remain restricted to political parties that could qualify under a new law now being considered by the National Assembly. Thieu called for those who wished to participate in the anti-Communist struggle but who differed with the policies of the new front to organize themselves.

The party leaders finally agreed with Thieu that no votes would be taken by the organization's ruling council unless requested by Thieu, and that decisions would be made by a consensus as interpreted by Thieu. Although the politicians wanted a formal share of national policy-making authority, they finally settled for an advisory role.

The National Social Democratic Front still has a long way to go. Six parties have joined but it is not clear

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whether their leaders will swallow their disappointment over not getting positions in the cabinet immediately and give their full support to the new group. In addition, the front still consists largely of northern and central Vietnamese elements. This could cause intensified regional divisions unless more southern-oriented groups are persuaded to join.

For his part, President Thieu may see the new front as a vehicle in which various political factions can acquire a feeling of participation in the government process. A hint of what Thieu probably sees as the basic organizations for the struggle against the Communists came in his address at the front's convention. He referred to "other important anti-Communist elements" such as the army, the civil service, and the government administration. He noted that the front "will cooperate" with these forces against the Communists.

Thieu's efforts to promote unity among anti-Communist politi-

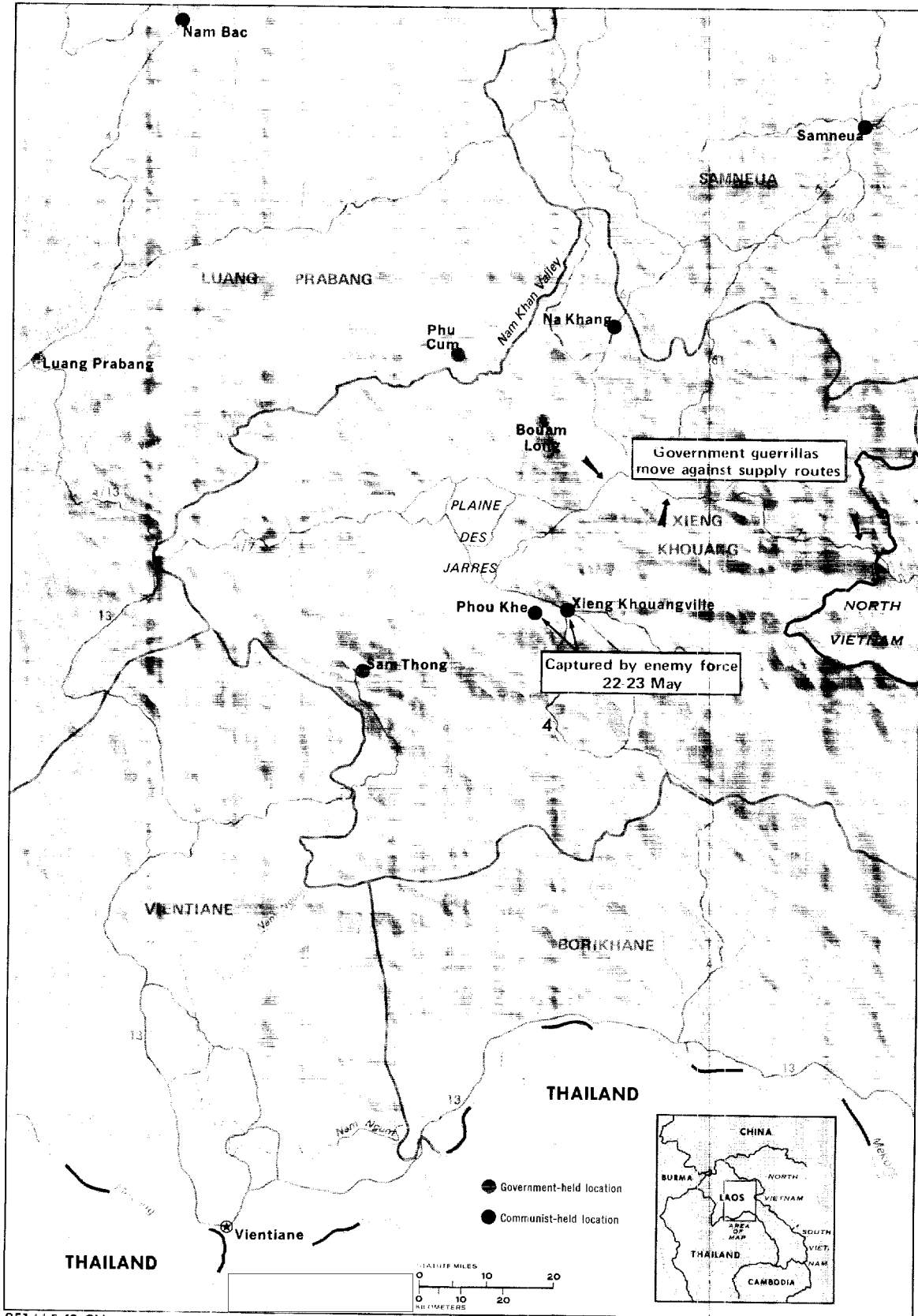
cal groups could be hampered by the activities of Senator Tran Van Don, who has recently adopted an aggressively antigovernment position. Don has criticized Thieu's activities in forming the new front, proclaiming that the army--the only real force in the nation--must be unified and that he, but not Thieu, can accomplish that unification.

