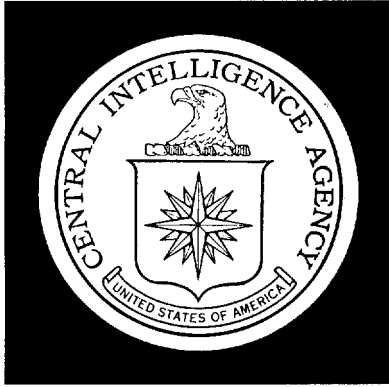


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DIRECTORATE OF  
INTELLIGENCE

# *WEEKLY SUMMARY*

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## MIDDLE EAST - AFRICA

### Jordan-Fedayeen: *The Conflict Widens*

The clash took a new turn when, after a shallow thrust on Friday, a Syrian armored brigade crossed the border in force early Sunday. Jordanian armor drove the unit back after knocking out 30 Syrian tanks. Some 15 hours later, however, Syrian forces made a second push into Jordan, moving as far as Irbid in the west and Hawara to the south. According to press accounts, the Syrians wore Palestine Liberation Army (PLA) uniforms and claimed to be a unit of this regular force of the fedayeen movement. Damascus steadfastly denied that any intervention had occurred.

Throughout the week, most of Amman remained under army control. Heavy fighting raged in and near refugee camps and residential areas, however, as army tanks shelled sniper positions. Field Marshal Majali, military governor of the city, instituted a "shoot-to-kill" curfew that has remained in effect except for occasional early-morning breaks. All attempts to establish a ceasefire have failed.

The Syrian incursion appears initially to have panicked the palace in Amman, already deeply concerned by the continuing fedayeen resistance and the ambiguous threat of the large Iraqi force in Jordan. The Jordanian tank force was able to hold in an arc below Ramtha, however, aided by timely strikes from the Jordanian Air Force and by constant pounding from artillery on the heights around Irbid. The Iraqi tanks continued to patrol north and west of Mafraq, where their forces had concentrated, but did not join battle on either side. Although Baghdad has assured the Palestinians of support, it has so far limited this to the supply of arms to individuals and perhaps the dispatch of elements of the Iraqi contingent of the PLA.

In an effort to calm the heightened tensions, the Tunisians hastily called for an emergency Arab summit conference, but this never got off

the ground and was postponed indefinitely on Tuesday. The Arab League sent a four-man delegation—led by Sudanese President Numayri, with representatives from Kuwait, Tunisia, and Egypt—to Amman Tuesday evening to meet with King Husayn. The team was unable to contact fedayeen leader Yasir Arafat/

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Israel's stance was one of watchful preparedness during the week. Israeli officials began getting ready for a possible military intervention of their own as developments in Jordan raised the possibility of new dangers to Jewish settlements in the Beit Shean Valley. Had the Arabs and guerrillas begun to dismember Jordan, Israel apparently was ready to pick up some additional insurance for itself—the Gilead Heights. The imminence of Israeli intervention subsided Wednesday morning, however, after the Syrian tanks withdrew.

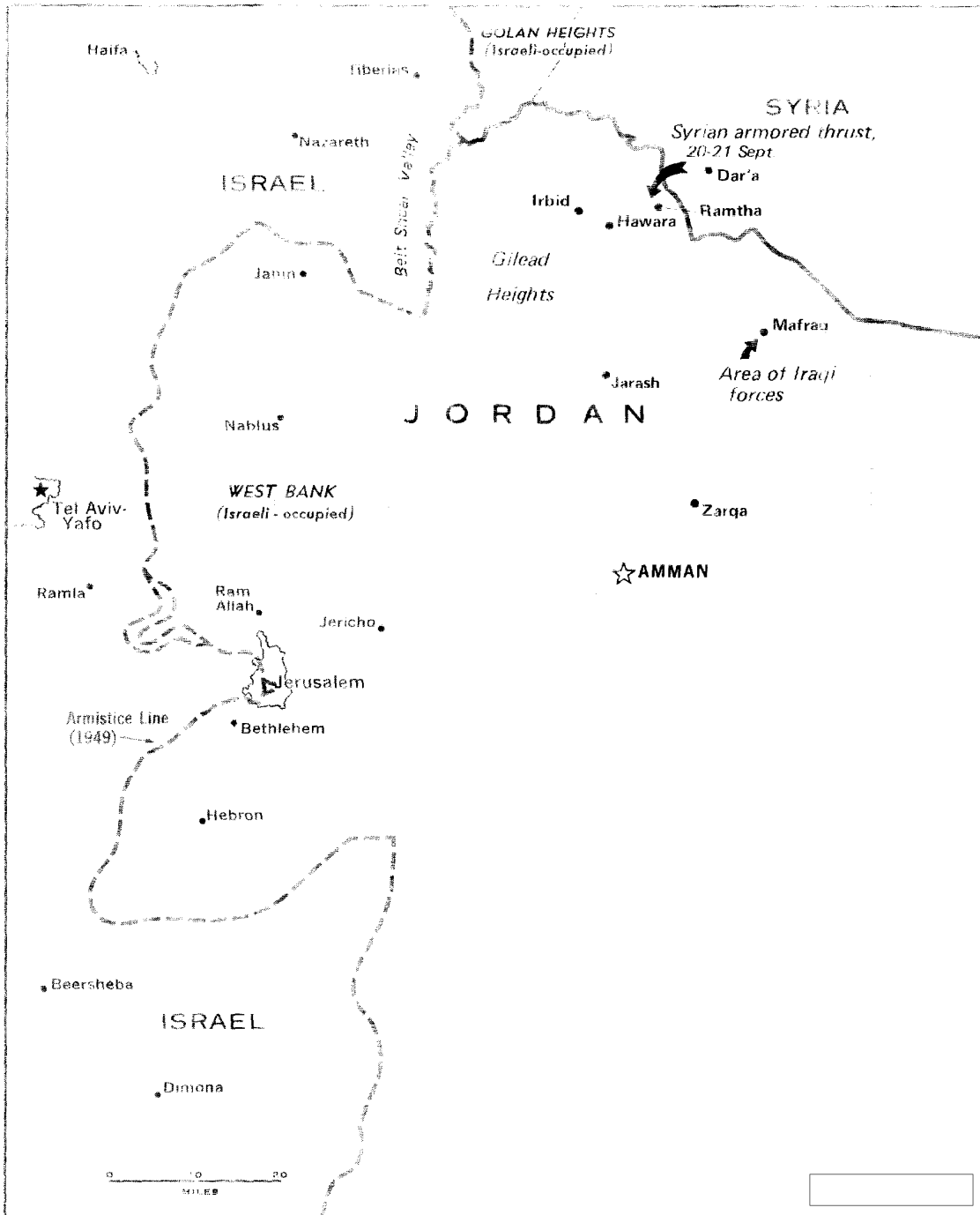
As the week ended, the Jordan Arab Army in Amman sought to exterminate the last-ditch resistance of the fedayeen with point-blank cannon fire. In the north, remnants of three Syrian armored brigades huddled astride the border, facing a hastily set up but still effective screen of Jordanian tanks, artillery, and aircraft. The guerrilla stronghold of Irbid was beleaguered, but the fedayeen continued to resist stubbornly elsewhere in the so-called "liberated area" north of Amman, holding or contesting most of the major towns. In the south, Bedouin tribesmen, their faces blackened in the traditional sign of no quarter, joined with army units to eradicate fedayeen enclaves in the scattered villages along the Dead Sea.

### *Soviet Attitude and Reaction*

From the outset, Moscow's primary concern over Jordan has been the possibility of US or

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Israeli intervention. Following the Syrian invasion, Soviet diplomats in Washington and elsewhere repeatedly probed for information on Western intentions and warned of the "serious consequences" of any intervention. Moscow also reportedly approached Damascus to urge restraint and an end to the fighting, a demarche probably prompted by Soviet concern that Syrian involvement had substantially increased the chance of "outside interference." The approach was undoubtedly in low key, however, and was made with the recognition that such efforts under similar circumstances in the past had proved fruitless.

As the fighting in Jordan went on, and the US and Israel made contingency military preparations, Soviet propaganda warned with increasing sharpness against Western intervention. These preparations were taken up by Soviet President Podgorny in a speech on Wednesday, lending added weight to Soviet public criticism. At the same time, Moscow linked events in Jordan with larger issues in the Middle East, charging they were part of "a wide imperialist conspiracy" instigated by the Israelis and intended to upset a peaceful settlement of the Middle East conflict.

#### *Whither Fatah?*

The fedayeen movement is likely to become even more radicalized in the wake of its latest confrontation with the Jordanian Government. Throughout late August, Yasir Arafat and his Palestine Liberation Organization/Fatah complex had been attempting to brake the runaway activities of extremist fedayeen groups such as the Popular Front for the Liberation of Palestine (PFLP) and the Popular Democratic Front for the Liberation of Palestine (PDFLP), which had been inciting new troubles for King Husayn. As a result of Arafat's failure to keep the lid on, however, Fatah's continued leadership of the fedayeen movement now faces its strongest challenge.

The extremists were probably eager to provoke a clash with King Husayn, both to isolate Fatah and to gain the sympathy of Arab public opinion. Fatah's pre-eminence in the fedayeen movement was gained largely as a result of Arafat's ability to establish and maintain a political relationship with the King that allowed the fedayeen to co-exist with the government. Even though Fatah has borne the brunt of the fighting in most past clashes with the government, Arafat had still been able to re-establish this relationship. By early September, however, the PFLP and PDFLP were finally able to bring conditions in Amman near to chaos, forcing King Husayn to take repressive measures.

The recent fighting has been so bitter and apparently so bloody that it will be very difficult, if not impossible, to reach another understanding. Fatah, which apparently is seriously decimated, now becomes merely another Palestine guerrilla organization. Although it still has the largest membership, Fatah's loss of its unique position leaves it little room for future maneuvering. If it accepts support from another Arab state, it is likely to lose its apolitical image and also stands a good chance of becoming—or being regarded as—a puppet. If it chooses to go underground, it not only loses its freedom of operation but is likely to see its ranks further depleted. A rapprochement with the King, and there is evidence that Husayn is seeking to re-establish such ties, would brand Fatah as a traitor to the Palestinian cause, further diminishing its influence.

In the future, therefore, it seems likely that Arafat and Fatah will adopt a more radical political program in order to compete with Habbash's PFLP and Hawatmah's PDFLP. Fatah also has an opportunity to shift its activities to Lebanon, where the commandos are not likely to be challenged seriously by a government that has less strength and resolve than the Hashemite regime of Jordan.

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**India: Prime Minister Gandhi Wins Again**

The success of Prime Minister Gandhi's Ruling Congress Party in local elections in the state of Kerala on 17 September has strengthened her party's position throughout the country. In the election, Mrs. Gandhi soundly defeated the Organization Congress Party, her archenemy since the unified Congress organization split in 1969. She also outmaneuvered the Communist Party of India/Marxist (CPM), heretofore the most powerful party in the state and the more radical of India's two major Communist parties.

Mrs. Gandhi is attempting to establish the Ruling Congress as the country's best choice between conservative and Hindu communal forces on the one hand, and extremist and radical leftist

forces on the other. In Kerala, she negotiated an "electoral agreement" with the pro-Moscow Communist Party of India (CPI) but stopped short of a formal alliance. With Ruling Congress support, the CPI-led front now has a slim majority among the 133 elected members of the state legislature. Although Mrs. Gandhi's party holds the largest single bloc of seats, she may well prefer to have the CPI lead the state's new coalition government while her Congress party only supports it.

The prime minister's opponents will, in any event, attack her de facto "alliance" with the Communists. Moreover, since the Muslim League, essentially a communal party, was part of the CPI-led front, her opponents will also try to downgrade her secular credentials. A political pragmatist, Mrs. Gandhi is not averse to supporting or accepting assistance from anyone who supports her party's program, but she appears reluctant to become overly dependent on any other political party or group. She is gambling that her image as a progressive and her country-wide prestige will hold up against opposition attacks.

