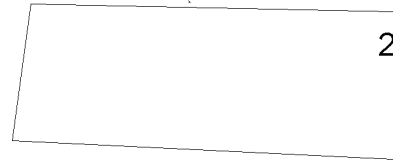
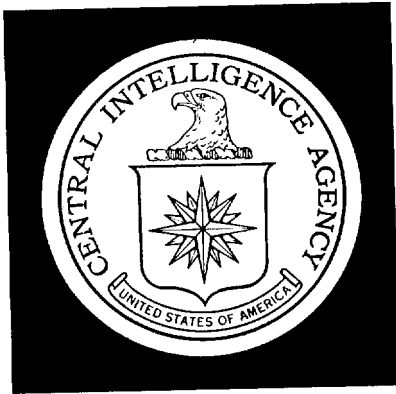


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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

State Dept. review
completed

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(Information as of noon EDT, 4 June 1970)

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FAR EAST

It now is clear that the North Vietnamese, in pursuit of their long-range goal of dominating all of Indochina, have moved rapidly both in reaction to allied cross-border operations and to take advantage of a weak regime in Phnom Penh. The Communists have established nearly total control over northeastern Cambodia, are pressing government forces in adjacent Laos, and now are in a position to establish new supply routes to the west of the present ones if they so choose. They are also pushing across the northern tier of Cambodian provinces, as well as demonstrating their ability to strike close to Phnom Penh. Another provincial capital has been invaded, and the Communists are actively engaged in building an indigenous insurgent organization. The loyalty of many of their Cambodian recruits, however, is probably only superficial.

The Cambodians and South Vietnamese are still having trouble getting along with each other, [redacted]

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The fighting inside South Vietnam remained at an over-all low level this week, but the Communists again demonstrated their ability to hit where and when they choose. A sizable flurry of activity occurred on the night of 3 June, perhaps representing a third and final phase of the enemy's "spring" campaign. Earlier in the week, the Communists, with a fairly small force, had mounted a dramatic thrust into the mountain resort city of Dalat but they were easily beaten back. They inflicted heavy casualties in other attacks, however, one on a South Vietnamese outpost near the DMZ, and one that penetrated a town in the far southwest.

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Action has begun again in northern Laos, as General Vang Pao launched a drive to extend his holdings southwest of the Plaine des Jarres. The Communists, however, appear to be counterattacking in some strength. This could indicate an intention to bottle up Vang Pao in the Meo tribal stronghold at Long Tieng, thus preventing any repetition of the government's successful rainy-season offensive of last year.

A series of mammoth rallies throughout China heralded Mao Tse-tung's support for ousted Prince Sihanouk. The occasion provided the first comprehensive picture in nearly two years of China's leadership below the national level. It now seems apparent that Peking has been able to stabilize its provincial leadership in most areas, although serious problems still remain in some. A striking aspect of this fresh view of the leadership is the continued dominance of local political affairs by China's military. [redacted]

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Vietnam

The Enemy Picks the Battle Site

Communist units carried out their heaviest shellings in a month in South Vietnam on 3-4 June, but the over-all level of fighting in the country remains generally low. The most effective ground action occurred in northern I Corps where an enemy battalion struck a South Vietnamese position, killing 43 and wounding 88. At the opposite end of the country, another Communist battalion penetrated a district town near the U Minh Forest but pulled out after killing or wounding nearly 50 South Vietnamese.

The Communist thrust into the mountain resort city of Dalat late last week was beaten back with little difficulty, but it did enable the enemy to grab a few press headlines. Although the attack may have been staged to draw allied forces from Cambodian operations, the enemy's commitment of local guerrillas against lightly defended and militarily unimportant Dalat was inadequate to accomplish such a goal.

The effort against Dalat was essentially a ragtag one by 200 troops, some of whom seized a number of key buildings while others got lost and missed their intended targets. To minimize civilian casualties and damage to buildings, government forces used tear gas and smoke to rout the attackers, who lost 47 killed as compared to South Vietnamese casualties of 16 killed and 25 wounded.

ARVN in Cambodia

South Vietnamese Army (ARVN) units pursuing the Communists in cross-border operations in Cambodia are developing increased confidence and aggressiveness. Several high-level South Vietnamese

officers have recently commented on the improved morale and combativeness of the more than 40,000 troops in the ARVN units involved. General Lan, the II Corps Commander, recently declared that the Cambodian operations had given the ARVN 47th Regiment a much-needed "shot in the arm." Previously, many of these same units had operated in the south largely on the defensive or in reaction to enemy initiatives, and some returned to their base camps regularly each night. Their new spirit may not last after they return to South Vietnam, but the battle experience they have gained may mean a somewhat greater effectiveness than before in going after the Communists in ground operations.

At the same time, elements within the military hierarchy in Saigon are not entirely pleased with the progress of military operations in Cambodia.

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Difficult Diplomacy

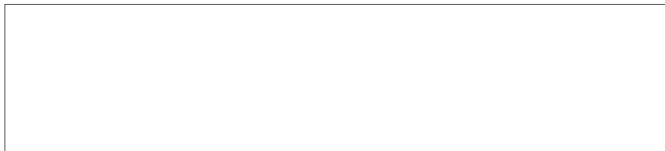
South Vietnam and Cambodia are holding discussions aimed at resolving remaining differences between them following their resumption of relations last week. A delegation headed by Vice President Ky and Foreign Minister Lam is currently in Phnom Penh, and further talks at the "expert"

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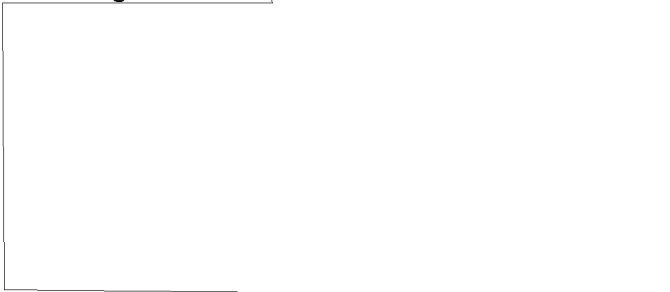
level are also to be held. Although agreement on future military cooperation is likely, the discussions may not go too smoothly regarding such nettlesome subjects as border delineation, joint exploitation of the Mekong River, and economic and commercial agreements.



The Protests Go On and On

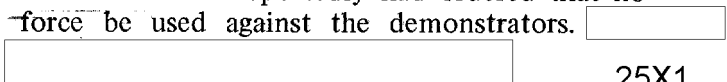
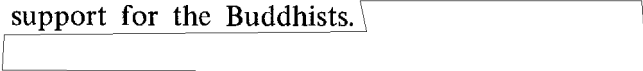
Police have been able to disperse student protesters without violence, and their demonstrations have, for the most part, been unable to turn out large numbers.

Antigovernment protest demonstrations in Saigon by Buddhist, student, and disabled veteran groups continued to simmer this week, but divisions within the ranks of the protesters, as well as the government's carrot-and-stick tactics, prevented any serious confrontations. A group of militant An Quang Buddhist monks held a two-day hunger strike; they are threatening to engage in further antigovernment activities if their protests go unheeded. These monks hope to embarrass the regime by playing on warweariness and publicizing demands that the government cease supporting the rival Quoc Tu Buddhist faction. The An Quang leadership is not united, however, and Tri Quang, the faction's most prominent monk, reportedly has dissociated himself from the antigovernment activities. He opposes any direct provocation of the government and fears that the current activities of the activist monks will fail to gain any substantial support for the Buddhists.