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LAOS: Current Situation



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COMMUNISTS COUNTER GOVERNMENT OFFENSIVE IN LAOS

The Communists have succeeded in recapturing Xieng Khouangville, but Meo leader Vang Pao continues to press his counteroffensive in the Plaine des Jarres area.

A multibattalion Pathet Lao and North Vietnamese force took over government positions on the strategic high point of Phou Khe on 22 May, and the following day forced heavily outnumbered government troops to abandon Xieng Khouangville. Government guerrilla teams have also pulled back from positions along Route 4, from which they had interdicted Communist supply movements since the government counteroffensive got under way over a month ago.

Vang Pao, who has written off Xieng Khouangville as indefensible, hopes to muster about four battalions to recapture Phou

Khe. If this operation succeeds, he evidently plans, with Prime Minister Souvanna's encouragement, to press his offensive northward into the Plaine des Jarres itself. Government troops are still holding positions they captured two weeks ago on the southern edge of the Plaine, and guerrillas with strong US air support are now moving against the Communist supply routes leading into the Plaine.

Heavy casualties suffered in the recent fighting, and continuing signs that additional North Vietnamese reinforcements may be moving into the area, suggest that Vang Pao's plans may be overly ambitious.

In south Laos, meanwhile, the military situation has remained quiet.

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NEW ROUND IN SINO-SOVIET POLEMICS

As the 5 June date for the opening of the Soviet-sponsored Moscow conference of Communist parties approaches, both the Soviets and the Chinese are maneuvering for political advantage by exploiting border issues. In their efforts to obtain foreign Communist support before the conference, the Soviets are seeking to contrast Peking's alleged provocative and reckless actions on the frontier with Moscow's statesmanlike willingness to negotiate border problems. The Chinese Communists, on the other hand, are attempting to undercut this approach by issuing counter-allegations of Soviet provocations and by accepting a two-month old Soviet proposal to reopen talks on border demarcation.

In view of the propaganda objectives of both sides, it is unlikely that meaningful negotiations will develop. In response to Peking's message agreeing to a meeting of the joint border river navigation commission in mid-June, the Soviets last week proposed that this session convene on 18 June. The last session broke down in 1967 when Moscow charged Peking with raising broader territorial issues beyond the competence of the commission.

Peking's acceptance of the Soviet proposal of 29 March to reopen border demarcation talks was clearly timed to undermine Soviet preparations for the Moscow conference. The Soviet message was contentiously worded and obviously intended for propaganda effect. Peking's reply is in the

same spirit, charging the Soviets with complete responsibility for the current dispute and challenging their sincerity in proposing negotiations. It repeated the long-standing Chinese demand that Moscow recognize the treaties establishing the current frontier as "unequal treaties." Peking certainly expects Moscow to reject this condition because the Soviets have consistently refused to give the Chinese an opening which would legitimize China's claims to Soviet territory.