The Ruling Congress is having considerable success in promoting a bandwagon psychology that could encourage opportunistic opposition politicians to defect to her party. Earlier this month, Mrs. Gandhi sensed a popular issue and moved to abolish the privileges and annual payments made to India's maharajahs, although the action risked antagonizing substantial sectors of conservative support. In Kerala, she pitted herself against the radical CPM, whose support at the national level has been sporadic in the past. Following her victory in Kerala, she may be tempted to set an election date for West Bengal, the chaotic Communist-oriented state that includes Calcutta and is now administered from New Delhi. An electoral victory there would have a salutary

SEATS HELD IN KERALA ASSEMBLY		
	17 September	June 1970*
Ruling Congress	32	6
CPI-led Front		
CPI	16	21
Muslim League	12	14
Others	9	9
CPM Front		
CPM	29	30
Others	13	14
Anti-Communist Front		
Organization Congress	0	4
Kerala Congress	13	5
Others	5	9
Vacant	0	1

\*The state's governor dissolved the legislature on 26 June and Kerala was subsequently placed under direct rule from New Delhi.

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effect on her maneuvering prior to national elections, which must be held by February 1972. It remains doubtful that Mrs. Gandhi would be willing to gamble on an early date for the national poll, however, as her party still has much grass-

roots organizational work to do. She will probably conclude that more time is needed for her mix of power, policy, and personality to have maximum impact on the electorate. [redacted]

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**Pakistan: *Election Developments***

In the month since President Yahya Khan postponed elections for a constituent assembly, Pakistani politicians have given little indication that they will eventually be able to agree on a constitution or form a viable government. Nevertheless, there is no firm indication at this time that Yahya plans to intervene directly in the election campaign.

On 15 August, President Yahya moved the election date from 5 October to 7 December, primarily because of severe flooding in East Pakistan. He may have also hoped, albeit vainly, that the delay would give the politicians time to resolve some of their differences and to begin campaigning on the basis of programs rather than of personalities and slogans.

In West Pakistan, for example, where at least six political parties have a significant following, there has been speculation that the three moderate parties might merge. Any such move now has been at least postponed, however, by the confusion that followed the resignation for health reasons of Mumtaz Daultana as president of the largest of the three, the Council Muslim League (CML).

The CML has been expected to win the most votes in the western province, but it now faces a possibly divisive struggle to select a new president. If CML leaders are able to unite behind a popular, less controversial figure than Daultana, however, the party could increase its strength.

Chances might then be enhanced for a merger with the other moderate West Pakistani groups, or even for an oft-rumored alliance with the East Pakistani Awami League.

In most of West Pakistan, leftist politicians have either joined former foreign minister Z. A. Bhutto's Pakistan People's Party (PPP) or appear to be giving up. In addition, despite ideological differences, some relatively conservative politicians have joined the PPP, presumably hoping to ride to victory on Bhutto's increasingly attractive coattails.

Although the PPP is still far weaker than the CML in West Pakistan, the government is concerned by the growing popularity of Bhutto, a controversial leftist who has been critical of the military rulers. So far, Yahya has been reluctant to take any overt action against him, but it is possible that Bhutto may actually be seeking arrest in an effort to become something of a political martyr.

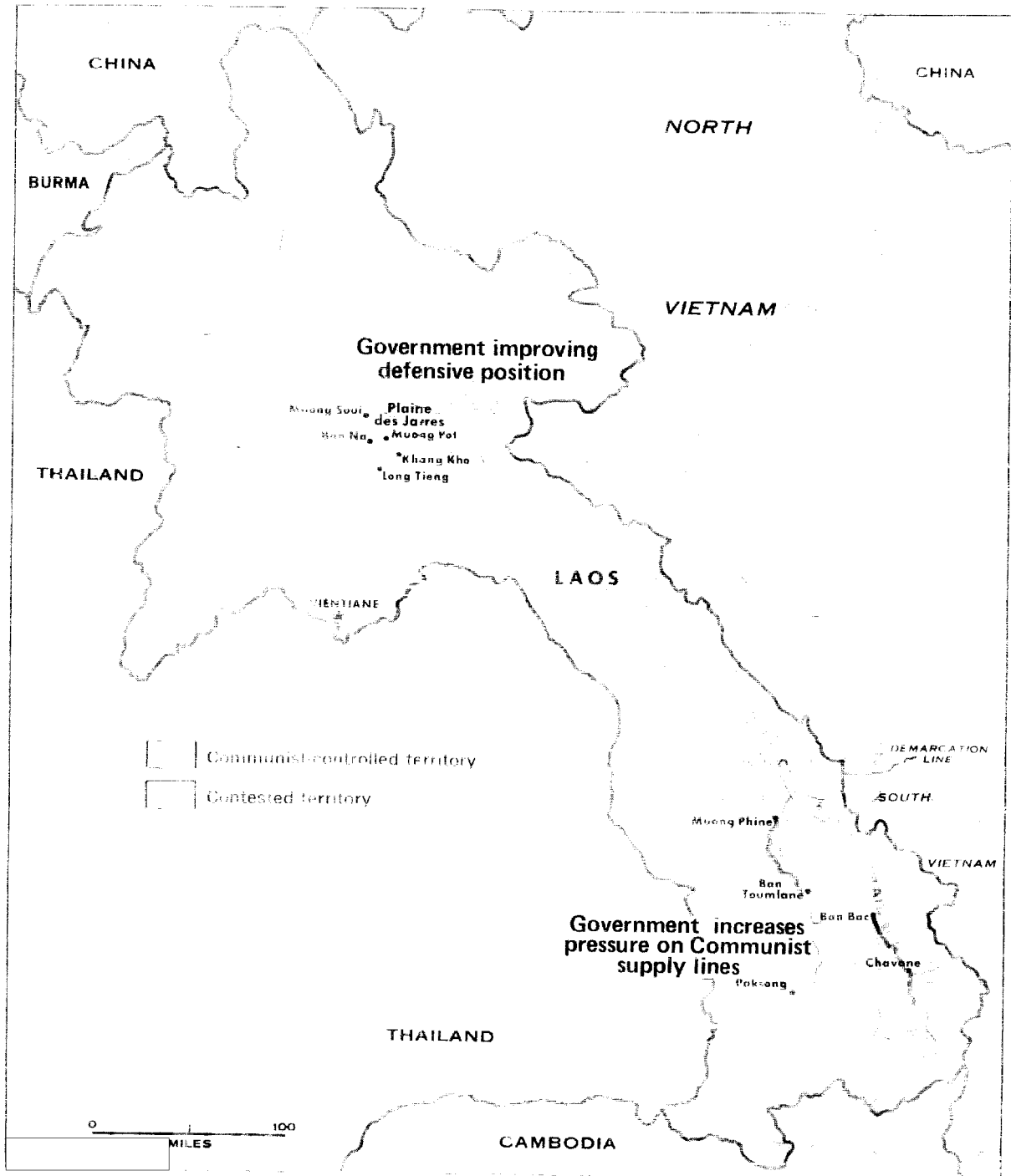
In East Pakistan, there has been little change in the past month. Mujibur Rahman's Awami League still appears likely to win a majority of the province's vote. Mujib, the leading advocate of provincial autonomy, faces a small but growing threat from the League's leftist dissidents, however. This faction advocates the attainment of party goals through "mass action" rather than through parliamentary means. [redacted]

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## FAR EAST

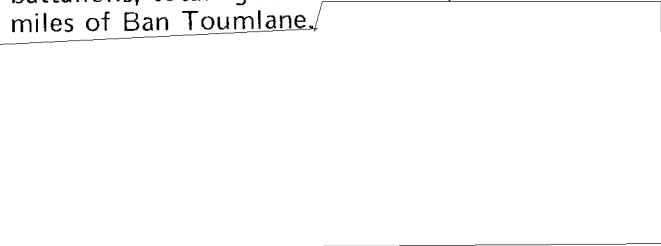
### Laos: *Before the Rain Stops*

Government forces, faced with the prospect of stepped-up Communist military activity at the end of the rainy season next month, have gone on the offensive in several key areas. In the north, the government's chief goal is to shore up its defenses south of the Plaine des Jarres before an anticipated enemy dry-season drive toward the Long Tieng complex gets under way. In the south, Vientiane has markedly increased its raider operations against enemy supply lines in an attempt to forestall further Communist advances into the western panhandle.

For the first time since the rainy season began last May, General Vang Pao's forces appear to be making some headway in their efforts to seize tactically important objectives south and west of the Plaine. Three guerrilla battalions have driven to within three miles of Ban Na, a key hilltop position guarding a major Communist infiltration route 12 miles north of Long Tieng. Two other battalions have been airlifted into Khang Kho and are now advancing north toward Muong Pot. The government is also making progress in the Muong Soui area where some 1,200 irregulars are closing in on the deserted town. A substantial force of Pathet Lao and North Vietnamese troops known to be in the area has offered only scattered opposition thus far.

In the south, small teams of Laotian irregulars have been operating during the past week near Chavane along the Route 96 portion of the Ho Chi Minh Trail, mining the road and ambushing North Vietnamese patrols. Farther north, along the same road, government raiders have engaged Communist troops in an area about 18 miles southeast of Ban Bac. The teams involved have encountered little enemy resistance.

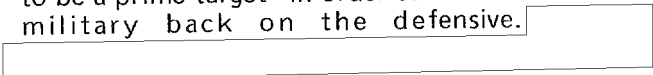
At least five battalions of government irregulars are now advancing toward Route 23, a road that may become increasingly important to the Communists because of their greater supply needs in southern Laos and Cambodia. Two of these battalions, totaling about 600 men, are within ten miles of Ban Toumlane.



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It seems unlikely that the Communists will permit these incursions into their territory to continue without strong opposition. In the north, they have made a considerable effort this summer to hold their ground south of the Plaine des Jarres, presumably so they could launch their campaign this fall from advanced positions. It is improbable that they would give these up now, even if their increased commitments in south Laos have caused them to modify plans for a dry season offensive. The Communists still have strong forces in the north and probably intend to use them in drives south toward Long Tieng and west toward the road junction of Routes 7 and 13.

In the south as well, the North Vietnamese have significant numbers of troops, many of whom apparently were brought in this summer to guard against the very sort of operations the government is now conducting. They also have the capability of mounting major attacks of their own in the western panhandle—Paksong would appear to be a prime target—in order to force the Laotian military back on the defensive.



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Cambodia: *Kompong Thom or Bust*

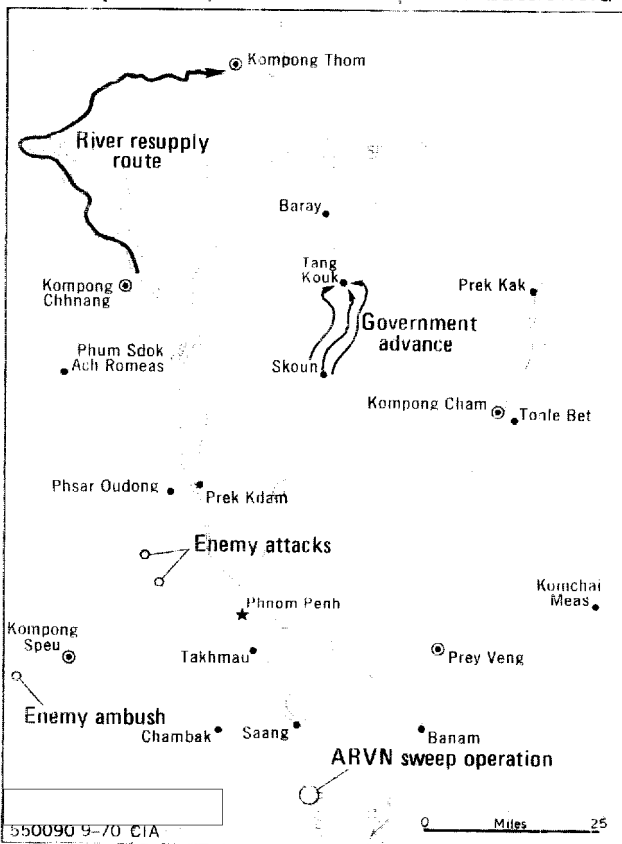
The Communists continued to frustrate the two-week-old effort of the large government column attempting to push north along Route 6 to Kompong Thom. Despite the arrival of government reinforcements that more than doubled the size of the stalled column to 17 battalions—over 8,000 men—Cambodian troops have been unable to clear Communist forces blocking their advance at Tang Kouk village. Lon Nol visited the column on 21 September, his second trip to a battlefield

area. His inspection tour coincided with an announcement that the task force commander had been replaced, and was a further indication of the importance the prime minister attaches to the operation and of his impatience with its failure to move ahead.