Meanwhile, a small group of disabled veterans broke up a ceremony last week in Saigon that was to allocate permanent housing for some of them. The demonstrators charged that the government was unwilling to meet their grievances. The government believes that this demonstration by the veterans, who had remained quiet for several weeks, was politically inspired to create trouble for the regime. Police made no arrests, however, because Prime Minister Khiem reportedly had ordered that no force be used against the demonstrators.

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Cambodia: Communists Expand Deeper into the North

Increasing numbers of enemy troops have infiltrated Preah Vihear and Kompong Thom provinces. There are no firm indications of the reasons for this westward movement, but one intention of the Communists could be to open access to the sizable Vietnamese community near the Tonle Sap and indigenous insurgents operating in the foothills of the Chaine des Cardamomes of southwestern Cambodia. Kompong Thom city was invested by an estimated 1,000 Communists on 4 June, and fighting continues there as government troops attempt to drive out the invading force.

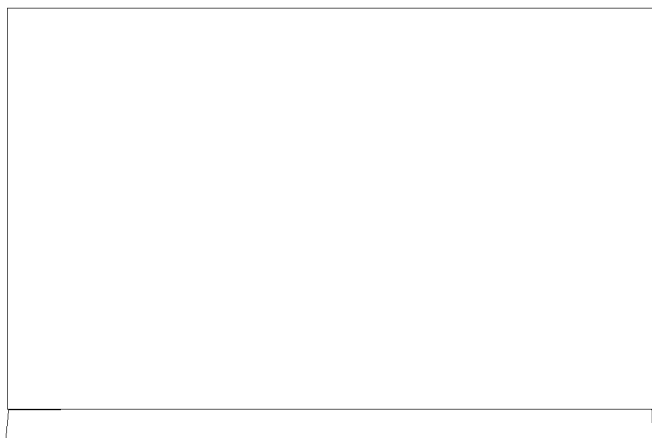
Also on 4 June, the Communists seized the river village and army camp of Setfo Leu, about 10 miles southeast of Phnom Penh. This is the closest that enemy forces have come to Phnom Penh and may have been timed to coincide with the arrival of Vice President Ky in the capital.

In the northeastern province of Ratanakiri, steady enemy pressure finally forced the government to abandon the town of Lomphat on 31 May under cover of allied air support. The two government battalions previously stationed at Lomphat, as well as most of the town's civilian population, moved north under fire to the besieged town of Labansiek, thus far protected from capture by regular air strikes. It is probably only a matter of time, however, until the government's presence in Ratanakiri Province is completely eliminated.

South Vietnamese operations cleared Communist units out of Prey Veng city on 1 June and then swept up the east bank of the Mekong in an unsuccessful effort to trap retreating enemy

forces. Farther south, Communist harassing activities around Svay Rieng town indicate that enemy units still infest the Parrot's Beak area despite extensive South Vietnamese operations.

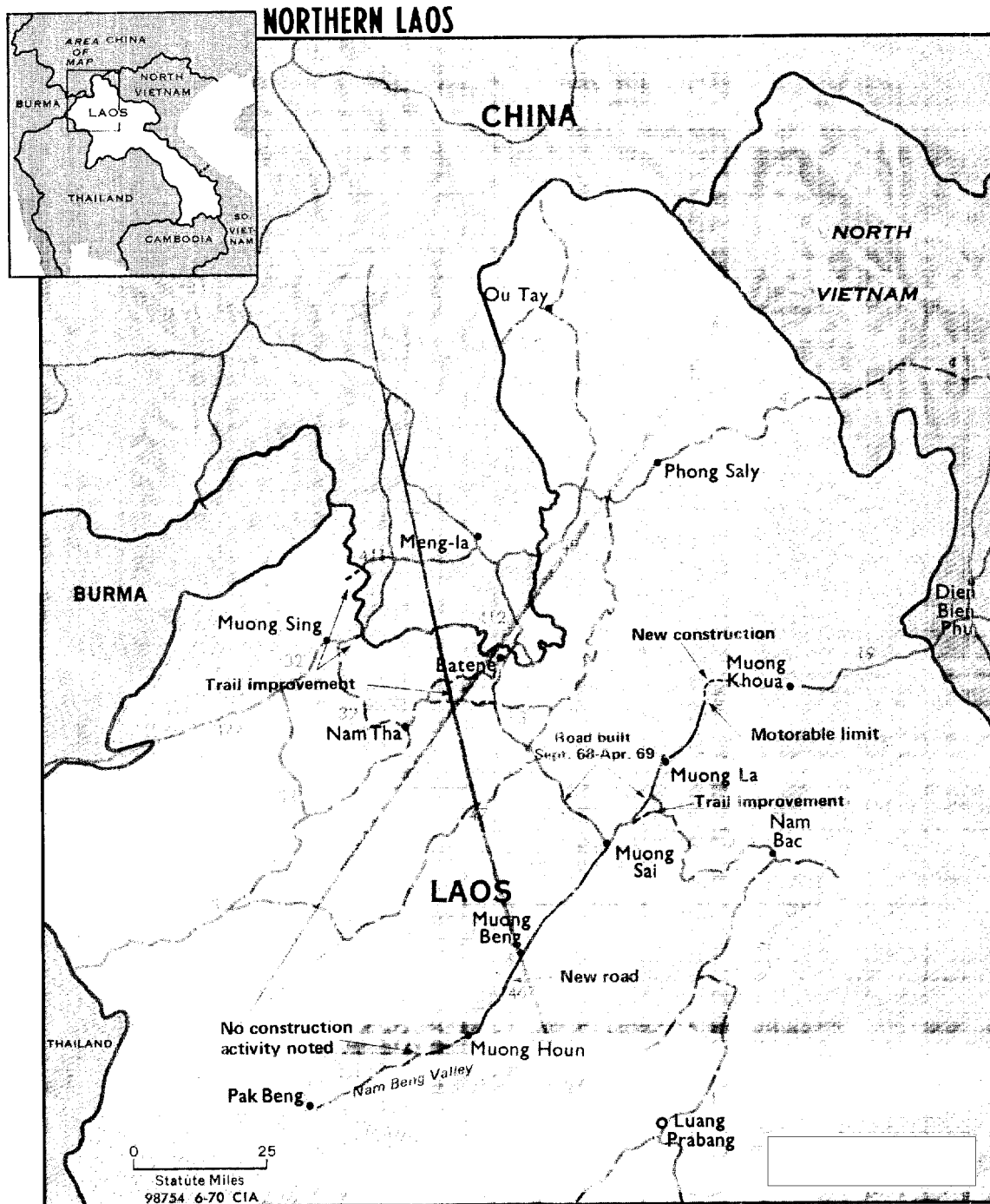
The presence of South Vietnamese troops in Cambodia continues to create political problems for the Lon Nol regime. There reportedly is considerable argument between those junior officers in the army and the bureaucracy who strongly oppose the use of South Vietnamese troops and those who regard it as an unfortunate necessity. Cambodian nationalists outside the government have also expressed their discontent on this issue directly to Lon Nol, and anti-Vietnamese posters have appeared in Phnom Penh. The premier has not ignored these protests even though military expediency has caused him to rely heavily on the South Vietnamese. He expressed his concern over Saigon's overbearing attitude, and asked President Thieu to impress on South Vietnamese officials the need to consider Cambodian sensitivities in discharging their responsibilities vis-a-vis the war.



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Chinese Road Construction in Laos

Rains probably will suspend most Chinese road construction activity in northern Laos in the next few weeks. Nevertheless, most Chinese construction, security, and air defense forces are expected to remain in Laos until work is resumed late this year.

where it will connect with an existing road from Dien Bien Phu in North Vietnam. The Chinese, however, did complete a large permanent bridge across the Nam Phak at Muong La.