Meanwhile, both sides are continuing propaganda exploitation of tension along the border. The "unofficial" Soviet Radio Peace and Progress claimed last week that since the Ussuri incidents in March Chinese leaders had ordered provocations along other sections of the border.

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Some Communist parties had criticized both sides over the Ussuri clashes and Moscow is apparently trying to gain maximum backing against Peking at this time by claiming new Chinese provocations. Peking has replied in kind. On 20 May the vice chairman of the Sinkiang Regional Revolutionary Committee stated that the USSR has increased its provocations against Sinkiang by creating incidents along the frontier after the armed clashes last March.

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EUROPE

The USSR and China scheduled talks on river navigation problems along their border, but the accompanying polemical outbursts leave in doubt the prospect for serious negotiating efforts. Premier Kosygin, speaking in Afghanistan at the beginning of the week, clearly kept the "Maoists" in the front rank of world evils along with neocolonialism and imperialism. His visit to Pakistan bears further witness to Moscow's concern for its relations with its non-Communist Asian neighbors.

Representatives of more than 60 Communist parties met in Moscow this week to prepare for the World Communist Conference set for 5 June. There were signs that obstacles still remain.

Czechoslovak party leader Husak has been engaged in a hard fight to retain control of the party as conservatives, led by Czech party bureau chief Strougal

A number of Husak supporters in key regional party posts have been replaced by Strougalites. During the past two weeks Husak has held private talks with Hungary's Kadar, Poland's Gomulka and East Germany's Ulbricht, apparently in an effort to gain whatever backing and acceptance he can in order to strengthen his hand before the plenum.

The Polish regime is putting new steam into its five-year-old effort to bring about a European Security Conference and is now stressing the need for flexibility and adequate preparation. The Poles believe any movement toward a conference would buttress the status quo in Europe and thus be in their interests. They have apparently fallen back to an earlier position and now say all interested states, including the US and Canada, should attend the conference.

French opinion polls in the presidential campaign continue to forecast a plurality for Pompidou on the first ballot on 1 June and a majority for Poher in the runoff on 15 June.

Before the Eighteen Nation Disarmament Committee recessed for a month, a consensus developed in support of the US-USSR motion to invite Japan and Mongolia to join the committee when it reconvenes on 3 July.

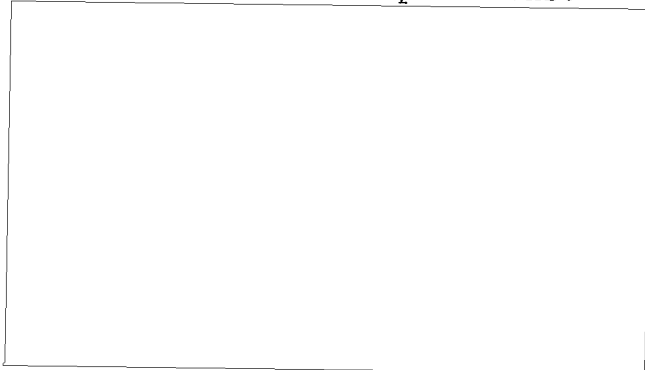
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NO FIRST BALLOT DECISION EXPECTED IN FRENCH ELECTION

In the most generously polled election campaign in French history, all recent opinion soundings agree on two essential points: the election will not be decided on the first ballot on Sunday, 1 June and Pompidou will win a plurality on the first round, only to be defeated by Poher in the runoff on 15 June.

The Gaullists are hoping that Poher has now "peaked," and that he will run a poor enough second on the first ballot to make many of his present supporters reconsider their positions.



This analysis is not entirely wishful thinking, judging from a comparison of recent polls taken by the reliable French Institute of Public Opinion. They show that Poher's first ballot strength has fallen from 37 percent on 14 May to 27 percent in the latest poll on 24-25 May, and that Defferre has only eight percent with the Communist and other far-left candidates holding an impressive 22 percent. The polls also reveal Pompidou's primary problem: his support has hovered from the beginning just over 40 percent.