In an effort to break the stalemate, government forces—now organized into four task forces and a reserve contingent—began another drive north toward Tang Kouk on 23 September. Three task forces—one on Route 6 and one to either flank—are moving along an almost four-mile-wide front, but enemy harassment and difficult terrain are slowing their advance.

To the north, the government's second river convoy reached Kompong Thom during the week without incident, delivering more fresh troops and supplies. The deputy chief of staff of the Cambodian Army told the US ambassador that the success of the river operations has temporarily eased the pressure on Kompong Thom.

In military actions in other areas, Vietnamese forces began a major operation along the Bassac River, south of Phnom Penh, aimed at clearing out Communist sanctuaries in the area. Elsewhere, enemy ambushes increased along Route 4 southwest of Phnom Penh. In the west, Communist attacks continue to harass the rail line running from Phnom Penh to the Thai border. The enemy is also maintaining pressure on Siem Reap city and is becoming active in outlying areas of Battambang Province, particularly in the north-east.



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### Vietnam: *Tired Tunes in Paris*

What the Vietnamese Communists have said following Madame Binh's eight-point proposal in Paris last week reinforces the view that they are dug in as deep as ever at the conference table and that the proposal was made mainly for its propaganda impact. The initiative is being portrayed to Communist troops in the field as part of a diplomatic "offensive" aimed at winning over uncommitted Vietnamese and isolating the regime in Saigon, [redacted]

[redacted] Enemy forces are being cautioned not to expect an early peace and are being instructed to press on militarily.

In remarks to reporters on 19 September, Madame Binh appeared hopeful that the proposals would win the Communists new adherents among Vietnamese of all stripes, including some within the Thieu government. She stressed the scope of alleged antigovernment sentiment in Saigon, leaving the impression that anyone opposed to Thieu automatically was to be counted in the Communist camp. She predicted that many within the present government would respond favorably to the Viet Cong's "logical, flexible, and reasonable" proposals.

A week before the Viet Cong proposal was announced, Western diplomats in Hanoi found their North Vietnamese contacts intransigent and—to all appearances—confident. Ha Van Lau, formerly one of Hanoi's top negotiators in Paris along with a vice foreign minister, took a very hard line [redacted]

[redacted] The North Vietnamese officials and the Soviet ambassador, an old hand in Hanoi, gave the impression that the Communists are banking on the notion that peace sentiment is on the upswing in South Vietnam and that, in the long run, Hanoi's prospects are promising enough to obviate the need for concessions now.

The past week's verbiage offers no indication that the move was designed to help the deadlocked conference resolve the central points at issue. On the contrary, the North Vietnamese consistently leave the impression that Communist negotiators are prepared to respond constructively only to American concessions.

### *Saigon's Doves Aflutter*

New moves by South Vietnamese peace advocates have come at an opportune time for the Communists and are likely to strengthen their hopes for support from within Saigon political circles for the idea that peace could be achieved if Thieu and company stepped aside. A respected southern deputy in the National Assembly, who edits a widely read antigovernment newspaper, has called for a provisional government to organize elections as part of a peace settlement. His proposals are being publicized widely and are likely to trouble the regime. In addition, a delegation of the militant An Quang Buddhists has been sent to a peace conference to be held in Kyoto, Japan [redacted]

So far, the Saigon government has maintained a hard line against independent peace proposals; it has generally succeeded in discouraging peace proponents, such as retiring Senator Don, from appealing to the widespread war weariness in South Vietnam. The success of the An Quang-backed slate in the recent Senate elections, however, may have encouraged oppositionists to test the government's firmness once again.

A government spokesman has already reacted by charging that advocates of the new peace proposal "have unmasked themselves as Communist agents," and many moderate politicians are

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condemning the initiative as opportunistic and beneficial only to the enemy. If the government takes harsh measures against the legislator, new frictions could arise between the regime and the assembly. Meanwhile, President Thieu continues to give evidence of his concern that peace sentiment may undermine the war effort. In an apparent attempt to head off more demands for an early end to the war, Thieu publicly asserted recently that peace can be won in two or three years, even if the Communists refuse to negotiate a settlement.

*Politicos Ponder Senate Elections*

The results of last month's Senate elections have led South Vietnamese politicians to conclusions that could affect their plans for next year's presidential contest. Unlike previous national elections, there have been no charges of government manipulation, probably because of the success of an opposition slate. Several opposition groups had expressed fears before the election that the regime would rig the vote. After the elections, however, most observers believed that they were conducted fairly—even the most outspoken antigovernment paper in Saigon called the vote "100-percent sincere."

Politicians also have concluded that the government did not make a major effort to influence the outcome and that religious influence proved much more significant than political party affiliation. An opinion survey in rural South Vietnam

conducted shortly before the elections reinforced those views. A substantial majority of respondents stated that no one had suggested where their votes should go, and most asserted that political parties did not wield significant influence in their areas. Even Progressive Nationalist Movement leader Bong, whose slate finished first among those backed by a single party, remarked that parties "could do nothing" to influence voters. About 20 percent of those surveyed indicated that they would vote as advised by their religious leaders. Of the three winning slates, the Mau ticket was aided greatly by An Quang Buddhist support, and the Cao and Huyen lists benefited from Catholic support.

Oppositionists will probably take heart from the apparent fairness of the Senate elections, as well as from the government's mediocre performance. These factors could encourage them to believe that they have a stake in the system and a chance in the presidential election next year.

On the other hand, President Thieu's low opinion of politicians and parties probably was reinforced by the results. Thieu had indicated that he did not intend to rely on parties as a source of support, and in preparing for the presidential election he apparently will concentrate on securing the active backing of the government apparatus. Thieu met personally with members of 25X1 the newly elected provincial councils earlier this month, and he plans more meetings with local officials in the coming weeks.

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### Japan-Taiwan: *Feuding over Oil*

The dispute between Tokyo and Taipei over rights to large potential oil deposits discovered off the Senkaku Islands is heating up. The Japanese and the Nationalist Chinese are both trying to obtain public support from the US, which is administering the islands as part of the Ryukyu chain until reversion to Japanese control takes place in 1972.

Tokyo last week protested to Taipei that the reported raising of a Nationalist Chinese flag on one of the Senkaku Islands was an unfriendly act, and asked the US to take a similar position. The Nationalist Chinese, in turn, have expressed displeasure over several incidents last week in which Ryukyuan patrol boats, "acting with US concurrence," evicted Taiwanese fishing boats from the disputed area. The Chinese have asked the US not to make any "prejudicial" statements on the issue.

The Japanese announced discovery of the oil deposit, which they believe may be one of the ten largest in the world, in August 1969. Soon afterward Taiwan, which claims the area is part of the Chinese continental shelf, gave a major US oil company permission to prospect in the area despite Japanese objections. US authorities in the Ryukyus have also been under pressure from US oil companies to grant exploratory rights in the area. So far, no development of the resources has actually taken place.

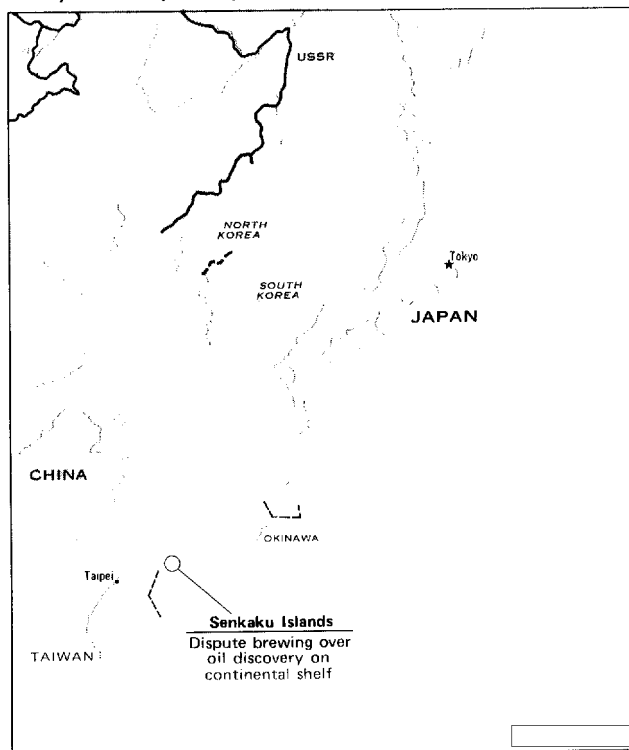
Japan's strong interest in the oil reflects a desire to reduce its extreme dependence on foreign sources of petroleum. Tokyo has proposed that the dispute be settled through diplomatic channels, and talks between the two countries have been tentatively scheduled for early next

month. Taipei, in the meantime, has been busily engaged in strengthening its legal position; the Nationalists recently ratified the Continental Shelf Convention of 1958, reiterating their claim that the minerals in the Senkaku area are deposited in sediment washed from the Chinese mainland.

Peking's position in this controversy has not yet been made clear, but the dispute could become further complicated, as Communist China is also in a good position to claim the right to exploit the continental shelf.

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Tokyo and Taipei Dispute Oil Rights



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### Communist China: *Army Men Don Party Hats*

Evidence continues to accumulate that local military officers will play a key role in both the formation and management of the Chinese Communist Party apparatus, which is still being painfully reconstructed more than a year after the ninth congress. Despite some signs of grumbling among the military over the extent of their administrative chores, [redacted]

[redacted] a considerable number of the army men who now dominate many of China's local governing organs—the revolutionary committees—will assume concurrent responsibilities in party work rather than share their authority with a new set of civilian party bureaucrats.

The latest example of this appeared in a recently received broadcast from Kirin Province noting that the secretary of the Tungfeng county party committee—established last July—is also a People's Liberation Army (PLA) representative who has been serving as chairman of the county's revolutionary committee for more than two years. Apparently, military representatives are also to take an active role in party building at higher levels in the province; another Kirin broadcast earlier this month stated that the Tungfeng County experience will serve as a model for establishing party committees "at and above the county level." Although similar examples of military dominance at all levels, including even one

provincial party core group, have been noted elsewhere in China, it is likely that the picture is mixed, and that civilians have been restored to leading party positions in a number of cases.

Despite indications that many local military cadre are to play pivotal party roles, their presence is no guarantee that there will be an abatement of the assorted personnel and policy quarrels that have been hampering local government activity and slowing the pace of party reconstruction in so many localities. For example, a recent Kirin broadcast candidly admitted that politics in its model Tungfeng county had been marked by debates and struggles for the past two years. Another example of the often limited effectiveness of PLA leadership was provided by a recent broadcast from Kiangsi Province that complained civilian county officials were balking at PLA orders to study two previously issued regime guidelines on improving army-civilian relationships and implied that attempts were being made to weaken the army's influence.

The current publicity being given the problems encountered by the PLA at the local level indicates that civil-military relationships are becoming increasingly complex and that considerable soul searching is still going on at the highest levels over the extent and manner of military participation in local political management. [redacted] 25X1

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THAILAND: Communist insurgents on 20 September ambushed and killed the governor and police chief of Chiang Rai Province as well as the chief intelligence officer of the Thai 3rd Army. The victims, the highest ranking government officials yet killed by the insurgents, headed a

seven-man delegation that was arranging the defection of prominent insurgents in the Communist-infested northern border region. The effort to secure these defections had been planned for several months and had become public knowledge in the Chiang Rai area. The incident will almost

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certainly set back Bangkok's carefully nourished program of encouraging insurgent defections. It will probably strengthen the hand of the military hard liners who have long favored a counterinsurgency strategy based on strong military meas-

ures rather than the present one, which emphasizes civic actions and psychological operations. In fact, the argument may already be ended and the die cast; thousands of army troops and border police have begun an intensive search for the slayers.