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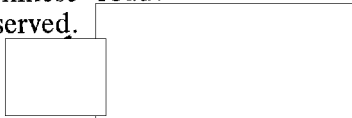
in Laos. The 52 miles of all-weather road built during 1969 from the Chinese border at Batene south to Muong Sai is in good condition and well maintained. A number of construction camps and storage sites along this road have been abandoned as activity has shifted to the north and south of Muong Sai.

Chinese activity to the south of Muong Sai since February has been limited to improving and surfacing the road to Muong Houn, some 30 miles from the Mekong. No construction or survey work has been observed south of Muong Houn. There has been a steady buildup of construction camps, storage sites, and AAA positions in the Muong Houn area, but it is unlikely that, in the few weeks remaining before the start of the rainy season, road construction can be extended to the Mekong.

The road north out of Muong Sai, which will provide a through route across Laos to North Vietnam when completed, has progressed significantly, but a motorable road cannot be completed before the onset of heavy rains. A span of more than 20 miles separates the motorable limit of the Chinese road construction from the point

The Chinese this year have made trail improvements in widely scattered locales in northern Laos. Some work has been done eastward from the Muong Sai junction toward Nam Bac, and minor activity has been noted in the Laos-Burma-China border area. No additional construction to improve Chinese roads in the Phong Saly area has been observed.

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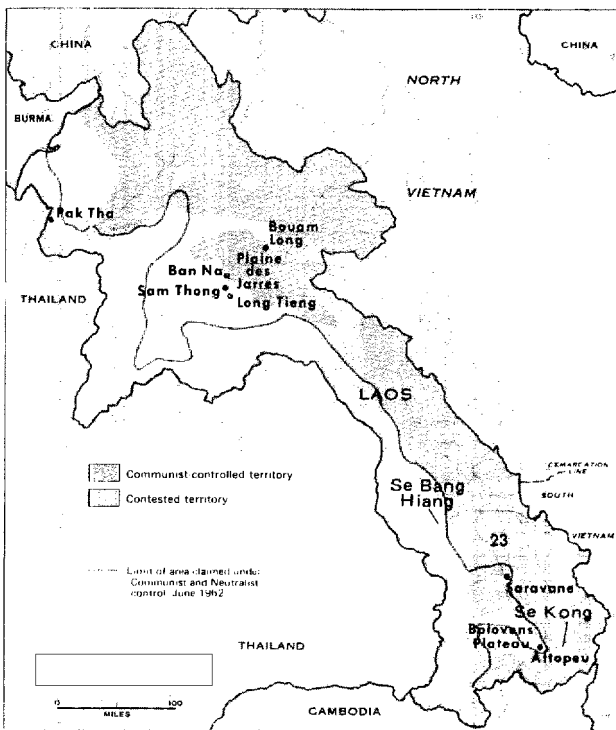
Laos: Action in the North

Government units have improved their tactical position in several sectors of northern Laos this week. In the Long Tieng area, General Vang Pao launched a three-battalion drive to retake Ban Na. The Communists are dug in along the rugged ridge lines south of Ban Na, and so far they have frustrated the Meo effort. Ban Na has been a major Communist staging area south of the Plaine des Jarres.

North of the Plaine, government columns moved outside the Bouam Long defensive perimeter for the first time in several months. Although substantial enemy forces are probably still in the

area, the clearing operation encountered only light resistance. It is too early to predict that the threat to Bouam Long has passed, but a North Vietnamese sergeant captured near the base claimed that his regiment's orders were to withdraw if Bouam Long could not be overrun by the end of May.

In the far northwest, Laotian Army forces retook the Mekong River town of Pak Tha, which had fallen to the Communists on 29 April. The elaborate air and ground assault, supported by ~~Thai~~ artillery from across the border, met little or no opposition. Pak Tha is on an important Communist infiltration route into Thailand, however, and the Laotian Army anticipates counterattacks in the near future.



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In the south, enemy troops reacted sharply to recent government efforts to establish ambush sites and mine fields near the Se Bang Hiang ford on Route 23. An estimated two North Vietnamese battalions mounted heavy attacks to drive a 500-man irregular force from the area, suggesting that the Communists attach considerable importance to maintaining this logistic route to the south.

Light skirmishing continues on the eastern edge of the Bolovens Plateau, where Communist troops are laboring to maintain a foothold. No new attacks have been reported near the provincial capital of Saravane, and so far there is no evidence of increased logistic activity on the Se Kong River.

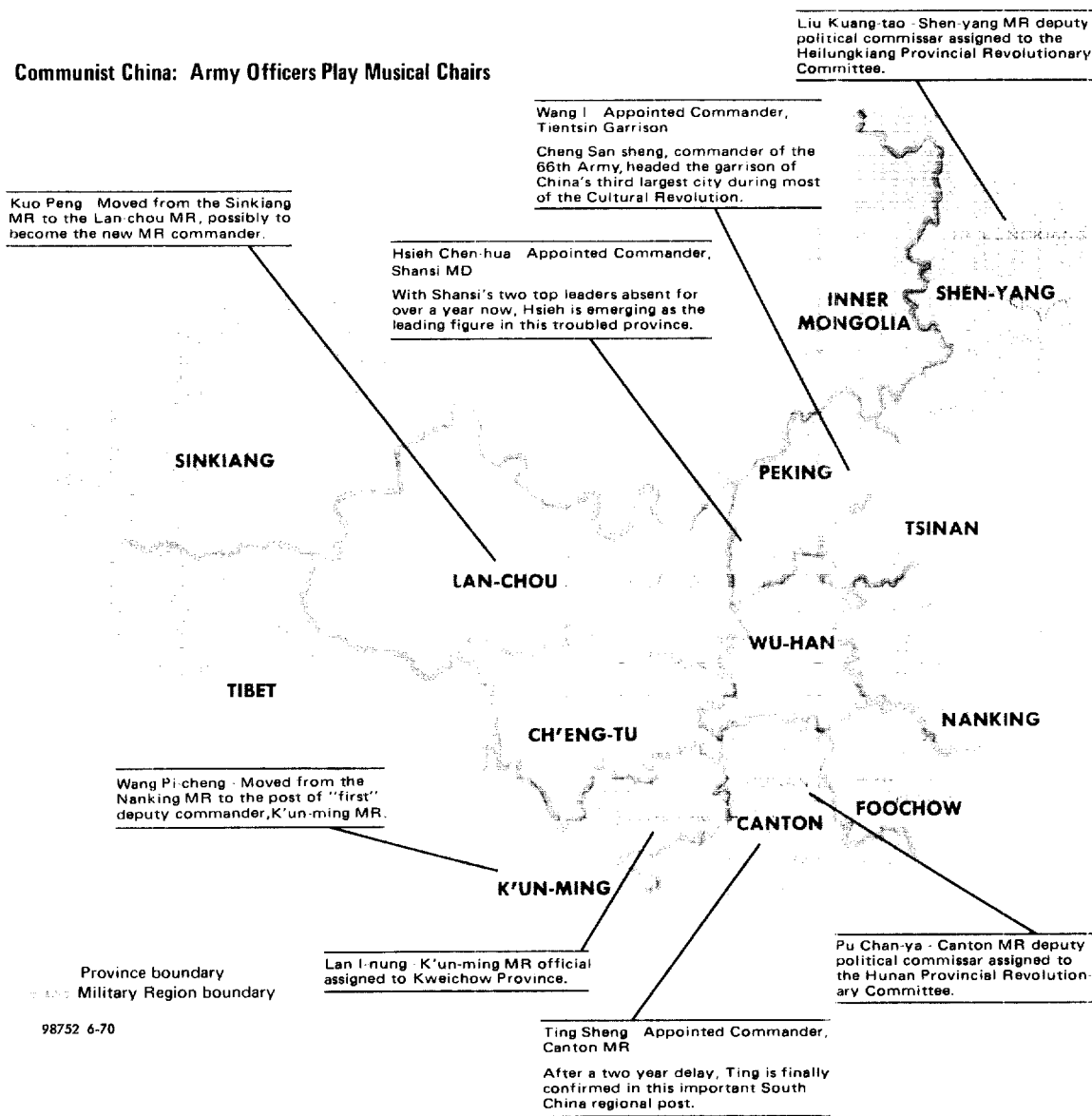
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Communist China: Army Officers Play Musical Chairs