Even so, if Poher does no better than the latest poll indi-

cates the Pompidou camp may have cause for optimism. Gaullists will play on latent voter fears by hammering away at the "victory-through-Communist-support" theme during the two weeks between ballots. Pompidou supporters will be hoping that French voters, who have a record of erratic electoral behavior will make a last-minute shift and put their man over the top.

The Gaullists will also continue to raise the question of most long-range significance for the French political system: will a Poher victory mean a return to the ministerial instability of the Fourth Republic. They will point out that given the top-heavy Gaullist majority in the National Assembly (almost 300 out of 487), a Poher-selected cabinet would be unable to govern and new legislative elections would become inevitable.

Poher is countering this argument by saying that he has no intention of calling new elections unless the Gaullist party votes a motion of censure, thus trying to shift back onto the Gaullists the burden for what would probably be unpopular elections following a year in which Frenchmen have already been called to the polls three times. Poher has not made his postelection plans clear. He is probably thinking, however, in terms of a broadly based coalition cabinet that would be acceptable to the many Gaullists who would prefer cooperation with him to risking their National Assembly seats in new elections.

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"FINAL" PREPARATIONS UNDER WAY FOR COMMUNIST CONFERENCE

The World Communist Conference is scheduled to open on 5 June, but some dissatisfaction with conference documents is still evident. Debate in the preparatory committee, which has been meeting since 23 May, centers on the draft of the main document in its Soviet-approved formulation. Four commissions reportedly will deal with objections and amendments to each section of the main document.

TASS has named 63 parties represented in Moscow.

The Czechoslovak party paper pointed out that the invasion of Czechoslovakia still influenced some party viewpoints, although political changes in Prague have reduced opposition to Moscow on this point.

A preparatory meeting in March had been unable to agree on the wording or content of the main draft--particularly those sections dealing with "unity of action" among Communist parties. This is a shorthand term for Soviet domination of world Communism

[Redacted]

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Even though the Soviets have applied pressure and persuasion to the Rumanian and Italian parties, it is probable that both parties will maintain at least pro forma objections. Rumanian party leader Ceausescu will lead a delegation to the conference with a "mandate" to express Rumania's point of view and to work for improvement of the conference document.

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[Redacted]

news reports of committee proceedings agree that the Italian party delegate demanded essential changes in the document.

In addition to the four commissions working on the main document, editorial commissions for the documents on peace, Vietnam, and the 100th anniversary of Lenin's birth have been meeting. Certain parties, especially the French and Italians, previously objected to an ideological formulation for the Lenin document. The documents on peace and Vietnam are unlikely to arouse controversy.

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POLAND PUSHES FOR EUROPEAN SECURITY CONFERENCE

Since the Budapest appeal of last March, Warsaw has put new effort behind its five-year-old initiative for a European Security conference. The Poles are newly aware that the issue faces tough sledding, and are stressing the need for flexibility and adequate preparation. They believe that any movement toward such a conference would buttress the status quo in Europe, and therefore be in Poland's interest.

Polish Deputy Foreign Minister Winiewicz paid brief working visits to the Hague and to Brussels this week, and will reportedly visit Vienna in early June. Winiewicz had earlier told US officials in Warsaw that in each instance he would solicit his hosts' opinions on Poland views of the European security proposals. He appeared delighted at this first trip into Western Europe since the invasion of Czechoslovakia, and hoped to resume the discussions which he had started in past years with the smaller NATO countries.

In a speech on 23 May, Premier Cyrankiewicz extolled the idea of a European security conference along now familiar lines, but warned for the first time publicly that it will not be convened soon. This may have been the result of frank discussions in Warsaw last week with Finland's Foreign Minister Karjalainen, whose government had offered to host the conference and play a role in its preparation. Despite mutually laudatory speeches, no communiqué was issued at the end of Karjala-

inen's visit, reportedly because of a disagreement on the wording. The Poles are said to have proposed setting up a working group composed of two NATO, two Warsaw Pact, and two neutral states, one of which would be Finland. The Finns apparently considered this premature.