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### Malaysia: *The Leader Retires*

Tunku Abdul Rahman, Malaysia's founding father and prime minister since independence, has finally stepped down. In an atmosphere of dignity and peace, unusual in this part of the world, he handed over his position to his hand-picked successor and long-time deputy, Tun Abdul Razak. The Tunku, in his 14 years in office, has maneuvered skillfully to deal with the country's problems. His personal influence has been a major factor in damping down communal violence in a nation where the Malay population strongly resents the superior economic status of the minority Chinese community and where racial violence is an ever-present threat. The Tunku had been planning retirement for some time but, after the postelection riots in May 1969, he decided to stay on until he could leave office confident in his own mind that the country's future was stable.

New Prime Minister Razak has made a number of cabinet changes in the hope of improving Kuala Lumpur's management of touchy domestic issues, including the planned return to a measure of parliamentary rule next February. In addition, an old problem—Communist terrorists, who had been lying low for a decade—has been showing new life since last year. This is certain to cause painful headaches for government leaders in the near future.

Razak himself has retained the defense and foreign affairs portfolios, and Minister of Home Affairs Ismail has been named deputy prime minister. Ismail, although suffering from ill health, was the logical choice as number two; his abilities are already well demonstrated. He has strong

political support in the ruling government party, and he is generally acceptable to the non-Malays. Ismail will retain the home affairs portfolio. Permanent Secretary of the Foreign Ministry Ghazali, a shrewd and ambitious civil servant, will be elevated to cabinet rank with general coordination duties. Other new appointees are described as intelligent and steady. Razak will also accede to leadership of the ruling Alliance Party, according to remarks made by the Tunku last Tuesday. Thus the transfer of power will be virtually complete, although the Tunku will almost certainly keep his hand in the affairs of what he considers "his" country.

All in all, it seems likely that the new government will move cautiously in implementing any reforms in domestic policy. There is little question that the interests of the Malays vis-a-vis the Chinese will remain paramount, but efforts to improve the status of the Malays will be made in a way intended not to alarm the Chinese minority. A special appeal to Malaysian youth to support the government is expected to be a major aspect of Kuala Lumpur's long-range attempts to deal with communal problems.

In the realm of foreign policy, the change in leadership will probably result in increasing emphasis on nonalignment. Both for public consumption and as an expression of their real desires, Razak and Ismail have emphasized the country's nonaligned position. Most recently, the new Prime Minister voiced these sentiments at the Lusaka conference of nonaligned nations.

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Malaysia, however, is still basically dependent on the West. To be sure, Kuala Lumpur has had diplomatic and trade relations with Communist countries for years, but trade with the West is of far greater importance to the country's well being. Furthermore, Malaysia's leaders almost cer-

tainly welcome the British decision to maintain some presence "east of Suez" and might try to obtain Commonwealth aid if their Communist insurgency problem should become unmanageable.

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## Tito Proposes Collective Leadership

President Tito, in another effort to come to grips with the succession problem, has proposed creation of a collective executive body to replace his one-man presidency. Speaking before a political gathering in Zagreb on 21 September, he indicated that the proposed body would consist of two or three men from each republic plus representatives from all the major social and political organizations.

The new body apparently would have a wide range of powers, including the right to initiate certain, as yet unspecified, directives and to make decisions without Assembly or Republic approval. No time schedule was given for effecting the reorganization, but Tito indicated he expects quick action.

The 78 year-old President, long cognizant of the problems that would accompany the transition period after his retirement or death, emphasized that the initiative was his. In fact, the proposal may have caught many leading Yugoslavs off guard; in making the announcement Tito indicated he had been so preoccupied with foreign affairs he had had little time to discuss the plan with his colleagues.

The problem of succession, however, has been on the minds of many in Belgrade. The regime recognizes the military as the key to stability in the succession period and for the last 18 months has made a concerted effort to draw the armed forces into contact with the rest of society. Furthermore, Tito has conscientiously delegated some of his once jealously-guarded authority to trusted associates, and has placed renewed emphasis on discipline to ensure loyalty within the party to Yugoslavia's self-managing society.

Tito was noticeably silent on the role he will play in the new collective body. At the ninth party congress last year, however, he set a precedent for collective leadership by establishing a party executive bureau of 15 leading officials, including himself. This bureau, which Tito dominates, is the center of party power and authority. Whether Tito is included in the proposed structural change of the state's top executive office or not, his supremacy in the Yugoslav system, which mainly derives from his pre-eminence in the party, will not be diminished.

A blueprint for succession has been a long time coming. Since the fall of Tito's one-time heir-apparent, former vice president Alexander Rankovic, in 1966 (and the subsequent abolition of the vice presidency), the only constitutional provision for a transition of power stipulated that the head of the Federal Assembly would act temporarily as president until a successor was elected. Given the multinational nature of Yugoslavia with its inherent divergencies and antagonisms, the potential for a disruptive, even disastrous, power struggle under such a loose arrangement is obvious.

Final judgment of the proposed reorganization must await not only further details of the plan but its implementation as well. On the surface, however, the proposal appears to reflect an objective and realistic evaluation of the Yugoslav situation. The plan will undoubtedly meet with opposition and in his speech Tito hinted at some senior-level personnel changes. (He indicated that the party executive bureau is "not exactly a happy combination.") The fact, however, that the regime feels confident enough to discuss openly the problems that lie ahead augurs well for the eventual success of a collective leadership if Tito has time to set it up before he leaves the scene.

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*Italy: Colombo Seeking Viable Program on Social Reforms*

Prime Minister Emilio Colombo, sworn in on 6 August to head Italy's fifth new government under the present parliament, moved immediately to strengthen its financial position. Colombo is now seeking a viable program on certain costly reforms, particularly in the fields of hospitalization and housing. Labor demands for these reforms last spring were backed up by strikes that threatened to disrupt Italy's steady, long-term economic growth.

On taking office, the Colombo government ignored the nearly sacrosanct August vacation period to elaborate revenue-producing measures, including sizable new indirect taxes. The measures took effect immediately but must receive the expected parliamentary approval before they become permanent. The government has now turned to the question of reforms.

The hospitalization question involves the substitution of one national health program covering all Italians for the variety of programs that now exist. Italy's new regional governments are being asked to play a key role in administering the program, in accordance with constitutional provisions giving them this function. This will be the first major transfer of central government power to the 15 regions, which elected their first governments last June. Three are Communist-

dominated and 12 are run by one or more of the center-left parties.

Labor confederation representatives have been discussing their demands for low-cost housing reform as well as hospitalization in a series of conferences with government leaders. Labor demands on housing emphasize the need to establish criteria for the expropriation of land for public use. The government is seeking industry and land-owner views before undertaking further talks with labor representatives. Socialist Vice Premier De Martino said last week that a series of consultations involving the political parties will take place on 28-29 September to work out a consensus.

Colombo at the same time is facing strident demands that the long-standing socioeconomic problem of continuing poverty in southern Italy be given more attention. Agitation in Reggio Calabria reportedly is designed to attract attention to the city's economic needs—as well as to air its frustrated hopes for regional capital status—and has become increasingly violent. Rightist extremists are leading the demonstrations, which have continued for several months. Rioting last week resulted in one civilian and one police death and brought front-page headlines throughout Italy. [redacted] 25X1

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CANADA-FRANCE-USSR: Canadian Prime Minister Trudeau and French President Pompidou will visit the Soviet Union next month. Trudeau will spend the first four days of his 19 to 29 October visit in Moscow, presumably talking with Kremlin leaders, and then will go on to Kiev, Tashkent, Samarkand, Norilsk, and Murnansk,

ending his trip in Leningrad. Pompidou, who will be in the USSR from 6 to 13 October, will follow in the footsteps of De Gaulle by visiting Moscow's top secret space station at Baikonur. No other Western leader has been invited to visit there. [redacted] 25X1

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## International Community Ponders Hijackings

The recent wave of hijackings has focused world attention on the lack of international legislation to deal with the problem. The US is leading a push for firm action by the International Civil Aviation Organization (ICAO), but some nations believe that the current UN General Assembly (UNGA) session offers a more appropriate forum.

The US last week asked the ICAO Council to adopt a resolution calling for joint action by the 119 member states to suspend air services to nations that detain passengers, crew, or aircraft and fail to extradite or prosecute hijackers. The draft resolution also directs the ICAO legal committee to draw up an international air transport sanctions convention.

The legal committee convenes on 28 September, and the council will resume its deliberations the next day. Many Western nations are balking at directing the legal committee to draft a sanctions convention and appear inclined to support an alternative proposal offered by Canada. Ottawa would have member states amend their bilateral air agreements to require severe penalties for hijackers, a time-consuming process that would diminish considerably the likelihood of a multilateral boycott.

The strong stand taken by the Arab Air Transport Federation—composed of the generally state-owned airline companies of all Arab League nations except Morocco—is affecting Western positions. The federation met last week and issued a

communiqué emphasizing the international community's failure to apply sanctions following the Israeli raid on the Beirut airport and referring to "Zionist" propaganda aimed at influencing aviation organizations to boycott Arab airports and airlines.

Belgium, Italy, and Australia have protested the adverse effect the loss of air routes to and through the Arab lands would have on the economic prospects of their national airlines.

Some nations, who maintain that ICAO is essentially a technical agency lacking competence to deal with the political problems posed by recent acts of aerial terrorism, are raising the issue in the UNGA debate. The Assembly is unlikely, however, to do more than reiterate previous resolutions condemning hijackings or possibly call for greater adherence to the Tokyo Convention of 1963, which seeks the return of passengers, crew, and cargo after a hijacking. Not likely to receive much support is Secretary General Thant's proposal that an international tribunal be instituted to try hijackers. Creation of such a body would pose many legal problems and presumably would not include any machinery to force nations harboring hijackers to relinquish them.

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**Sweden: Social Democrats Narrowly Survive Elections**

The Social Democratic government led by Olof Palme will continue in power following the recent parliamentary elections, but as a minority government dependent on the tacit support of the Communists.

Preliminary computer analyses of the 20 September election returns show that there has been virtually no change over the past two years in the balance between the parties of the left and right, but that within each of these groupings significant shifts have taken place. The Communists recovered nearly all the ground they lost to the Social Democrats in 1968 as a result of Swedish revulsion over the Soviet invasion of Czecho-

slovakia, and the Center Party made significant gains at the expense of the internally divided Conservatives.

The Social Democrats, despite the loss of their only postwar parliamentary majority, are confident that they can continue to be the governing party. There is ample precedent for Communist support of the Social Democrats, and both parties realize that the alternative would be a bourgeois coalition. At the same time, the prime minister will follow precedent and not invite the Communists to participate in the cabinet.

Although Palme and his party have achieved their immediate goal, they do not deny the seriousness of their setback at the polls and are already planning changes in the party machinery and in the political arm of the closely affiliated trade union movement. Neither their election program nor their campaign promises committed the Social Democrats to any controversial plan of action. As the Swedish economy cools down in the coming months and new collective bargaining agreements are negotiated, however, the new Palme government can expect to be buffeted by both the left and right, as the parties out of power attempt to enhance their voter appeal in preparation for the 1973 elections.

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POPULAR VOTE BY PERCENT			
	1964	1968	1970*
Social Democrats	47.3	50.1	46.4
Communists	5.2	3.0	4.9
Liberals	17.1	15.0	15.6
Center	13.4	16.1	20.4
Conservatives	13.7	13.9	10.6
Christian Democrats**	1.8	1.5	1.7
Other**	1.5	0.4	0.4
Total	100.0	100.0	100.0

\*Estimated  
\*\*Not represented in parliament

IAEA: Italy and West Germany appear to have the two-thirds vote of the membership of the general conference of the International Atomic Energy Agency (IAEA) required to gain permanent seats on the Board of Governors. The Soviets have made two last-minute appeals to the US, seeking support for an alternative proposition

that would make continuous board membership for Rome and Bonn contingent on their re-election by the other West Europeans. Moscow's demarches included thinly veiled hints that a US refusal to support the Soviet scheme would result in a lack of superpower accord on sensitive IAEA issues.