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Communist China: The Provincial Elite on Display

The mammoth, nationwide rallies held last week in support of Mao Tse-tung's statement of 20 May on Cambodia provided the first comprehensive public picture of China's leadership below the national level in nearly two years. The hierarchy unveiled at the gatherings demonstrated that Peking has succeeded in stabilizing the provincial leadership in most areas but in others it is still attempting to unravel political tangles engendered by the Cultural Revolution. Last week's turnouts also revealed that the provincial apparatus has filled out considerably since the ninth party congress in April 1969 and that local government organs continue to be expanded to pre-Cultural Revolution size despite Peking's avowed policy of "streamlining" the bureaucracy.

The most striking aspect of this latest leadership picture was its reaffirmation of the continued dominance by China's military of local political affairs. In particular, the rallies confirmed that major appointments and shifts of army officers to high-level governing positions are still occurring. Many of the transfers emphasize the trend toward greater political control by powerful regional military leaders over provinces within their sphere of influence. Thus, high-powered emissaries from the Canton, Shen-yang, and K'un-ming Military Regions have recently been assigned major civil administrative responsibilities in Hunan, Heilungkiang, and Kweichow provinces. Furthermore, Peking Military Region authorities were much in evidence at the rally held in the capital of Inner Mongolia, adding credibility to previous indications that this region has been politically and militarily resubordinated to the Peking Military Region.

Some of the military and civilian officials who appeared last week had been out of public

view for years and were presumed purged during the Cultural Revolution. Their reappearance attests to the regime's determination to reinstate substantial numbers of old-line officials whose expertise is sorely needed to counter the current weaknesses in China's local-level administration. Not only are former bureaucrats returning, but also many of the departments associated with the pre - Cultural Revolution government structure are apparently back in existence. The latest rallies, for example, indicated that in at least two areas the new provincial-level governments already have more top-level executives than their pre-1966 counterparts.

The regime's staffing and consolidation process is far from complete, however. Five provincial heads failed to appear at the latest turnouts, including three from long-troubled areas who have been out of sight for nearly a year. Apparently the latter are in dire straits politically and may not be returned to their posts.

In contrast with this clarification of provincial leadership, similar gatherings in Peking this month have served only to cloud the picture at the top by providing tenuous signs that some political maneuvering may be under way within the ruling politburo. Hsieh Fu-chih, the public security minister and boss of the Peking municipal government, failed to attend any of the major rallies held in the capital since May Day and has now been out of public view since 19 March. Although there is no firm evidence that Hsieh has suffered a political setback, it is highly unusual for such an active politburo member to remain out of sight so long without an explanation.

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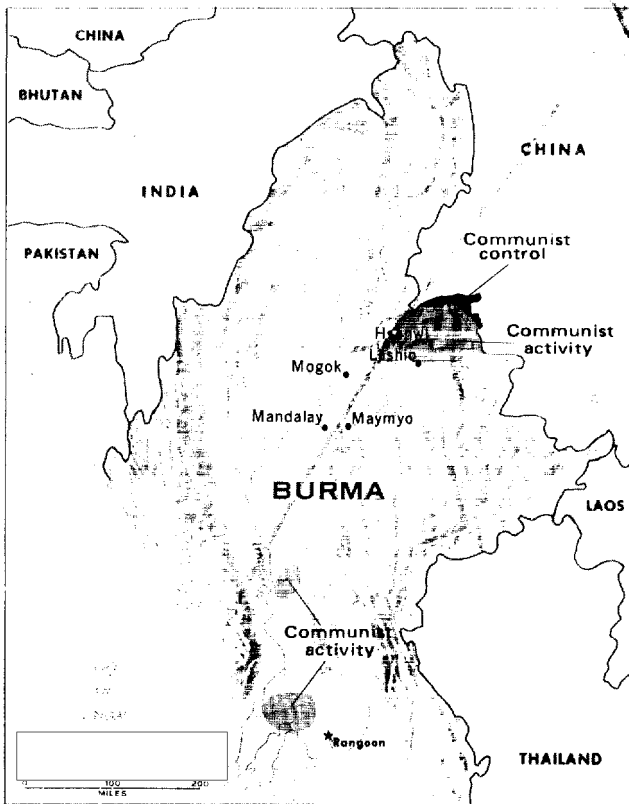
Burma: Insurgent Initiatives

Communist insurgents, who control a narrow strip of land along the Chinese border, have conducted a number of forays outside their normal area of operations. The Communists continue to probe government defenses and terrorize the populace, although they probably are not interested in expanding the territory they control before the monsoon rains later this month curtail activity. The government's inability to prevent these attacks despite army reinforcements

from central Burma emphasizes its tenuous control over the northeast.

[redacted] in April the insurgents raided the gem-mining center of Mogok and have been threatening traffic on the Mandalay-Maymyo road to such an extent that military escorts now accompany official travelers. In mid-May some 200 rebels attacked the railway station in Lashio, the principal city in northern Shan State, and damaged at least two locomotives. A group of about 300 Communists overran the town of Hsenwi and were dislodged only after repeated efforts by the army. Road traffic north of Lashio has been brought to a halt by intensified rebel activity, with the result that towns are running out of diesel oil needed to generate electricity. The Communists have so far blocked attempts to repair destroyed bridges.

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Because the government was forced to send additional troops to the northeast this spring to counter the Communist dry-season offensive, military pressure on the traditional haunts of the Burmese Communists in central Burma and the Irrawaddy Delta has been eased somewhat. Government operations over the past two years had generally disrupted the Communist stronghold in this area. Now the Communists in the delta near Rangoon have begun to increase the size of their roving bands. In early May, for example, a rebel force numbering some 300 raided a town in a part of the delta over which Rangoon believed it had successfully reasserted its authority. The government, however, probably remains confident it can handle the very limited threat this Communist activity poses.

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EUROPE

The third anniversary of the outbreak of the Middle East war has been accompanied by signs of a hardening in Moscow's position on the question of a settlement. Soviet propaganda has returned to some of the toughest formulations yet on the matter of interpreting the UN Security Council resolution of November 1967. *Pravda* said earlier this week that any settlement must be achieved "without any concessions to the aggressor" and called for the "speediest" Israeli withdrawal from all occupied Arab lands as a first step to "open the way" to that objective.

Moscow underlined its growing discomfiture with the new Cambodian regime on 30 May by withdrawing its ambassador from Phnom Penh. The Soviets clearly intended this move as a rebuke to the Lon Nol government's ties with Saigon and Bangkok, but the Kremlin still is evidently reluctant to break relations and recognize Sihanouk, whom it views as an unreliable captive of Peking.

The Soviets reacted to last week's NATO ministerial meeting in a somewhat less negative fashion than might have been expected. Moscow, as anticipated, criticized that meeting's declaration on mutual balanced force reductions but also said that there were some "interesting" and "constructive" proposals made during the NATO conclave.