Winiewicz probably encountered the same cautious views in Western Europe. Belgian officials, at least, reportedly were not enthusiastic over the prospect of his visit.

US and Canadian participation in the proposed conference is another sticking point. In their original proposal in 1964, the Poles envisaged US participation but later backed off in view of the Soviet position that the conference should be limited to European states. Last week, however, a Foreign Ministry official, who worked both on the Budapest Appeal and on party chief Gomulka's recent speech concerning a Polish dialogue with West Germany, told US Embassy officials that the European security conference should be attended by all interested states, including the US and Canada.

The Poles are clearly anxious about Soviet views on this and other related issues. For example, they reportedly pressed Karjalainen for details on the recent talks in Leningrad between Finnish President Kekkonen and Soviet Premier Kosygin, because Moscow had not informed Warsaw about them.

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YUGOSLAVIA SEEKS SHIFT TOWARD WESTERN TRADE PRACTICES

Belgrade is seeking to improve the efficiency of its less competitive industries by having more of the country's foreign trade conducted in convertible currencies. Yugoslavia recently notified the 23 trading partners with which it has bilateral clearing arrangements that it wishes to replace the present barter system with settlement in hard currencies. The countries involved include all seven of the CEMA states

Details are not available, but the proposal would mean a complete switch to hard currency trade for certain underdeveloped countries. In the case of the Communist countries, however, Belgrade is not likely to risk seriously disrupting trade with this area by unilaterally insisting on hard currency settlement. As a first step toward abolishing the barter system, Yugoslavia probably would agree to a watered-down arrangement in which clearing balances were settled in hard currency. Belgrade has proposed this idea to CEMA in the past, but only Czechoslovakia and Hungary have reportedly agreed in principle.

Trade under barter clearing agreements, particularly with Communist countries, has increasingly conflicted with efforts to make Yugoslav enterprises more competitive on the world market. Under the barter system, less

competitive enterprises are able to unload low-quality products because both trading partners resist exchanging their better goods, which can be sold elsewhere for hard currency. Clearing prices under the barter system, moreover, often have been set artificially high.

As the system presently operates, Yugoslav exporters have found a ready market for their poor quality exports, while Yugoslav importers have been reluctant to take many of the overpriced, low quality goods offered in exchange. Belgrade therefore has accumulated unwanted surpluses in its clearing accounts with the result that added controls had to be imposed in order to reduce exports and to enforce fulfillment of import quotas.

These problems have caused Yugoslavia's clearing trade to decline in recent years. Belgrade's share of trade with all clearing partners in total Yugoslav trade has fallen from 45 percent in 1966 to 40 percent in 1968; trade with Communist countries has slipped from 34 percent to 30 percent during the same period. Belgrade appears willing to permit further declines in the share of this trade to derive the longer term benefits of improved international competitiveness of Yugoslav enterprises.

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FACTIONAL STRUGGLE IN CZECHOSLOVAKIA INTENSIFIES

Party first secretary Husak--mindful of the threat posed by regime conservatives--last week concentrated on gaining additional support at home and abroad before what promised to be a difficult party central committee plenum opened on 29 May.

The Husak leadership is portraying itself as the only alternative to a return to Stalinism. It is also attempting to show it can get along with Moscow. The arrival in Prague last week of Soviet Marshal Yakubovsky and Deputy Premier Baybakov gave rise to a spate of rumors, never denied, that Husak might be able to negotiate a partial withdrawal of Russian troops and a substantial loan from Moscow.

On the federal level, Husak's supporters are attempting to replace former Dubcek appointees with moderates who will back the present leadership. The liberal chief public prosecutor, Milos Cerovsky, resigned under pressure from the conservatives but was replaced by Jan Fejes, a moderate and well-respected Slovak jurist.