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## Soviets Conclude Oceanographic Study Near Cape Verde

The Soviets have apparently concluded the research project they have been conducting since last January in equatorial waters of the Atlantic near the Cape Verde Islands.

According to an announcement by the Soviet Academy of Sciences, the operations were conducted to measure ocean currents and temperatures over a large area. The Soviet scientists established an array of 17 buoys covering an area of some 120 miles to gather the hydrographic data. The installation and servicing of the project involved seven ships and some 500 men over an eight-month period. The research ship Kurchatov retrieved the array in mid-September—probably ending this year's program.

The Soviets have conducted studies in the Cape Verde area almost every year since 1963,

but this year's program was larger and of longer duration than previous efforts. Both past and present studies have included hydroacoustic work as well as oceanographic work.

Results from the studies in this geographical area have been and will probably continue to be used in hydroacoustic work such as sound-wave propagation and submarine-radiated noise.

Soviet submarines and submarine support ships spent several months in waters off Cape Verde in 1967, probably to evaluate extended Soviet submarine deployments in distant waters. The use of a mobile support base in the mid-Atlantic, where it would be difficult to detect submarines, would give Moscow additional flexibility in submarine deployments and increase the duration of these patrols by reducing the time spent in transit.

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## European Communities Resume Talks with British

Negotiations to enlarge the European Communities (EC) resumed in Brussels last week with a meeting between the EC and the UK at the deputies level. Another such session will be held on 1-2 October before ministers from the two sides meet again on 27 October.

Several matters of crucial importance to the British, including agricultural financing, were not brought up last week because the Commission is still studying initial British presentations. The deputies relegated more questions to Commission-UK study groups as a result of the latest meeting. At the session, the UK concentrated on spelling out its desire for a three-year transition period, following ratification of membership, for eliminating tariffs between the Community and the UK on industrial goods. The British, however, want to start making these tariff cuts only after a one-year "period of initiation"; the Community holds that three months would be sufficient. Brit-

ain also wants an even longer than three-year transition period for adopting the common agricultural policy (CAP). The EC believes that agricultural and industrial measures should be adopted in parallel.

Differences between the UK and the Community on agriculture are especially significant for Ireland and Denmark, whose own negotiations for entry—along with those of Norway—began in Brussels this week. Both Dublin and Copenhagen hope for early gains to their agriculture from adoption of the CAP and will fight against any delay in applying the CAP to Britain. Norway, on the other hand, is fearful of the effects of the CAP on its farming population. More immediately it is concerned over the possibility that a fishing policy will be set before the country joins the Community.

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## WESTERN HEMISPHERE

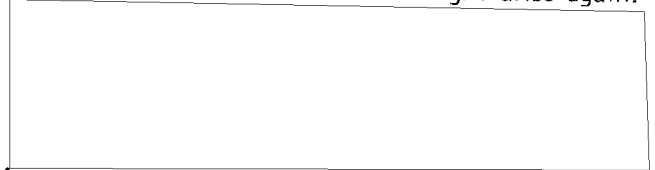
### Bolivia: *Student Violence*

Violent student demonstrations raged through Bolivia's principal cities following the arrest and deportation of five leftist clergymen on 16 September. The killing of two students during the first three days of the demonstrations kept the violence alive, and the climax came on 21 September with several clashes between police and students in La Paz and an attack by students on the US Embassy. Marine guards at the embassy used tear gas to disperse the demonstrators. The news media later echoed the unfounded student charges that US "agents" had fired on the students from the embassy roof.

One policeman was also killed in the rioting and this, plus the students' holding of four policemen as hostages, added to the tense atmosphere. These incidents may constitute sufficient provocation in the view of military and police officials

who have wanted an excuse, to raid the university in La Paz, which they believe serves as a center for subversive activity and a refuge for guerrillas.

President Ovando has maintained a tough line with respect to the exile of the clergymen and the need for law and order, but he has said that he will respect university autonomy. If the violence continues, however, Ovando will probably be under pressure from the military to authorize intervention. Should the President appear ready to yield to student demands, military agitation for his removal might arise again.



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MEXICO: President-elect Luis Echeverria last week expressed his deep concern about developments in Latin America. He underlined his reservations about the triumph of the extreme left in Chile and about the policy direction of the Peruvian and Bolivian administrations. The Mexican leader blamed extremists on the left and the right for the deteriorating situation and

indicated that the seeds of future upheavals were now being sown. He also opined that much of the world turmoil was part of an extremist plot "probably directed from Communist China." Echeverria is determined, therefore, to keep Mexico on a centrist course notwithstanding student agitation or rightist reaction.

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### Brazil: *Gubernatorial Elections*

New governors will be chosen by indirect balloting on 3 October in the first major elections to be held under the Medici administration. President Medici has publicly indicated his preferences for governors, and there is little doubt that the state legislatures, which will elect the governors, will ratify his selections.

The indirect gubernatorial elections are a new step along Medici's carefully planned and controlled pathway toward a limited reactivation of the political institutions closed down by his predecessor, Costa e Silva. The first ten months of Medici's administration have seen the reactivation of Congress, which has no real governing power but serves as a sounding board for some criticism of the administration; the reopening of seven state legislatures; and the holding of municipal elections in several areas last November.

Medici's decision to handpick the new governors resulted from a recognition of current political realities. He is aware that, although the power of political decision rests almost exclusively at the federal level, the ultimate success or failure of his government during the next four years will depend to a great extent upon the performance of the state governments, and primarily on the governors. Medici also is determined to avoid a repetition of the situation that followed the 1965 elections, when victories by candidates unacceptable to key military officers generated a political crisis resolved only by abolishing the then-existing 13 political parties.

Medici's use of his position as chief of the proadministration National Renewal Alliance (ARENA) party to select the governors demonstrates his adherence to the principle of "political renovation." Most of the men picked seem to fit the President's criteria for members of the "new" political class, including unswerving loyalty to the "revolution's" long-term goals and demonstrated administrative or technical competence. Several, including the three retired military officers, are

characterized as "technocrats" and have held important posts with agencies closely connected with economic development. "Technocrats" are in the majority among Medici's gubernatorial selections for states of the underdeveloped northeast, where they are expected to play an increasingly important role in replacing the traditional political groups, often with the support of the local military chiefs.

Personal political prestige generally seems not to have been a determining factor in Medici's selections; few are major political figures and practically none could have been elected without the direct support of the President. They are men whom he believes to be loyal and responsive to him rather than to local political leaders and pressures. All are political conservatives, and with one exception—in the state of Guanabara—all belong to the ARENA. Medici consulted local ARENA leaders about the candidacies, but he did not accept their views in all instances; in Sao Paulo—the richest and most populous state—he picked a bitter rival of the incumbent governor.

Medici also carefully checked all the candidates' "revolutionary" credentials with local army commanders and representatives of the National Intelligence Service, but he did not always pick the men favored by the military establishment. For example, his choice in Minas Gerais met serious objections from military officers who consider the man the archetype of the traditional political boss. Medici completely passed over the candidacies of active-duty military officers, which were put forward in practically every state by ambitious politicians eager to win the favor of senior army men who generally had no capability—or possibly even desire—to win political office.

The method of selecting the governors is an admission by the regime that, after six years, the "revolution" has failed to produce an alternative method for generating the type of political

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system necessary to achieve its social and economic goals. At the same time, many Brazilian political observers see the near total rejection of traditional leaders by Medici as a start toward building a new political framework. They look

forward to the direct congressional elections scheduled for November to provide more concrete indications of the government's plans for political renewal and to the first evidence of the public's reaction to them. [REDACTED]

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### Argentina: *Developments on the Labor Scene*

The highly politicized, Peronist-dominated national labor leadership apparently is considering exploiting economic discontent to achieve political goals.

In a proclamation on 14 September, the General Labor Confederation (CGT) denounced the government's economic policies and called for a return to constitutional rule and extensive state control of the economy. The manifesto accused the military hierarchy of taking power against the will of the people and of embracing international monopolies that undermine national sovereignty. It demanded popular participation in the governing process and invited all church leaders, military men, politicians, students, and citizens who are "disposed to sacrifice themselves for an ideal" to join with the unions to achieve that goal.

The proclamation also demanded fair minimum wages, a return to collective bargaining, and a number of policies that would reduce foreign influence in business and commerce. The document also urged university reform and called for the dedication of at least 25 percent of the national budget for social security, housing, health, and educational needs.

Despite the uncompromisingly antigovernment tone of the proclamation, labor observers do not foresee a serious CGT confrontation with the government. Labor leaders are almost unanimously opposed to a hasty return to the electoral process because they believe democracy would lead initially to a return to power by reorganized, traditional political parties and subsequently to

another military take-over. Their immediate objective seems to be greater labor participation in the governing process. They are known to favor cooperating with the military government in the hope of having the opportunity to form the power nucleus in any popularly based political organization that might evolve when the government re-establishes the electoral process.

Although generally pleased with President Levingston's actions to date, the labor leaders have been highly critical of Juan Luco, the President's choice for secretary of labor. Many consider Luco incompetent and only superficially a Peronist and would like to see him replaced by someone from labor's own ranks. Many also want a Peronist appointed as economy minister.

In exerting pressure on the government for greater participation, CGT leaders apparently are willing to run some risk of losing control of their organizations through government intervention. They probably have surmised correctly, however, that intervention is unlikely unless serious strikes threaten the economy. Deeply concerned over increased terrorist and extreme leftist activity, they have been careful not to foment major strikes or work stoppages that could foster extremist actions.

Nevertheless, in view of the existing widespread discontent over economic conditions and Peronist labor's desire for a greater role in the government, some strikes may occur in October, making it a troublesome month for the Levingston government. [REDACTED]

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## Problems for US Companies in Peru

Peru's new mining laws are creating difficulties for several major US mining companies, and at least one US-owned copper concession will be abandoned. In addition, the matter of compensation for expropriated property is threatening to become a public issue again. The Grace Company has been forced into the courts in its effort to have the government's evaluation of the expropriated property adjusted upward.

The new mining laws set two deadlines for companies holding undeveloped mining concessions. Accelerated work schedules must be submitted by 30 September and financing must be obtained by 31 December. As a result of these deadlines, the American Smelting and Refining Company (ASARCO) has informed the Velasco government that it is ceasing work on the \$250-million Michiquillay copper project. The company had already spent about ten years and \$7 million exploring and developing the concession, but it was not prepared to move ahead with development nearly as rapidly as the government demanded.

Two other US companies are examining the possibility of forming joint ventures with the government—which wants 51 percent ownership—in the belief that they will then be allowed slippage in the deadlines. A third company, Cerro Corporation, currently is trying to put together a new consortium to develop four separate concessions; its earlier deal with European backers fell through

last month because of government delays and other uncertainties.

There has been speculation that the Grace Company will invest in a Peruvian mining project in the hope of making some use of the nontransferable agrarian reform bonds it will receive as compensation for the sugar plantations expropriated more than a year ago. It is not likely that the company will make any move, however, until the actual amount of compensation is settled. Government appraisers assigned no value to sugar cane standing in the fields and Grace is protesting that the compensation it is being awarded is therefore much too low. The problem apparently stems primarily from bureaucratic mixups and ambiguity in the agrarian reform law, but the company fears that once the issue becomes public, political considerations will preclude fair treatment in the courts.

