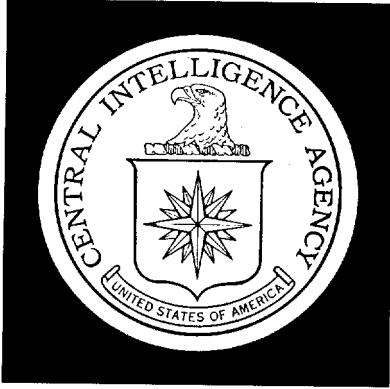


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DIRECTORATE OF
INTELLIGENCE

State Dept. review completed

WEEKLY SUMMARY

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FAR EAST

Cambodia: *Drive to Kompong Thom Still Stalled*

Late last week government troops inching their way overland toward Kompong Thom city finally reoccupied the village of Tang Kouk, where their advance had been checked by enemy elements for over two weeks. The Communists offered little resistance, as the bulk of their forces in and near the village apparently had withdrawn earlier to the northeast, possibly to their base in the nearby Chamcar Andong rubber plantation.

The Cambodian Army column on Route 6 has reached elephantine proportions, now consisting of 20 battalions. The Communists' failure to make any heavy attacks on this inviting target perhaps may be partially due to the threat of air strikes. In any case, the enemy has successfully

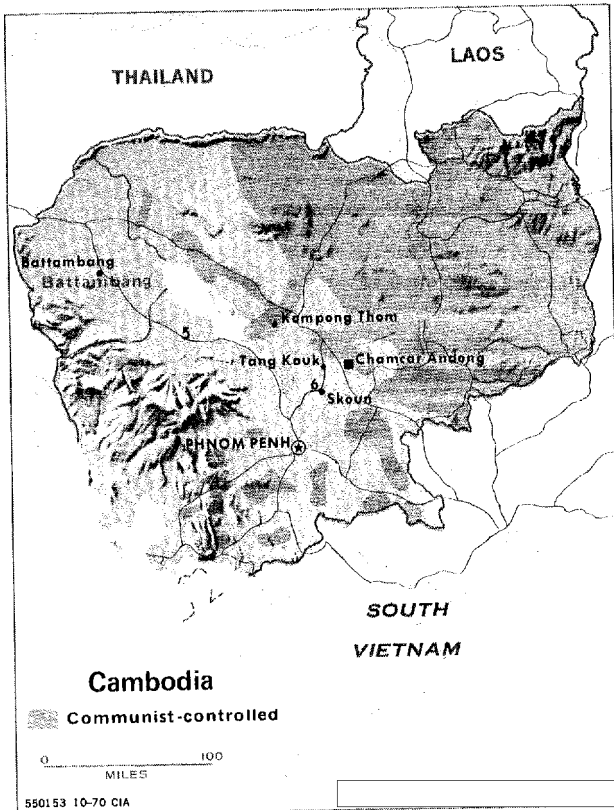
tied down large numbers of government troops since 7 September with a minimum of effort and in doing so has drawn more public attention to Cambodian military deficiencies.

It remains to be seen how much longer Phnom Penh will continue this operation, which is still 35 miles short of its goal. The column's commander has already told the press that the push north may be abandoned because Kompong Thom can now be resupplied by boat. Although some lead elements from the column did venture beyond Tang Kouk, most of the government troops were busy "reorganizing and consolidating" their positions around the village until a three-day religious holiday brought all activity to a full stop. Civic action personnel from Phnom Penh have also been indoctrinating villagers freed from enemy control. If the government task force does resume its advance, it can expect to meet with more determined Communist resistance.

A third river convoy reached Kompong Thom during the week, meeting only token enemy harassment en route. It delivered another battalion of fresh troops and a heavy artillery battery. Communist propagandists near the city have been telling villagers they will attack it soon, once they are reinforced and have installed anti-aircraft defenses.