The conservatives, led by pro-Soviet, Czech party bureau chief Lubomir Strougal, have become more open in their opposi-

tion to Husak. Strougal is trying to form a power base in Bohemia and Moravia. He has engineered special elections at regional party meetings by means of which his followers have replaced the incumbents who came to power in 1968. Thus far, the party committees in North and South Moravia and in Central and South Bohemia, have been reshuffled and the leaderships and the editorial boards of publications in the other four regions also have been changed.

The conservatives have gained ground on other fronts as well. Federal Interior Minister Pelnar has promised to rehabilitate those security officials publicly accused as "collaborators" in the aftermath of the Soviet invasion last August. This move could greatly strengthen the position of the hard liners who are trying to wrest control of the Interior Ministry from the party leadership. On 26 May, Prague radio apologized to all "comrades in public functions, central authorities and interior ministry officials" that it had accused of treason on the basis of rumors during the confused period after the invasion.

Conservatives have gained a strong hold on foreign policy

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planning as a result of hard liner Pavel Auersperg being named as chief of the party central committee's foreign affairs department. This appointment means that now the top three party officials responsible for international relations are pro-Soviet conservatives. A number of conservatives prominent under former party boss Novotny are said to be waiting in the wings for other top posts in the party and government.

Although the conservatives are not strong enough to challenge Husak at the plenum, they probably are maneuvering to gain additional high level posts. Husak, on the other hand, probably will seek to use the plenum to bring more of his supporters into high positions.

A confrontation could develop. Significantly perhaps, party secretary Vasil Bilak, a Strougal conservative, returned early this week from the Moscow meeting preparing for the international Communist conference. He will undoubtedly lend strength to the conservative representation at the plenum.

Husak has attempted to create the impression of a growing

rapprochement with other East European leaders. Following up his recent visit to Budapest, Husak went alone to Warsaw on 24 May for talks with Polish party boss Gomulka and also by himself to East Germany to see Walter Ulbricht. While Husak probably got nowhere with Ulbricht, there are signs that the Poles at least might be willing to give Husak a chance to prove he can "normalize" the situation in Czechoslovakia.

The Soviets, however, have denied Husak full public support. A source of the US Embassy in Prague, who is a specialist in intra-bloc affairs, believes that the Soviets are playing cat and mouse with Husak, forcing him to fulfill their demands while dangling possible concessions, such as a partial troop withdrawal and/or a substantial loan to bolster Czechoslovakia's sagging economy. The same source also suggested that the Russians may remember their one-time opposition to Gomulka, which proved to be a mistake, and may now be willing to wait and see if Husak, whose background is strikingly similar to Gomulka's, is in fact cut from the same cloth.

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MIDDLE EAST - AFRICA

The leftist military cabal that seized power in Sudan on 25 May is still attempting to consolidate its hold on the country. The top three members of the ten-man Revolutionary Command Council that now heads the government have close Communist or Egyptian associations, and 12 of the 21 members of the new cabinet are known or suspected members of the Sudanese Communist Party. Principal opposition to the new regime is provided by the conservative Umma Party.

The normally quiet Syrian-Israeli cease-fire line was the scene of an extended exchange of gunfire on 27 May, but both the Suez Canal and the Jordanian-Israeli border were relatively quiet. Although small-arms firing continues, the heavy artillery duels of the last few weeks along the canal have ceased, at least temporarily. Lebanon remains without a cabinet; fedayeen activity within the country once again appears to be on the upswing.

Nigerian military targets have come under attack by Biafra's one or two newly acquired airplanes, apparently small, single-engined propellor craft. The secessionist air raids, although of little military significance, have increased pressure on the federal government to attack all aircraft flying into Biafra, including relief planes.

Turkey's short-lived crisis last week has left political circles somewhat stunned, but the imminence of national elections in October should spur the politicians to get campaigning under way in the near future. Meanwhile, the major US air base at Incirlik is virtually closed down as labor and management remain at odds over final details of a strike settlement.