In addition to these and other problems stemming from Peruvian attempts at social and economic reform, an increasing number of strikes have plagued US mining projects in recent months. The Communist-dominated labor confederation has gained control of many of the miners' unions, and the recent strikes have taken on an anti-American flavor. One of the principal demands of strikers at the Southern Peru Copper Company's Toquepala mine—the country's largest producer—is that the firm dismiss three US staff members described as "enemies of the working class." [redacted]

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URUGUAY: The Tupamaros have announced that one of their foreign hostages will be released if the government authorizes the publicizing of a manifesto by the terrorists in the Uruguayan media. President Jorge Pacheco, who continues to insist that he will not dignify the Tupamaros by

negotiating directly with them, has wavered on accepting their offer. As of midweek the ransom demands had been rejected by the President, but a leading Montevideo newspaper said that if the American hostage was released, it then would give space to the kidnapers. [redacted]

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*Chile: Allende Moves Forward*

The virtual take-over of most Chilean media by partisans of Marxist Salvador Allende is conditioning Chileans to expect his accession to the presidency on 4 November. Some top commanders of the armed forces are showing signs, however, of being jolted out of their delusion that Allende would not interfere with the military. In addition, Christian Democrats in Chile and other countries are evincing concern over the prospects of an Allende government.

Members of Allende's Popular Unity (UP) coalition have methodically ensured that news presentations on television, radio, and in the press are sympathetic to Allende and based on the premise that he will be president. This task is accomplished—frequently by Communist Party members—by intimidation, by pointing out the economic advantages of cooperation, and by manipulation of well-placed leftist newsmen. The owners of a few newspapers have resisted, although they consider the fight hopeless, and some other Chileans have shown outrage at the heavy-handed tactics of Allende's representatives. For the most part, however, the concentrated campaign to control all important media has not aroused public resistance.

The leaders of the armed forces are showing the first signs of recognizing that Allende poses a great threat to their institution. They evidently are losing hope that the Christian Democratic Party (PDC) will solve the predicament, although military commanders still wistfully refer to the

chance that Allende may be defeated in the congressional vote on 24 October.

A naval officer in a key position commented to a US official on 22 September that the military appeared to be the only obstacle to Allende's rapid moves to take over the country. He said that a legal excuse would be needed for military action and evaded a question as to whether the armed forces could confront Allende without the danger of an internal split.

Allende is continuing his efforts to lull the military and to ingratiate himself with them. In an interview printed on 18 September he promised technical improvements for the armed forces, which have very antiquated equipment including some pre-World War I German howitzers. His reported intentions toward the police, however, are possibly more indicative of his real intentions. His representatives are reportedly making determined attempts to get access to the files of the civilian investigative police, and Allende intends to add 8,000 of his loyal supporters to the widely respected 24,000-man national police, the carabineros.

The hemisphere-wide Christian Democrat<sup>25X1</sup> developmental organization called DESAL is moving its headquarters from Santiago to Caracas, capital of the only other Christian Democratic government in Latin America. The move is being made because DESAL fears an Allende government and because the organization's West German financial backers decided to withhold funds if it remained in Chile.

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### Guyana: *Problems with Agricultural Labor*

Administration efforts to end the two-week-old Communist-instigated sugar strike are apparently making some headway. Acting Prime Minister Reid's threat to bring in government strikebreakers to complete the lagging sugar harvest and the fact that many sugar workers are finding it financially difficult to remain on strike may bring the walkout to an early conclusion. The Guyana Agricultural Workers' Association (GAWU), labor arm of the Communist led People's Progressive Party (PPP), instigated the strike on 14 September, but PPP leader Cheddi Jagan does not appear ready for an all-out battle with the government. In addition, formation of a 15-man tribunal to investigate worker grievances may provide the GAWU with a face-saving means to end the strike.

One unresolved issue that could still cause trouble concerns representation of the workers. The officially recognized union, which did not support the strikers, was thoroughly discredited, and many members want it disbanded and a new union formed. The government probably will attempt to fill the void by acting as an intermediary

between the sugar workers and the Sugar Producers Association. The GAWU, however, may continue work stoppages and strikes in its continuing attempt to be named official representative of the sugar workers.

Rice growers are adding to the government's economic difficulties by seeking higher prices for their crop. A spokesman for the rice growers said last week that unless the government grants a price increase they will refuse to sell their crops. Cheddi Jagan, honorary president of the Rice Producers Association, apparently intends to use his influence in the industry to bring additional pressure on the government by coordinating efforts of the sugar workers and rice producers.

Although the government has already sustained costly economic losses, it apparently believes that it can derail Jagan's efforts and end the strike. Government confidence is indicated by the fact that both the prime minister and his deputy are out of the country and the minister of agriculture has been left to negotiate the crisis. [redacted]

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### Another Anti-Castro Landing Attempt Foiled

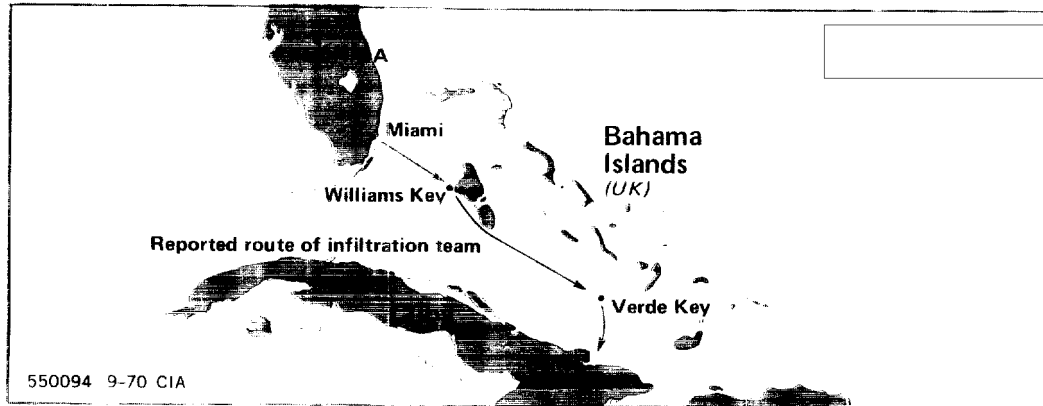
Militant exiles in Miami launched another futile raid against the Castro regime in mid-September, despite a total lack of success in achieving any of their military objectives on recent armed forays into Cuba. With their usual efficiency, the Cuban security forces had the entire operation wrapped up within six days. Since December 1968, all known infiltration attempts by anti-Castro exiles have been mopped up within ten days of the original date of infiltration. This latest escapade will give Castro welcome ammunition for launching a verbal attack

against the US during his speech next Monday. It also provides him a nationalistic issue for diverting the population's attention from the current domestic difficulties.

Havana already is trying to link this expedition to the US Government. Press releases of 23 September claim that the infiltrators were in frequent contact with "agents of the US Government" during extensive training exercises at camps in Florida and that the invaders were supplied with US military equipment. Castro has

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exhibited equipment seized in past raids as "irrefutable evidence" of US sponsorship of these landing operations.

killed in combat and the remaining eight had all been captured.

References in the Cuban press to use of Williams and Verde Keys by the raiders suggest that Castro may again blast the Bahamas Government and the resident British Governor for permitting the attackers to stage from Bahamian territory. A similar episode last April caused Castro to threaten to take offensive action against countries that allow militant exile groups to use bases in their national territory.

The latest expedition, carried out under the auspices of the Miami-based Alfa-66 exile organization, apparently left Florida on 1 September but did not actually infiltrate Oriente Province until the 14th. The intervening two weeks were spent at staging areas probably on the two Bahamas keys. The nine-man infiltration team landed near Banes on the north coast of Oriente. By 20 September one of its members had been

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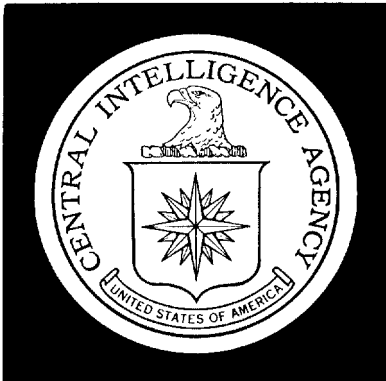
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DIRECTORATE OF  
INTELLIGENCE

# *WEEKLY SUMMARY*

## *Special Report*

*Cuba: A New Era Begins*

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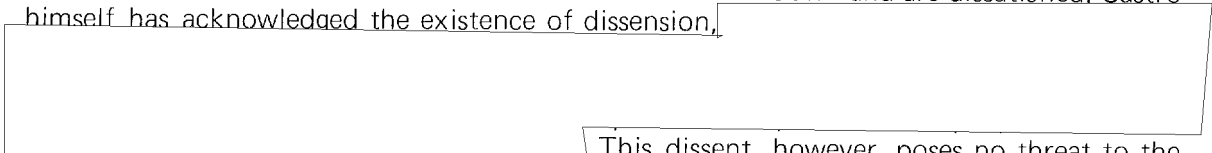
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### CUBA: A NEW ERA BEGINS

Cuba's sugar harvest of 1970 was a record breaker. Production of sugar, by far the country's most important product, exceeded by more than 1.2 million tons the old record of 7.29 million tons harvested in 1952. It has been a Pyrrhic victory for the Castro regime, however, because it interfered seriously with other sectors of the economy and because it fell short of the goal of ten million tons that had been set—and adamantly reaffirmed on many occasions—by Fidel personally. Also, massive mobilizations of the population resulted in almost chaotic conditions in society generally. The population, spurred on by a monumental propaganda campaign, put forth an unprecedented effort only to find that, despite all the strains and sacrifices, no improvement in living conditions is in sight.

It is now obvious that most Cubans have suffered a letdown and are dissatisfied. Castro himself has acknowledged the existence of dissension,



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This dissent, however, poses no threat to the stability of the government. Demonstrations of dissatisfaction seem to be spontaneous, and those Cubans who become disaffected have no nucleus around which they can gather to offer effective resistance. Furthermore, Castro is acutely aware of the situation and is taking steps to redress some of the more outstanding grievances.

Certain of Castro's ambitious economic plans have been curtailed, and there are tentative indications that, at least in the immediate future, fewer demands will be made on the people. Some of the new measures have popular appeal and will serve to buy time for the regime. Nevertheless, they are not the fundamental changes required to stimulate the economy to an adequate rate of growth. Castro's economic difficulties and concomitant political problems will probably remain with him indefinitely.

Despite his promises of administrative and personnel changes, during this critical phase of the revolution, Castro has demonstrated hesitancy and vacillation that adds up to a serious and uncharacteristic lack of leadership. Castro may indeed be groping for solutions, or he may be finding it difficult to swallow his pride and accept the suggestions pressed upon him by his most important economic prop, the USSR. He may be waiting for the completion of upcoming Cuban-Soviet economic negotiations before making decisive moves. This year's talks presumably will be more extensive than the usual annual deliberations because the 1965-70 bilateral agreement runs out this year. For the time being, Castro appears to be following the Soviet line much more closely than previously, both in domestic matters and in international relations.

*Background*

Early attempts by the regime to free Cuba from the restrictive confines of a one-crop economy by means of rapid and diversified industrial-



Even Fidel Castro aided in the harvest.

zation were unsuccessful. By late 1963, plans for industrialization had been substantially modified downward, and the predominance of sugar had again been recognized. In the new economic scheme, the planners optimistically set a production goal of ten million metric tons of sugar for the harvest of 1970. This was to be achieved by gradually increasing production through the use of harvesters, combines, and other devices until 1970, when the entire sugar industry would be mechanized. Although production goals of 7.5, eight, and nine million tons were set for 1967, 1968, and 1969, respectively, the propaganda machine concentrated primarily on achieving the goal of the harvest in 1970. The undue emphasis placed on achieving ten million tons in 1970 worked to the detriment of earlier harvests—particularly that of 1969—and was pushed at the expense of other sectors of the economy. It did serve as a useful diversion, however, when the harvests in 1967 and 1968 fell short of the specified targets and when the disastrous harvest of 1969 barely produced 50 percent of the goal.