During Soviet Foreign Minister Gromyko's visit to Paris this week, the French apparently resisted pressure to make new moves to stimulate ties with Moscow. While Gromyko emphasized Moscow's desire for Franco-Soviet relations to move into a "new stage" in which already "good" bilateral ties would become "excellent," President Pompidou chose to emphasize continuity, rather than change, in French policy toward the USSR. The French are more eager to make progress with the Soviets on the Middle East and Indochina crises than to initiate or accept new programs of bilateral cooperation. They are also interested in impressing the Soviets with the enhanced possibility of a Conference on European Security if Moscow moves on the German and Berlin problems. Paris, however, thinks the Gromyko visit was useful in preparing for Pompidou's visit to Moscow in October.

Soyuz-9, launched on 1 June with two men aboard, continues to orbit the earth in an uneventful mission. The spacecraft is expected to fly a lone mission of longer duration than past Soviet manned space flights. The longest such flight to date was five days.

East Germany's acting party chief Honecker (Ulbricht still seems to be in the USSR) has publicly rejected Chancellor Brandt's proposal at Kassel for the regularization of relations. He characterized Bonn's position as constituting no change from that of previous governments. Like Premier Stoph, however, Honecker left the door open for further contacts at a later date.

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Hungarian-Yugoslav Rapprochement

Hungarian Premier Jeno Fock's visit of 2-6 June to Yugoslavia caps a gradual rapprochement that has been taking place since the Warsaw Pact intervention in Czechoslovakia. In the broadest sense, this improvement reflects Hungarian preoccupation with maintaining good ties with all of its immediate neighbors.

While Belgrade's relations with the other interventionist states have either stagnated or deteriorated, the Yugoslavs and Hungarians have slowly and steadily created a modus vivendi taking into account postinvasion realities. Budapest's moves to restore relations with Tito probably do not sit well with its more conservative allies. The East Germans, Bulgarians, and Soviets have, for varying reasons, demonstrated thinly veiled hostility for the maverick Yugoslavs. Prior to the Fock visit, Budapest had been very cautious of any public displays that might highlight its divergent policy.

The Yugoslavs have welcomed the Hungarians' moves and are now touting the relationship as a model, albeit an isolated one, of relations with Moscow-oriented socialist regimes. Increased economic ties, expanded contacts between the foreign ministries, cultural groups, and front organizations, and the resumption of active party contacts seem to forecast even further improvements. As long as Moscow remains antipathetic toward Belgrade, however, it is unlikely that Kadar will resume the very active personal dialogue with Tito that ended in 1967.

Other important factors drawing the two countries together are their mutual preoccupation with economic reforms and wariness of the "Brezhnev doctrine," which threatens the principle of national sovereignty in the area. Fock's talks with Yugoslav Premier Ribicic undoubtedly covered these topics.

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Swiss Referendum on Foreign Workers

The all-male Swiss electorate will go to the polls on 7 June in a national referendum on a proposal to reduce the number of foreign workers in Switzerland by a third—to 600,000—over a four-year period. ~~Public discussion of this so-called “Schwarzenbach Initiative”~~ has prodded the usually stolid Swiss into a bitter controversy.

The proposal was initiated early last year by Zurich legislator James Schwarzenbach, the lone independent in Switzerland's 200-member Parliament, because he believes that the government has lost control over immigration. To buttress his view, he emphasizes that in the past decade the percentage of foreigners rose from 9.5 percent to over 15 percent of the total population. Schwarzenbach argues that the inflow of foreign laborers and their families overtaxes Swiss schooling, housing, and transport facilities, and increases the cost of social and public services.

The initiative specifically calls for limiting the number of foreign nationals resident in each canton to 10 percent of the population, with the exception of Geneva, which would be permitted 25 percent because several international organizations are located there. Also, certain types of foreigners, such as seasonal workers, would be exempted from the legal ceiling.

The anticipated retrenchment in the foreign labor force plus a shortage of specially trained Swiss workers are causing concern to a number of firms. Expulsion of such a large proportion of foreign resident workers would have a serious impact on production, particularly in industries such as construction and hostelry, which make heavy use of foreign labor.

A number of professional, management, and labor organizations, and all political parties and churches have taken strong stands urging rejection of the initiative, and most public opinion polls predict a clear defeat for the “initiative.” Nevertheless, considerable support exists among the more conservative elements of the population, particularly in the German-speaking cantons and among lower income and older age groups.

In an effort to deflect support from the initiative and to pacify resentment against foreigners, the government implemented new foreign labor restrictions in March. Through these new restrictions the annual entry quotas were reduced by approximately half—to 40,000—and were allocated by canton, rather than by industries as a whole. Thus, even if the Schwarzenbach Initiative fails, these new government restrictions will have a significant impact on the Swiss economy in the next decade. ()

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Romanian Floods

Floods have already caused widespread damage to the economy, and new flood crests are expected as late as mid-June.

The full extent of the damage cannot yet be calculated. Flooding of nearly six percent of the cultivated land and the late planting of crops will depress agricultural production and hard-currency earnings from farm exports this year. Recent estimates by the Romanian Government forecast a ten-percent reduction in crop production as compared with 1969 levels, including declines in corn and wheat of 12.5 percent and 25 percent, respectively. Reduced livestock and vegetable production is anticipated as well. Crop-growing conditions over the next 90-120 days will determine the final outcome.

A number of smaller industrial plants have been damaged by the floods, and the industrial cities of Galati and Braila will be threatened when the Danube River crests. Flood damage to transportation, housing, and communications already is extensive. Romanian authorities now fear the outbreak of epidemics as a result of damage to water supplies and sanitary facilities.

Fulfillment of Romania's economic plan for 1970 will be adversely affected. Romanian party chief Ceausescu optimistically stated last week that planned industrial targets can be met and that harvest prospects are "good." The vice

chairman of the Romanian Planning Commission, however, asserts that the over-all industrial plan can be met only because increased production in some sectors will offset losses in others. He states that plan goals "definitely" cannot be reached in agriculture. According to the editor of *Probleme Economice*, Romania is considering an emergency one-year plan for 1971 rather than starting its new five-year plan then.

Non-Communist countries have promised more relief and have provided it faster than Communist nations have. The United States, the first country to aid Romania, to date has sent six times as much aid as the USSR, the last Communist state to offer help.

The obvious reluctance of the Soviets to grant aid reflects the strained relations between the two countries. Speculation continues about the purpose of the visit on 18-19 May of party chief Ceausescu to Moscow.

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Premier Maurer and a high-level Romanian economic delegation subsequently met with Premier Kosygin, but no communiqué was issued and there was no mention of an economic agreement. There is speculation that the USSR tried to get Romania to alter its independent policies as the price for additional Soviet support.

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Italian Elections

On 7 and 8 June, the electorate in most of the country will go to the polls to fill some 125,000 local and provincial posts and to choose 15 new regional councils. The elections will also serve to measure popular political attitudes, particularly toward the powerful Communist party.

The regional councils will take over a number of the central government's functions, thus having a decentralizing effect. They will have independent financial resources, and will assume some police, welfare, and regional public works responsibilities. Although legislation to regulate the powers of the regions is not to be worked out until after the elections, cutoff provisions ensure that delay cannot be prolonged beyond two years.

Extrapolations from previous election results indicate that the governments of three regions in the center of the country—Emilia Romagna, Tuscany, and Umbria—probably will be controlled by the Communists and their allies, possibly including the Socialists. Communist-dominated regional governments are also a possibility in Liguria and Marche. Elsewhere, the regions will probably be run by coalitions more or less following the center-left pattern of the national government.

On the national level, the elections have particular importance as a test of the competitive political strength of the center-left coalition parties and of the Communists. Voting patterns are usually stable in Italy, and great weight is given to gains or losses of even one or two percent. Con-

sequently, small changes will have national repercussions, even though interpretation will be controversial because of inevitable variations in the vote on the local, provincial, and regional levels.