25X1 A Moroccan military mission will go to Moscow in July to "test the atmosphere." Over the past few years, the Western-oriented King has been expanding relations with the USSR

25X1 Ceylon's Prime Minister Senanayake is increasingly concerned over possible outbreaks of communal violence between the island's minority Tamils and the majority Sinhalese. Ceylon has experienced encouraging economic growth in the past two years, but a revival of communal disturbances could set back this progress and result in a loss of government support in elections to be held within the next year.

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LEFTIST MILITARY COUP IN SUDAN

The leftist military cabal that seized power in a bloodless coup on 25 May is still attempting to consolidate its hold on the country.

The primary source of authority in the new regime is the ten-member Revolutionary Command Council headed by Colonel (now Major General) Jafar Muhammad Numayri, who has had Communist connections. The only civilian on the council is the new prime minister, Babikar Awadallah, who has had close Communist and Egyptian associations. Another member of the council

[redacted] is Major Faruk Ethman Hamadnallah, who holds the key post of minister of interior. The other council members are obscure field-grade army officers whose political orientation is as yet unknown.

Twelve of the 21 members of the new cabinet are suspected or known members of the Sudanese Communist Party. Seven of the 12 are either present or former members of the party central committee. The other members of the cabinet belong to the leftist, urban-based Democratic Unionist Party, and some are known to be agents of the Egyptian intelligence service.

The principal opposition to the new regime is provided by members of the conservative Umma Party. The estimated two million members of the Ansar religious

sect, who constitute the major support of the party, have in the past been a major obstacle to leftist ambitions. An estimated 30-40 percent of the armed forces are Ansars. [redacted] 25X1

All of the officers appointed to key commands in the army following the coup are reportedly pro-West political moderates. These officers may have been appointed only to reassure the army that a radical purge was not about to occur; they may be gradually transferred and replaced by more radical officers.

Prime Minister Awadallah, speaking to the foreign representatives in Khartoum, attempted to portray the new regime as non-aligned and socialist. He stated that the chief foreign policy theme of the new government will be "Arabism," with full support for the Palestinian cause. Although Awadallah reportedly reassured Western ambassadors that the new government has not moved into the Communist camp, he has also said that the government would establish closer relations with the Soviet bloc, and on 27 May announced a decision to establish diplomatic relations with East Germany. [redacted] 25X1

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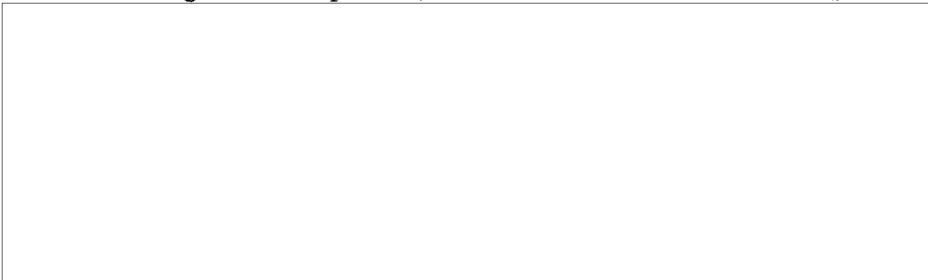
WESTERN HEMISPHERE

Student demonstrations and disorders continue at a high pitch in several Latin American countries, and are threatening to mar the second of Governor Rockefeller's four fact-finding trips.

Student protests in Bogota and several other Colombian cities in advance of the governor's arrival on 27 May caused the Lleras government to impose tight security measures throughout the country during the two-day visit. Demonstrations are also likely in Ecuador, Bolivia, and Venezuela.

Venezuelan universities and secondary schools have been plagued with unrest since March, as competition for control of the student movement has stimulated increasingly stronger antigovernment action. Violence is spreading, and it has taken on more of an anti-US cast as the Rockefeller visit approaches.

In Argentina, student disturbances have presented President Ongania with the worst civil unrest since he came to power three years ago. Leftist extremist students have succeeded in turning riots in most major cities into broader antigovernment protests, and have attracted some labor support.