By January 1970, the regime's political commitment to achieving the ten-million-ton goal had become so great that the harvesting of "even one pound less" was to be considered "a great moral defeat." In addition, many Cubans apparently

*We have really worked for the ten-million-ton harvest and we won't be satisfied with a pound less than ten million tons. So if we wind up with 9,999,999 tons, it would be a great effort, very praiseworthy and all that. But we must honestly say that it would be a moral defeat. We aren't satisfied with incomplete victories. We have worked for the ten-million-ton harvest and we won't be satisfied with a pound less. A pound less than ten million tons would be—and we say it ahead of time—a moral defeat. It would be a defeat, not a victory.*

*Fidel Castro, 18 October 1969*

correlated success in achieving the goal with success in improving the economic plight of the individual. This correlation was unfounded from the beginning; most of the surplus production was earmarked for the USSR to reduce the level of Soviet economic assistance rather than to finance the import of consumer goods. Even had the ten million tons been realized, the position of the consumer would have remained substantially unchanged.

*Castro Faces the Facts*

For a variety of reasons, the harvest fell short of the goal. These included transportation bottlenecks, equipment failures, mill maintenance and refurbishing problems, mismanagement, absenteeism, low labor productivity, and general inefficiency. A series of incidents in April and May 1970 involving the infiltration of an anti-Castro guerrilla team into eastern Cuba and the subsequent kidnaping of 11 fishermen by Miami-based cohorts of the would-be guerrillas provided Castro with a convenient occasion to inform an

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aroused population on 19 May that the much-publicized production goal would not be met. This was followed by the prime minister's annual speech on 26 July in which he noted the detrimental impact that the harvest had had on other segments of the economy. Castro even admitted that conditions might get worse in the next five years.

In presenting the dismal picture, Castro made no excuses and sought no scapegoats. He

### **CUBAN PRODUCTION STATISTICS**

**Beef:** production reached 154,000 tons in 1968; 143,000 tons in 1969

**Milk:** production during January-May 1970 was down 25 percent over the same period in 1969

**Fish:** production was up by 8,000 tons in the first quarter of 1970 compared with the same period in 1969

**Cement:** production in the first five months of 1970 was 23 percent below the same period in 1968

**Steel ingots:** production in the first five months of 1970 was down 38 percent from the same period in 1969

**Nickel:** production as planned with no problems

**Fuels and lubricants:** production as planned with no problems

**Electricity:** demand has outstripped production

**Tires:** production plan only 50 percent fulfilled

**Fertilizers:** "backlog up to June of 32 percent"

**Farm machinery:** only 8 percent of the plan fulfilled

**Soap and detergents:** "production plan shows a backlog on the order of 32 percent"

**Textiles and clothing:** "production backlog of 16.3 million square meters of textiles as of June 1970"

**Transportation:** a decrease of 36 percent in the number of railroad passengers from January to April 1970

*Fidel Castro, 26 July 1970*

announced that personnel changes would be made because "some extraordinary comrades" had been "exhausted" by the strain of their efforts and the weight of their responsibilities, but he gave no hint that a "purge" was in the offing. Contrary to past practice, he announced no spectacular new political drive with which to mesmerize the people and inspire them to greater dedication. He merely made vague references to unspecified local self-help programs, new organizational changes in the party and the government, and greater participation by the workers in the decision-making processes. None of the details of these innovations was spelled out either in this speech or the one that followed on 23 August. As a result, a general aura of uncertainty has now developed within the government as officials wait for the next move. This feeling also has spread to the population, which is looking to Fidel for a way out.

### *Structural Changes*

The structural changes that Castro spoke about on 26 July apparently consist primarily of the establishment, within the Cuban Communist Party (PCC), of a Bureau of Social Production on a level with the party's Political Bureau. This bureau theoretically will be the political instrument charged with coordinating the activities of the administrative branches of the government. The bureau will function through several sub-groups, and each of these will be responsible for a particular segment of the economy. One group, for example, concentrates on those administrative branches concerned mainly with consumption, and thus controls the National Institute of the Tourist Industry and the ministries of Domestic Trade, Light Industry, and Food Industry. Another group concerned with manpower oversees the ministries of the Interior, Armed Forces, Labor, and Education. A third group responsible for construction presumably supervises and coordinates the activities of the Construction Ministry and the National Agricultural-Livestock Development Agency.

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The development of the Bureau of Social Production seems to be in line with the "creation and improvement of a new economic organism" described in a Soviet publication last year by two economic officials serving in the Soviet Embassy in Havana, and therefore probably has the blessing of Moscow. All the same it is questionable

*The revolutionary government and the Cuban Communist Party have devoted, and are devoting, much effort and attention to the creation and improvement of a new economic organism which functions, and is governed, on the basis of socialist principles. In the operations of industrial and agricultural enterprises, special emphasis is placed on centralized planned guidance, on the development of direct economic links within the government sector by means of direct product exchange and state budget financing, on eliminating at the same time bureaucratic phenomena in the economic areas by cutting back on the administrative apparatus, extending the authority of administrators in production proper, and supporting local initiative. The over-all economic management plan being drafted and introduced in Cuba proceeds from the definite importance of planning principles, and from the practical possibility of exercising such guidance and direction over all enterprises, taking into account the country's relatively small size, the existence of a well-developed system of roads and communications and the highly centralized character of the sugar industry—Cuba's main production branch.*

*B. V. Gorbachev and A. I. Kalinin,  
LATINSKAYA AMERIKA, No. 3, 1969*

whether the formation of a new layer of bureaucrats in an already top-heavy administrative structure will do much to overcome production bottlenecks and improve the economic situation. Also, there is no indication that Castro will be any more willing to delegate authority now than he has in the past. So long as he insists on making all major decisions and many minor ones, the economy will be seriously impaired.

#### *Goals Revised*

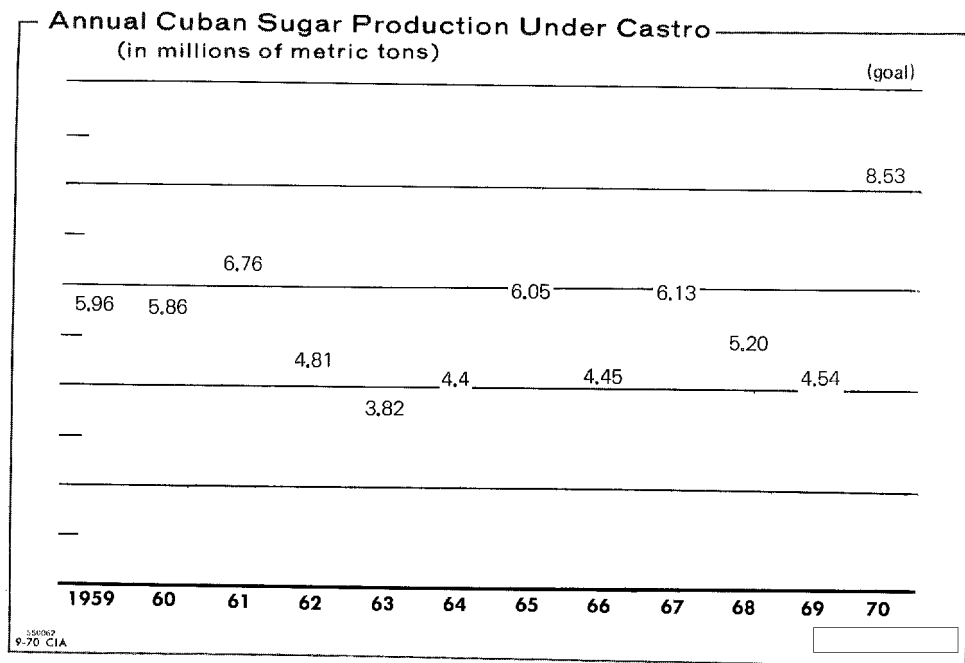
In his speech of 26 July, Castro indicated that many economic priorities had been revised. This probably signifies only a modification of goals rather than a basic change in economic strategy. For example, he has apparently revised the plans for industrialization he hoped to carry out during the 1970s. It has been evident for some time that major industrial projects such as the cement plants at Nuevitas and Siguaney and the fertilizer factories at Cienfuegos and Nuevitas are being completed but that there are no large new projects in the planning state. Industrial investment evidently is being shifted to what Castro termed "microinvestments" (i.e., purchases of lathes, precision instruments, machine tools, motors, and other equipment) designed to achieve maximum utilization of the present industrial plant.

The annual sugar production schedule, which called for a minimum of ten million tons per year from 1970 to 1980, has also been discarded. Castro admitted this when he said that the 1970 production record would be "really difficult to surpass" and that "some day" the record may be broken. His current realistic attitude contrasts with the adamant stand he took previously whenever anyone dared to challenge his assertion that the goal of ten million tons would be met.

#### *Personnel Changes*

In the aftermath of this year's harvest, Castro has made several high-level personnel shifts in addition to the structural changes and goal modifications. First to go were Sugar Industry Minister Francisco Padron and Education Minister Jose Llanusa Gobel. Their replacements, Marcos Lage Cuello and Major Belarmino Castilla Mas, are in line with the current pattern of appointing experienced technicians and capable military officers to key positions. Lage formerly served as vice rector of scientific research at Havana University, and Major Castilla Mas, was formerly

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armed forces vice minister for military technological training. Another armed forces vice minister, Major Jose Fernandez Alvarez, later joined Castilla Mas as first deputy education minister. Padron's ouster was to be expected after the failure to meet the harvest goal. Llanusa lost favor because he failed to produce the teachers and technicians that Castro's ambitious development schemes required.

Also removed was the aging "old Communist," Manuel Luzardo, the ineffective domestic trade minister. An experienced armed forces supply officer who had received specialized training abroad, First Captain Serafin Fernandez Rodriguez, replaced him. In addition, a new cabinet post, the Ministry of Merchant Marine and Ports, was established on 21 August in hopes of solving some of Cuba's maritime transportation problems. Major Angel Joel Chaveco Hernandez, who had served in various capacities in the armed forces air and air defense systems, was named minister.

Many more changes will be forthcoming; Castro said as much on 26 July. He warned, however, that a reshuffling of personnel would mean only little in the battle for greater production because the problems that must be overcome cannot be solved by a few people alone but only by the concerted efforts of the entire population. Ministers are being replaced, he said, because they "are worn out and have lost their energy and cannot cope with the load."

#### *Meeting the Needs of the People*

In the aftermath of the harvest, Castro has come to realize that the people have legitimate demands and needs that can no longer be brushed aside as they have been for years, particularly during the heat of the sugar production campaign. His remarks and those of Labor Minister Risquet indicate that at least a modest effort will be made to ease the lot of the workers. In relation to their needs, however, the effort will be only a beginning.

Events (probably public disturbances) in Cuba's second largest city, Santiago de Cuba, in early July led Castro to visit the city for three days, mingling with the people and listening to their complaints. Although he obviously was impressed with their plight, the measures he has announced so far are small-scale, stopgap solutions that will do little more than whet the appetite of those in need. For example, he has made no plans for a massive campaign to produce the one million houses he admitted are needed, and he spoke only vaguely of giving the people the means to build houses, shops, and stores so they might provide for their own needs instead of waiting for the government to do it.

In addition, Castro acknowledged that the government can no longer continue to demand that workers put in 14- or 15-hour workdays over extended periods of time, but he insisted that production goals must be met and that on occasion overtime is absolutely necessary. He promised that, as they become available, buses will be assigned to certain areas in acute need of public transportation, but he took no steps to increase either domestic production of vehicles or their importation from abroad.

In the same vein, Risquet said that production of consumer goods at the Santa Clara domestic utensils factory and the Ariguanabo textile plant could be improved if the work forces were not reduced to provide agricultural labor for the 1971 harvest, but he would not flatly rule out that possibility. He also announced that plans for sending deserving workers and their families on brief vacations were being drawn up but admitted that in some cases the plans could not be implemented because of a lack of transportation or a need to maintain production.