The performance of the Unitary Socialist Party (PSU), which seceded from the orthodox Socialists in July 1969 after almost three years of union, is particularly important. The PSU said it seceded because the parent party was too willing to work with Communists, a charge the Socialists denied. In any case, the PSU is waging an enthusiastic anti-Communist election campaign, attacking both Socialists and Christian Democrats as leaning too far toward the left.

Should the PSU believe it has improved its standing over the six percent it polled as an independent party in 1963, it would insist on recognition of this enhanced position at the national level. Its argument would be backed by an implied threat that President Saragat, who is sympathetic to the PSU, might use his constitutional power to move up the date for national parliamentary elections, which must be held no later than 1973.

On the other hand, failure of the PSU to increase its vote substantially would tend to strengthen the hand of Socialists and left-wing Christian Democrats who favor some degree of acceptance of Communist cooperation in regional government and in the national parliament. Thus far, as a result of PSU campaigning, the centrist Christian Democrats appear to have strengthened their anti-Communist political line.

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MIDDLE EAST-AFRICA

The 5 June anniversary of the start of the 1967 Arab-Israeli war will, at the very least, occasion bitter rhetoric and fervent demonstrations throughout the Arab world. A good share of this will be directed toward the US and its policies in the Middle East.

As the anniversary approached, military action was extremely heavy along the cease-fire lines, particularly the Suez Canal. Stung by their increasingly heavy casualties, the Israelis hit back with a series of air strikes against Egyptian positions along the waterway; Cairo lost three more MIG-21s in mid-week air clashes. Meanwhile, the State Department reports from Cairo that Nasir, with a growing number of urgent issues to discuss, may be planning another visit to Moscow in the near future. Also in Cairo, the various fedayeen organizations are continuing their efforts—so far without much success—to create a viable coordinating body.

The Turkish political situation remains murky but somewhat tense amid rumors of added pressure on Prime Minister Demirel to resign, and reports of contingency planning by the military in case the government falls apart. The likelihood of this has been lessened by the passage of the long-delayed budget bill, clearing the way for other "must" legislation. Although Demirel's position has been seriously weakened, if he can hold on until parliament adjourns in July, he will have a four-month breather to recoup.

Nigerian leaders have been considering steps toward an eventual return to civilian rule, but the country's many remaining political and economic problems would seem to make any surrender of real power a long way off. Although General Gowon recently restated his desire to return to a purely military role, he also added—for the first time—that he would reluctantly accept the role of chief of state if he were persuaded that the people wanted him to.

In Congo (Kinshasa), Lovanium University students are commemorating the anniversary of a clash with security forces on 4 June 1969 in which a dozen students were killed. The students' request for an official day of mourning was rejected, but they were given permission for a campus procession. Although the plans called for an orderly, one-day ceremony, security forces were being held in readiness should disturbances break out.

The Afghan Government this week had to send security forces into provincial centers to cope with protest demonstrations set off by ultra-conservative religious leaders. Officials are concerned that such disturbances could eventually spark tribal unrest. Ironically, the government itself contributed to the problem by its earlier order to the Muslim clergy to cease their antileftist and antigovernment protests in Kabul and return to their homes in the provinces.

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Arab States - Israel

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Fedayeen Still Complicate Israeli-Lebanese Relations

Tel Aviv continued to send tank patrols into southern Lebanon this week while villagers in the area reportedly clashed with the fedayeen in an attempt to keep them from firing into Israeli settlements. Other villagers, said to be mainly Christians, have erected road blocks and threatened to shoot commandos trying to enter village territory. At the same time, however, Minister of Interior Kamal Jumblatt appears to be softening the government's ban on the carrying of arms by Palestinians. In a press statement last weekend, he said the ban applied only to those Palestinians unable to prove their membership in a fedayeen organization. Privately, Jumblatt has pleaded with fedayeen leaders to demand a little more restraint from their followers.

Israel's ambassador to Washington, General Rabin, is pessimistic about Beirut's ability to

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enforce its ban. Noting that the Lebanese Government has announced it will not act until 15 June, Rabin doubts that any fedayeen organization, except such relatively moderate groups as Fatah, is ready to exercise restraint. He especially doubts

that the fedayeen would be willing to give up their bases in southern Lebanon. Rabin stated that Israel would perform continue to send out its patrols.

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Crackdown on Syrian Dissidents

Reports from Damascus suggest that there has been a government crackdown on Communists and suspect Baathists. A number of both elements have been arrested.

The ruling Baath party, the only legal party in Syria, has tolerated the activities of the Syrian Communist Party (SCP) and has permitted one SCP member to hold a cabinet post. The regime now may believe that the SCP has overstepped its bounds, however.

Without any popular base of support, the government is extremely sensitive to criticism or opposition from any quarter. The arrest of the Communists may have been sparked by a recent press article by the party criticizing the Syrian military, whose support the regime must have. The article charged that the "military bourgeoisie" enjoys an even better life than do US military officers, but that this status is not deserved because of the military's performance during the 1967 Arab-Israeli war. Some observers in Damascus consider the article a direct attack on Defense Minister

Asad, who may have reacted by instigating the campaign against the leftists. Asad is a leading—if not the principal—force in the government and has significant support among military elements.

There is also speculation that the arrests may be directed at the Soviet Union for its refusal to grant increased aid. It might also be that the Soviets are pressing the Syrians for faster payment for previous aid deliveries.

In addition, a number of Baathists and other "progressives"—both military and civilian—were arrested for allegedly plotting against the regime. Iraqi oppositionists were also said to be involved in this conspiracy.

Whatever the motives behind these actions, the problems for the leaders in Damascus get no easier. The Israelis constitute the paramount problem, but the regime must also deal with a restless and repressed population. There is chronic coup plotting—even among members of the ruling

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clique—and Damascus has a less than satisfactory relationship with its Arab brethren, particularly with fellow Baathists in Iraq. The government, moreover, realizes that it has become overly dependent on the Soviet Union. For the near term,

Syria seems destined for continued instability and dependence on the East, despite quiet assertions in the past that it is eager for a reopening to the West. [redacted]

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West African Regionalism

Regionalism in West Africa has taken a step into the past with the resuscitation of a long-moribund customs union and its transformation into what is the latest of a series of proposed West African economic communities.

The union, now to be known as CEAO, was revamped at a summit meeting of seven French-speaking chiefs of state in Bamako on 20 May. Its charter calls for cooperation in regional transportation, trade, and industrial development, and for the progressive adoption of a common external tariff. The CEAO's predecessor organization had called for similar cooperation for more than a decade without significant result.

The revived union is conterminous with the old French West Africa federation minus prodigal Guinea, which is not likely to join. A possible new member is Togo, which has a different colonial background but now has close ties with its French-speaking neighbors and with Paris.

The creation of CEAO effectively kills the projected West African Regional Group, which

included both French- and English-speaking members. This group had been floundering rather aimlessly since its creation two years ago, and several of the former French colonies had avoided it at the urging of France. Nevertheless, it clearly was a serious attempt at regional cooperation rather than a vehicle for the preservation and extension of special ties among the ex-French states and between them and the former metropole.