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THE CURRENT SITUATION IN PERU

Peru's military government has formalized its request that the US withdraw its military missions following official confirmation that US Government sales of military equipment had been suspended according to US law as a result of Peruvian seizures of US fishing boats. It also made clear that Governor Rockefeller would not be welcome in Lima during his current visit to South America.

Augusto Zimmerman, who has been one of Velasco's closest advisers but whose influence now may be on the decline, recently told the US Embassy that the government's harsh reaction to the suspension of military sales was intended as a signal to the US not to invoke more severe sanctions. He said, however, that for now the Peruvian response would go no further than the cancellation of the Rockefeller visit and requesting the withdrawal of US military missions.

Foreign Minister Mercado told the US ambassador that he was deeply concerned over the continuing deterioration of US-Peruvian relations, but that he saw no possibility of improvement soon. He expressed interest, however, in the ambassador's suggestion that a small number of military advisers remain in Peru as part of the US Embassy and said that he would advocate this at the next cabinet meeting.

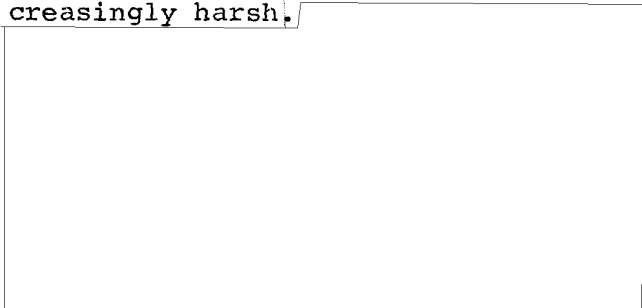
Further complicating relations between the two countries is the continued impasse in negotiations over the expropriation of the International Petroleum Company (IPC).



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The military government is also having its problems at home. The recent deportation of a magazine editor because he published articles critical of the government has stirred additional criticism from the press and various civilian political leaders. Even Alberto Ruiz Eldredge, the president's closest civilian adviser, has denounced the deportation and may be preparing to represent the editor in the Peruvian courts in an effort to reverse the action. The true motives behind this opportunist's denouncement of an action that almost surely had the president's approval are not yet clear, although it could indicate that some shake-up is coming soon in the top echelons of the government.

The military government's reaction to press criticism, which in most cases has been mild and coupled with statements of support on other issues, is becoming increasingly harsh.



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ANTIGOVERNMENT DEMONSTRATIONS CONTINUE IN ARGENTINA

Student riots during the last two weeks have presented President Ongania with the worst civil disturbances since he came to power three years ago.

The disorders began on 15 May when police shot and killed a student in Corrientes during an attempt to disperse a meeting protesting an increase of food prices at the national university. The death touched off protest demonstrations in most major cities and resulted in at least three other deaths. The majority of universities were closed, and the country's second largest city, Rosario, was placed under military rule.

Leftist extremist student leaders have been successful in turning the riots into broader antigovernment protests and in attracting some labor support. Workers have staged sporadic sympathy strikes since 15 May and some unions plan a 24-hour nationwide strike on 30 May.

The government is continuing to take a hard line. Demonstrators have been warned that they can be imprisoned for up to 15 years and that the death penalty--although it does not exist under Argentine civil law--can be invoked against anyone who kills a policeman or a soldier. These measures have dimmed the enthusiasm of many students, but extremist leaders are determined to keep the pot boiling and more trouble is expected.

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STUDENT VIOLENCE SPREADS THROUGHOUT VENEZUELA

Violent student demonstrations spread throughout Venezuela last week, growing out of the "academic renovation" movement that has caused unrest in the universities and secondary schools since March.

Competition for control of the student movement has pushed student leaders into ever stronger antigovernment action. At the same time Castroite guerrilla groups have sought to encourage

student violence to further their own ends.

As the time for Governor Rockefeller's visit approaches, the violence has taken on more of an anti-US cast as students use the visit to widen their appeal. Even the youth wing of President Caldera's Social Christian party has announced that it will hold peaceful demonstrations to protest the governor's arrival.

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