It is clear then that years of continued rationing and shortages face the average Cuban and that no basic change is contemplated in the policy of sacrificing the supply of consumer goods in favor of capital goods. It is also clear that the regime's adherence to "moral" incentives (the

awarding of pens, banners, etc., rather than material awards) will continue. Risquet paid lip service to moral incentives in his television interview on 30 July, but some of the measures both he and Castro have advocated, namely houses and vacations for outstanding workers, are in reality material incentives. In permitting such a dual system to develop, Castro is probably hoping to maintain his ideological purity by holding fast to moral inducements while at the same time submitting to Soviet urging to provide material incentives as a means of increasing production.

#### *Strengthening the Mass Organizations*

One of the many detrimental results of concentrating too much attention on the sugar harvest in 1970, according to Castro, was the neglect suffered by the mass organizations, i.e., those groups that have been organized on a national scale to regiment the population. Although the Federation of Cuban Women (FMC) under the leadership of Vilma Espin, Raul Castro's wife, performed well during this period, the Cuban Workers Central Organization (CTC) and the National Association of Owners of Small Farms (ANAP) did not. Both are earmarked for substantial overhauling.

Changes in the structure of ANAP are required because the nature of the country's 227,000 small farms is changing. These farms represent the largest remnant of private ownership still in existence in Cuba and are now in the process of being incorporated into state lands. Although many of the small-farm owners received their land as a result of the redistribution of large estates in the early stages of the revolution, they have demonstrated a reluctance to cooperate fully with the government's agricultural policies. This, in turn, has become irritating to Castro personally. The first sign of this came in December 1969 when, in discussing the mechanization of agriculture, he complained that "small landholding is not a proper method of exploiting the land; it is prehistoric....Modern technology and highly productive machinery require expanses of



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### **MASS ORGANIZATIONS**

#### **Committees for the Defense of the Revolution (CDRs)**

**National Coordinator:** Luis Gonzalez Marturelos  
**Membership (1970):** 3,222,000 in 67,200 committees

**Composition:** men and women from all walks of life who wish to participate in activities in support of the government

#### **Federation of Cuban Women (FMC)**

**President:** Vilma Espin Guilloys, wife of Armed Forces Minister Raul Castro

**Membership (1970):** 1,324,751

**Composition:** women with a revolutionary orientation who wish to demonstrate their support of the government

#### **National Association of Small Farm Owners (ANAP)**

**President:** Jose Ramirez Cruz

**Membership (1970):** 227,000

**Composition:** all peasants who own their own lands

#### **Young Communist League (UJC)**

**President:** Jaime Crombet

**Membership (1969):** 153,000

**Composition:** young males and females who aspire to membership in the Cuban Communist Party

#### **Central Organization of Cuban Workers (CTC)**

**Secretary General:** Hector Ramos Latour

**Membership (1970):** 1,895,000 (estimated)

**Composition:** members of Cuba's 14 remaining labor unions

land." A month later, ANAP president Jose Ramirez Cruz, who was visiting the USSR to study collective farms, told a Soviet audience that "we are only beginning the transformation of our agriculture." Later, criticism was leveled publicly

at ANAP members in Matanzas, Las Villas, and Oriente provinces for absenteeism and poor work discipline, and by April, refugees leaving the country began reporting incidents of confiscation of livestock.

In July, the Cuban radio announced that the first farmers to merge their lands with a government development project had been given new, furnished houses in the town of San Andres. This presumably is the first in a series of "mergers" that eventually will see all small farms absorbed by the state. This would leave a handful of taxicabs, trucks, and coastal fishing boats as the only vestiges of private ownership, and there are indications that even these are gradually disappearing because of government pressure.

ANAP originally was founded to help the farmer get the most out of his land—for example, by financing seed and equipment purchases, providing organized labor during planting and harvesting seasons, and assisting in marketing the produce. It also served to guide the farmer in planting crops to suit the government's agricultural production plans. The association now apparently is to be revamped to engineer the acquisition by the state of all agricultural lands still in private hands. If the pace of construction of replacement housing governs the rate of acquisition of the farms, however, the process of "merging" them with government lands will take many years. Although Castro might well prefer that all land be relinquished immediately to the state, he probably realizes that any attempt to divest the farm owners of their property in the lightning fashion in which 58,000 small businesses were confiscated during the "revolutionary offensive" of 1968 could have disastrous political repercussions. He most likely will be satisfied to accomplish the task gradually.

#### *Organized Labor*

Because the labor unions constituted a strong base of potential—and at times actual—opposition to his regime, Castro moved early and

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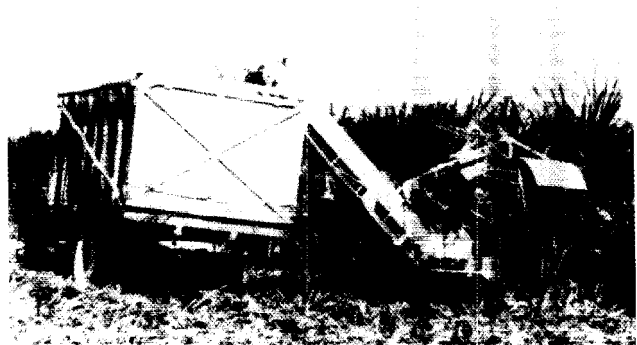
quickly to seize control of the CTC, the national body to which all major unions belonged. He was completely successful in dominating the CTC and in turning it from an organization that pressed the workers' demands on the government into an organization that pressed the government's demands on the workers. He now seems to be trying to modify this process, at least to the point of finding some middle ground between the two extremes.

Instead of merely being responsible for mobilizing the workers to suit government needs, the CTC is now supposed to act as a watchdog to ensure that regulations established by the Labor Ministry and other government agencies relating to worker health, safety, and well-being are properly observed. At the same time, the CTC will play a much more important role in the regimentation of the workers. Although no specific plans for reshaping the structure and mission of the CTC have been publicized, Castro seems to have in mind some vague idea of tying the workers closer to the mill, factory, or other work center. A system of workers' councils apparently is to be organized under the aegis of the CTC, with one council in every work center. The council will assist and advise the work center's administrator on how best to achieve the production goals assigned to the center by the government. Responsibility for final decisions, however, will rest with the administrator.

The council also will be charged with providing for the needs of the workers assigned to the center, a function that currently is the responsibility of the local government apparatus. If, for example, a worker is in desperate need of housing and none is available, he will place his problem before the council at his place of work. The council then will try to arrange for the construction of a new house, using whatever materials, labor force, and facilities are at hand. If workers have difficulty in getting to and from work via existing transport facilities, the council will seek better transportation, using, if necessary, vehicles normally assigned to the work center. If the

workers at a sugar mill do not have adequate medical facilities, the council will supposedly take upon itself the task of building a clinic.

Each council is to be made up of "vanguard" workers representing youth, party members, women, and other sectors of the work center's labor force. The council will be chosen at mass meetings organized by the CTC and attended by all the workers at each center. The system of councils seems sound theoretically, but it will probably not operate any more smoothly in providing for the workers' needs than does the present system of local government. In addition, the practice of having the factory administrator consult with the workers through the council before making decisions seems more likely to impair than improve the decision-making process.



**Full mechanization of the 1970 harvest was not achieved; most of the cane was cut by hand.**

**CONFIDENTIAL***Youth and Vigilance Groups*

Although Castro gave kudos to the watchdog Committees for the Defense of the Revolution (CDR) as well as to the FMC, the CDRs will probably soon undergo changes both in structure and leadership. The national chairman, Luis Gonzalez Marturelos, may well be replaced by a more dynamic leader, but other changes will depend on the use Castro plans to make of the organization. It probably will retain responsibility for vigilance against counterrevolutionary activities as its primary mission and will continue to carry out an important administrative role in the local government apparatus. More information on what Castro has in mind will probably be forthcoming when he makes his usual address on the occasion of the anniversary of the formation of the CDRs on 28 September.

The Young Communists League (UJC) will undoubtedly receive a thorough housecleaning, although here, too, Castro appears to be vague about what changes he has in mind. He spoke of the desirability of eliminating the UJC's professional cadres, but this would seem to be detrimental to his best interests because the professional cadres are the very individuals that mobilize the youth and students on Castro's behalf.

*26 July Speech*

Castro raised several key points in his annual speech on 26 July that seem to be significant shifts in policy. His statement about the workers' being the "true" revolutionaries, for example, suggests that he has found the farmers—who formerly enjoyed this distinction—too conservative. Because the individual farmer—in the old sense of the term "campesino"—is gradually passing out of existence, Fidel seems to be turning to the worker as both the justification and the basic building block of the revolution.

Despite the implication in Castro's speech that he is prepared to delegate a significant degree

of authority, he has no intention of removing himself from any of the important posts he now occupies. When the final structure of the Bureau of Social Production is made public—possibly on the fifth anniversary of the formation of the party in October—Castro will probably be its chief and Raul Castro will be his deputy. Raul presumably will head the group that supervises the Armed Forces, Interior, Labor, and Education Ministries. It is most likely, that Major Juan Almeida will chair the construction group and that President Osvaldo Dorticos will head the economic-financial group. Others such as Carlos Rafael Rodriguez and Major Jesus Montane will probably also hold key posts. In short, Castro will hold the reins and will continue to rely on the same loyal comrades who already constitute the upper level of the hierarchy. Similarly, he will continue to depend on capable military officers and experienced technocrats to staff the middle-level positions.

A major implication of the speech is that Castro is on the defensive. The careful wording of his rhetorical "offer to resign" and the manner in which it was delivered suggest that he was testing the audience, trying to sense the sentiment for and against him, and that he was somewhat fearful of a negative reaction. He ended the speech on an unusual note: "I must say in the name of the party, our leadership, and in my own name, that we are grateful for the people's reaction, attitude, and confidence." The fact that he finished the speech and left the rostrum before remembering to pass on to the audience the sensational news of the acquisition of Che Guevara's death mask and hands indicates the depth of his preoccupation and suggests that he did not really find the warmth and acclamation he was seeking.

*The Security Situation*

Despite Cuba's bleak economic picture and the drop in Castro's popularity, his position is secure. Minor acts of opposition, such as the painting of anti-Castro slogans on walls, appear to be more common, but there are no indications

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that an organized resistance has been formed. The state security forces are strong and remarkably efficient and have been successful in eliminating virtually all organized opposition within the country and in penetrating most anti-Castro exile elements abroad. There is no suggestion that either the armed forces or the security units of the Interior Ministry would fail to support the regime in a time of crisis. Neither are there any signs of plotting in high places; loyalty to Fidel always has been a major criterion in selecting key officials. The regime has demonstrated consistently its ability to eliminate quickly and efficiently any infiltration attempts by exile teams bent on initiating a new guerrilla war in the mountains. Since late 1968, all such attempts have been wrapped up within ten days of the date of infiltration.

*Conclusions*

Castro is deeply concerned about Cuba's grim domestic situation and probably will remain so for some time. He seems to realize the full extent of the detrimental effect of his fanatical drive to produce ten million tons of sugar in one year. He realizes, too, that the drive was pressed forward with such intensity that the failure to achieve the goal after all his boastful assurances has damaged his image. His speech on 26 July was, in part, an attempt to plumb the depths of

popular dissatisfaction with his leadership. The speech produced an air of expectancy that his address on 23 August did nothing to dispel. He himself seems confused, or at least uncertain, about what lies in store for his revolution, and this is bound to be reflected in the attitude of the population. Faced with political and economic facts of life, he appears to be much more willing to listen to advice than in the past. This will probably cause him to continue to adopt policies more in line with Soviet thinking in both the domestic and international spheres. In addition, he will probably resort to repressive measures more frequently as his moral incentives fail to bring about the increases in worker productivity that he is now demanding.

Although he is still in firm control and his position is unchallenged, Castro apparently has doubts about the level of his popularity at home. If he visits the United Nations or Chile, as reports indicate he might, he probably would do so with the intention of trying to restore his image at home by means of a grandstand play. Denouncing an alleged "invasion plot" against Cuba before the UN, for example, would serve a double purpose by casting him in the mold of David fighting Goliath and by creating an ominous military "threat" for the purpose of fanning nationalism and uniting the people against a common enemy.

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