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The Communists continued to carry out light harassing attacks and ambushes on government positions and lines of communication. The most significant action was directed against two of the country's most vital roads, Routes 4 and 5. Traffic on Route 4 has been subjected to harassment recently



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On Route 5, which connects Phnom Penh with rice-rich Battambang Province, one Communist ambush resulted in the death of the Battambang Province police chief. This incident and other recent attacks within 20 miles of Battambang city have heightened local apprehensions over the possibility of Communist attacks even closer to the city. Battambang reportedly has

assumed the appearance of an armed camp, and its residents have initiated a number of local defense measures. Regular government forces in the province are green and poorly armed, and probably not capable of withstanding the increased Communist pressure that is likely to come as the harvest season approaches.

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Vietnam: *More Communist Troops Head South*

Communists Plan New Action

Communist forces in South Vietnam are trying to mount relatively small-scale attacks in widely separated parts of the country. They apparently hope to demonstrate their ability to strike key targets at a time when they seem to be faltering in their efforts to shake the confidence of the government's territorial security forces and disrupt pacification.

Many signs point to early October as the period for the next round of attacks, but enemy timetables often slip, and some units have already been delayed in their combat preparations. Planning for attacks is concentrated mainly in the northern half of South Vietnam, although some units in the delta provinces could also participate on a limited basis. The biggest threat is in Quang Tri and western Thua Thien provinces where several North Vietnamese regiments are located near the South Vietnamese artillery position at fire support base O'Reilly. Most of the expected action in other areas will probably consist of shellings, harassment, and terrorism conducted by local force and guerrilla units. Since Sihanouk's ouster in Cambodia last March, the immediate enemy main force threat to the provinces that ring Saigon has been all but eliminated and the enemy's large-unit potential in the delta has been severely curtailed.

Madame Binh Aims for Doves

Military ambitions aside, the Communists have undertaken a considerable effort on the political plane to depict themselves as a force for peace. This is the main thrust of new evidence as to how the Communists plan to exploit the Viet Cong's eight-point proposal. A party directive drafted in late August and passed on to cadre earlier this month leaves the clear impression that Madame Binh's initiative is aimed in part at energizing peace movements in South Vietnam and abroad. The Communist "diplomatic offensive," it says, is designed to trigger a rise in antiwar activities in the United States, but the directive makes much more of the effort that is to be directed against the Thieu government. It orders the Communists to win over South Vietnamese "middle classes, religious groups, intelligentsia and the bourgeoisie" through an appeal to their peace instincts. By convincing people that only the ouster of the present Saigon regime and the withdrawal of US forces stand in the way of peace, the directive asserts the Communists will pave the way for the rise of a "third force" that will come to terms with them. The directive orders the entire Communist apparatus in Vietnam to be mobilized in support of this effort.

The extraordinary amount of background material on the Viet Cong proposal now being

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passed to Communist troops in the field suggests other steps will be taken to support this "diplomatic offensive." By itself, Madame Binh's initiative seems modest indeed; yet the Communists are making a real effort to assure their troops that basic Communist positions are unchanged and are warning that much fighting, and not peace, lies ahead.

The directive does seem to contain a hint or two that the Communists are not locked in to all the language used by Madame Binh. There is a suggestion, for example, that the Communist position on a complete US pullout has some flexibility.

Peace Advocates Return

Communist efforts to stir up peace sentiment come at a time when Lower House deputy Ngo Cong Duc, whose peace plan provoked the latest furor, has returned from Paris to defend his views. While in France, Duc elaborated on his plan calling for the participation in the Paris talks of a

fifth delegation composed of South Vietnamese doves. His proposals have been denounced by many moderate and hard-line Vietnamese political figures, and large protest demonstrations against Duc have been staged in several provincial capitals. Another dovish deputy, Pham The Truc, who issued controversial antigovernment statements while in Japan last year and who has stayed out of the country since then, reportedly is also preparing to come back to Saigon.