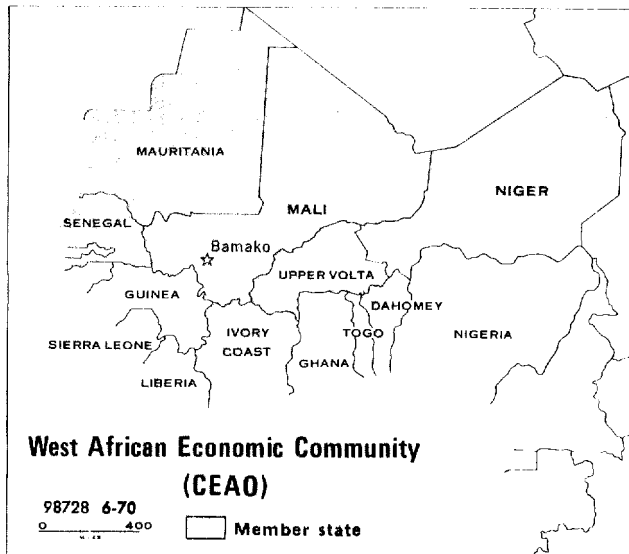
Guinean President Toure, French-speaking Africa's most outspoken and independent leader, has privately taken sharp issue with this apparent reversion to exclusiveness. A promoter of the West African Regional Group, Toure responded to his invitation to attend the CEAO conference by asking why English-speaking Nigeria, Ghana, Liberia, and Sierra Leone had not been invited. Toure clearly suspects a French hand behind the Bamako meeting. [redacted]

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Some of the impetus for the revitalization of the old customs union seems to have come from the poorer interior states—Niger, Mali, and Upper

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Volta—which stand to gain most from serious regional cooperation. Ivorian President Houphouet-Boigny may also have played an important role, however. Apparently concerned that his position in the area had been weakened by his strong support of Biafra during the Nigerian civil war, Houphouet has in recent months been unusually active in promoting closer relations with other west and central African countries. His personal attendance at Bamako and his ostensible willingness to bring relatively rich Ivory Coast into a closer economic arrangement with the poorer states thus appear politically motivated. In any event, Houphouet is probably acting in close concert with France, which at least looked with favor on the Bamako meeting.

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Malawi - South Africa

The recent visit to Malawi by Prime Minister Vorster of South Africa marks a high point for President Banda's long-held policy of cooperation with white-ruled southern Africa. The Vorster visit is a serious setback, however, for Malawi's efforts to improve relations with other black African states.

During Vorster's three-day official visit last week, South African aid to Malawi was undoubtedly discussed and new aid agreements may have been reached although none has yet been announced. Banda expressed his hope that the visit would signal the beginning of even closer relations between the two countries.

Banda is opposed to the racial policies of white southern Africa, but he considers cooperation with these governments an economic necessity. In December 1967, Malawi established diplomatic relations with Pretoria; it is still the only

black African state that has done so. Although the move was anathema to black African nationalist sentiment, Banda has since obtained more than \$20 million in loans from South Africa.

The visit will largely negate Banda's attempts over the past year to improve relations with other black African states, particularly with neighboring Zambia and Tanzania. The government-owned press in Tanzania is once again lambasting Banda for betraying the trust his people have placed in him. Moreover, some members of the Organization of African Unity have strongly criticized Banda, and there are unconfirmed reports that a few members may call for Malawi's expulsion from the organization because of the Vorster trip. The President, however, has apparently decided that the advantages of closer relations with South Africa outweigh the risk of further isolation from black African states.

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Ceylon: Election Surprise

The overwhelming victory last week of Mrs. Bandaranaike's United Front foreshadows at least a moderate trend toward the left in Ceylon's domestic and foreign policies.

The 90 seats won by Mrs. Bandaranaike's party, which she may increase by adding six appointees in the 157-member legislature, represent the largest majority any party has had since independence. Bolstering her position are the

seats won by her coalition partners: 19 by the Trotskyite party and six by the pro-Moscow Communists.

A definitive analysis of the United Front's landslide is not yet possible, but a basic cause may have been the coalition's ability to project a stronger populist appeal than former prime minister Senanayake's party, which suffers from an elitist image. Mrs. Bandaranaike's campaign

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pledge to increase the rice ration, general frustrations over rising living costs, and continued high unemployment were probably factors contributing to the rout. In addition, over 800,000 newly enfranchised young people apparently voted heavily for the United Front.

Mrs. Bandaranaike and her coalition partners campaigned on promises to nationalize banks, control the import-export trade, and grant recognition to East Germany, North Korea, North Vietnam, and the Provisional Revolutionary Government of South Vietnam. The coalition also called for suspension of relations with Israel pending Tel Aviv's compliance with Security Council resolutions.

Several leftists have been named to important ministries, but the significant bloc of moderates in the cabinet could exert at least equal influence on the prime minister. The Communists received only a relatively minor portfolio, but the three ministries given to the Trotskyite party include Finance and the new one of Plantation Industries, which presumably will implement Mrs. Bandaranaike's promise to exert greater control over foreign-owned tea and rubber plantations.

Among the more pronounced leftist ministers from Mrs. Bandaranaike's own party is T. B. Illangaratne, who will head the Trade Ministry. Illangaratne held this post during the previous Bandaranaike government, when he expanded trade with Communist countries and was the driving force behind the nationalization of British and US oil distribution facilities. A possible leader of the moderates, who are believed to comprise about half of the cabinet, is Felix Dias Bandaranaike, a relative of the prime minister and head of the important Ministry of Home Affairs. Mrs. Bandaranaike will retain Defense and External Affairs under her own guidance.

Among the factors that could influence Mrs. Bandaranaike toward relative moderation is her party's strong majority, which makes it unnecessary for her to rely on her Marxist allies for crucial votes. Moreover, the continuing need for foreign assistance may require her to avoid unnecessarily antagonizing Western aid donors. The memory of her government's collapse in 1964 as a result of defections caused by her increasingly leftist measures might also counsel her on the side of caution. 25X1

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WESTERN HEMISPHERE

The Soviet warships that have visited Cuba and have been operating in the Caribbean and the Gulf of Mexico during the past three weeks apparently are returning to home waters. Two missile-equipped antisubmarine ships, two diesel submarines, and a tanker entered the Atlantic through the Straits of Florida on 3 June. A submarine tender—probably escorting the E-II class nuclear-powered submarine—left the Caribbean through Mona Passage. During their stay in the area, the Soviet ships visited Cienfuegos and Havana, and cruised into the Gulf of Mexico.

Those Latin American nations claiming a 200-mile territorial sea are sure to reject the US proposal to limit national jurisdictions over the continental shelf to a depth of 200 meters. Peru and Ecuador have already officially rejected the plan, and Chile's foreign minister has publicly denounced it. A Brazilian Foreign Ministry official has complained that the time is not right to discuss territorial waters with US officials, particularly because it would be widely interpreted by Brazilians as yielding to US pressure on their government. The official rejections and the obvious reluctance of other Latin American nations to accept the US proposal strongly indicate that their claims to sovereignty over a 200-mile territorial sea are not negotiable.

Brazilian terrorist leader Carlos Lamarca and three of his followers have eluded a dragnet set up by security forces in southeastern Sao Paulo State and have found refuge in the state capital. His escape is a serious blow to the military, and officers now fear he may attempt to regroup his forces in the city and possibly kidnap a high official in order to rescue some of his many followers from government custody. The renegade army captain and his band, who had been the target of a massive sweep by military and civil security forces since mid-April, had evaded the net and had even captured some of his pursuers.

Negotiations between El Salvador and Honduras have failed to produce agreement on demilitarizing the border area, and the foreign ministers of the five Central American countries are now meeting in Costa Rica in an effort to end the deadlock. Meanwhile, the arms race between the two countries is continuing.

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In Barbados, the government is trying to force the business community to put more Negroes into managerial positions. Leading businessmen have been told that, unless they voluntarily employ more blacks in high management positions, the government will introduce legislation to force them to do so. The government believes it needs the cooperation of business to undercut the activities of the militant black power elements.

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Uruguayan Urban Terrorism

Uruguayan military and police forces are smarting over a series of successful terrorist acts in Montevideo by the pro-Castro Tupamaros.

Since pulling off the largest bank robbery in the country's history on 4 April, this small revolutionary organization is presumed to have murdered the police chief in charge of combating subversion, and on 29 May stripped the naval security forces of nearly all of their arms and equipment without firing a shot.

Angered and embarrassed military and police forces mounted a large search operation in the capital to recover the equipment. Although none has been found, several hideouts were uncovered and in ensuing clashes three terrorists were shot

and nine arrested. In apparent retaliation for police harshness, the Tupamaros have carried out three attacks that have wounded three policemen and two bystanders.

The government's prestige may demand a shake-up in the military high command. The navy chief is the most likely to be replaced, but the newly appointed minister of defense may also be removed.

As a result of recent events, public recognition of the efficiency and capability of the Tupamaros has increased. They now have a sizable war chest and can be expected to carry out additional operations.

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Guatemalan Dissidence

With the recent ebb in terrorist activity, both major political groups are preparing for the reversal of their roles that will occur when the new government is installed on 1 July.

The Revolutionary Party (PR) of outgoing President Mendez, which was demoralized by its defeat in the elections on 1 March, was further wrenched by a divisive convention on 31 May. A moderate was elected as the new PR secretary general, but only after an opposing slate boycotted the convention. Leaders of the dissident element may challenge the legality of the convention. The turmoil in the PR will probably encourage the small but growing Christian Democratic Party to try to take over the leadership of the political opposition.

President-elect Carlos Arana may be having difficulty in composing his cabinet. He recently reiterated his promise that opposition groups would be represented in the administration. There are indications, however, that some of his supporters oppose sharing the spoils and that some division exists in Arana's camp.

Communist terrorists reportedly still intend to kill a high-level US official despite the extensive security precautions taken by the US community. Communist Party leaders are under pressure from the rank and file to avenge the killing of two party members by the rightist counter-terrorist group, "Ojo por Ojo." "Ojo" reprisals may have contributed to a recent drop in Communist terrorism, but the violence is likely to increase as the inauguration draws near.

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The Guatemalan Army has begun a search in the northwest near the Mexican border for a guerrilla group that reportedly has threatened workers at a chicle camp. The band may be remnants of a

group led by Yon Sosa, one of the original leaders of the insurgency in Guatemala, who was killed in Mexico last month by a Mexican border patrol. [redacted] 25X1

Dominican Republic - OAS

In the wake of President Balaguer's impressive re-election victory last month, his opponents have focused on the OAS General Assembly scheduled for 22 June in Santo Domingo in an effort to embarrass the government.

Juan Bosch, leader of the leftist Dominican Revolutionary Party (PRD) kicked off the campaign last month by warning of major protests, and his lead has been followed by most political organizations.

Even some of the more moderate leaders have added their voices to the growing anti-OAS chorus. Rightist Augusto Lora, who finished second to Balaguer in the presidential contest, has requested that the meeting be moved elsewhere to avoid strife. Spokesmen from the moderate left Revolutionary Social Christian Party and the centrist National Conciliation Movement have voiced similar sentiments.

The opposition campaign coincides with an unusually large flow of asylees to foreign embassies. The opposition parties are probably encouraging their members to seek refuge and to charge the government with repression. Bosch and others have pointed to the asylees as proof that a proper climate for an international meeting does not exist. The publicity splash that accompanied the first wave of asylees has waned, however, and some individuals have left the embassies voluntarily after receiving guarantees of their safety from the government. The embassies appear to be processing formal requests for asylum slowly, and

the flow of "political refugees" probably will taper off.

The wide-ranging objections to the meeting are in part a reflection of the residual bitterness occasioned by the OAS-sanctioned intervention in 1965. To a great extent, however, the conference is simply a handy target for Balaguer's frustrated opponents after his easy re-election triumph in May. Despite the publicly expressed misgivings over the possibility of disorders, protests have been far more vocal than violent.

Bosch's PRD has the potential to cause major difficulties, however, and both he and student leaders have warned of massive protests if the meeting is held. Even so, it is doubtful that leaders will attempt to call out the party faithful. Government officials have made it clear that troops will be put into the streets during the meeting and that large-scale demonstrations will not be permitted.

The government's prestige is involved in its offer to host the meeting, and it is unlikely to withdraw the invitation as a result of leftist protests. Only considerable pressure from other Latin governments would prompt it to reconsider its offer. Most Latin American governments would like to hold the meeting elsewhere because of the threat of disruption. None, however, is yet willing to initiate action to change the site. An OAS "advance team" is in the Dominican Republic to make arrangements for the 22 June meeting. [redacted] 25X1

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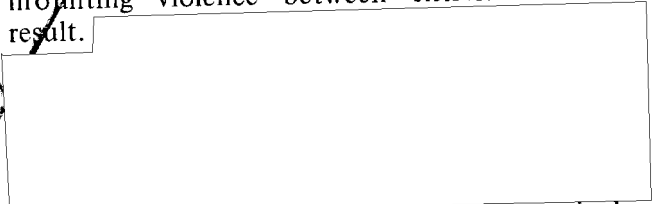
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Argentine Kidnaping

Political stability in Argentina received a sharp blow when members of a small extremist group kidnaped and murdered the former president of Argentina, retired General Pedro Aramburu. Aramburu was abducted on 29 May. The kidnapers subsequently announced that he had been tried and condemned to death for crimes allegedly committed when he headed a provisional government from 1955-1958, soon after the ouster of ex-dictator Juan Peron. On 2 June, the terrorists announced that Aramburu had been executed. The US Embassy reports that their military contacts believe that the murder will have a far-reaching impact, wrenching open old wounds between Peronists and the military. Although more than 20,000 military and police personnel searched for Aramburu, no trace of him was found.

Some other observers do not rule out the possibility that some rightist sector of the government or within Aramburu's party is responsible, again probably with the intent to thwart any cooperation between the government and Peronists.

Whatever the motive, the murder will result in a strong demand from hard-line elements in the military for a severe crackdown on all types of leftist activities. This might even extend so far as the killing by vigilantes of one or more extremist figures in retaliation for the execution of General Aramburu. If the more extreme military decided to take the law into their hands, a situation of mounting violence between extremists could result.



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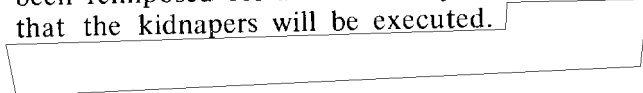
There are many explanations for the action against Aramburu, some 15 years after his "alleged crimes," but there is no firm evidence to support any circulating thus far. The most likely explanation is that the extremists on the Peronist fringe acted to thwart the developing dialogue between Peronists and the Ongania government that has centered on the reunification of the Confederation of Argentine Workers.

Government spokesmen are now increasingly prone to blame "foreign extremists" for the murder.

A second explanation is that recent rumors of Peron's failing health may have precipitated the abduction in an effort to keep control of the Peronist faithful if and when Peron dies. Present evidence points to extremist Peronists, but some observers maintain that Trotskyite or other revolutionaries may be responsible. Their objective presumably would have been to undercut government stability by a bold move coordinated with anticipated disorders on 29 May in Cordoba, which did not come to pass.

The present situation confronts the Ongania government with its most serious political challenge to date. The reaction of the military, Ongania's main base of power, will be largely influenced by his handling of the matter. The Ongania government is stressing that it is making every effort to clarify the circumstances of the kidnaping and to apprehend those responsible. In a nationwide address on 2 June, President Ongania appealed for national unity. The government has announced that capital punishment has been reimposed for a wide variety of crimes and that the kidnapers will be executed.

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