The return of these deputies will add to the unsettled political atmosphere, particularly if President Thieu pushes hard for the legislature to take action against them. Thieu called on the Lower House to move against Truc last year and he has now charged that Duc's proposal is no different from the Communist position. A new government initiative to force action against the deputies could create considerable executive-legislative friction, as it did in the Tran Ngoc Chau case last winter. The Lower House is considering a petition for Duc's expulsion, but it seems doubtful that it will receive the necessary two-thirds vote unless the government intervenes directly. 25X1

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Communist China: *Refurbishing the Bureaucracy*

Peking is moving forward in its efforts to normalize the central government apparatus even though several controversial policy and staffing problems probably remain unresolved. Last month the regime announced its intention to hold a National People's Congress (NPC), which is expected to serve as a forum for unveiling the new mechanism. It is uncertain how many loose ends the regime will attempt to tie up before convening the long-delayed congress, but the return to duty of a growing number of senior civilian bureaucrats and other signs of a reversion to conventional operations suggest that much of the groundwork for governmental reconstruction has already been laid.

In most ministries, the principal decision-making authority still appears to rest with military commissions that assumed control early in the Cultural Revolution. At least one civilian minister has been designated, however, and over the past few months more than a dozen veteran officials have been identified as vice ministers or department heads in both domestic and foreign affairs areas. Only last week, Peking called attention to the reinstatement of four more vice ministers who had served in the textile, agricultural machinery, petroleum, and industrial machinery ministries until their eclipse during the Cultural Revolution.

The reappearance of such senior bureaucrats suggests that many day-to-day operational responsibilities are being turned back to civilian experts.

An increase in civilian responsibilities may also be taking place at the lower echelons; several recently received letters disclose that a variety of administrative and professional experts who had been sent to rural areas for labor reform are now being recalled to Peking because of "work requirements."

In addition to progress on staffing, there have been a number of other indications since last summer that Peking has been giving considerable attention to the work of the central ministries. Propaganda has implied that a number of ministries have been holding nationwide working conferences and planning sessions. That the Ministry of Foreign Affairs appears to be functioning efficiently is evidenced by the increasing activity of its regional department heads and the continued posting of ambassadors, including two last week to East Germany and Somalia.

Peking is continuing its efforts to consolidate and streamline much of its top-heavy bureaucracy, and several ministries apparently have been merged. As a result, the NPC may reveal a government machinery considerably pared down from the 40 ministries that existed before the Cultural Revolution, although the current proliferation of vice ministers suggests the regime may not have succeeded in defying Parkinson's Law.

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Thailand: *A Period of Transition*

After almost seven years of unimaginative but steady leadership, Prime Minister Thanom is now clearly on the way out. The maneuvering to succeed him and reshape the way Thailand is governed, however, has yet to begin in earnest.

Thanom has become a casualty of his own style of leadership and of problems at home and abroad over which he, or any Thai prime minister, has only limited control. Although Thanom's self-effacement was ideally suited to the sort of collective rule by which Thailand has been governed since Marshal Sarit's death in 1963, there is a growing feeling that it is not appropriate for the tough decisions that the country now faces. In its handling of highly controversial legislation—the tax bill, the budget, the proposed press act—the government has been divided and indecisive. Not only has Thanom been unable to whip his political opponents in the parliament into line, but divisions within the government's own ranks have grown sharper, more rancorous, and unresponsive to the prime minister's leadership. In addition, the public display of differences among top leaders over policy toward Cambodia has not only hardened existing divisions within the leadership but has further undermined public confidence in the government's ability to act forcefully and decisively on an issue of grave national concern.

Thanom himself has grown increasingly weary of the political wars engulfing his admin-

istration; he has promised to give up his post as supreme commander of the Thai armed forces when he reaches the normal retirement age of 60 in October 1971. This would also appear to be a logical time for him to retire from the premiership as well, but strong counterforces—the loyalty of all of the armed forces and police and, most importantly, the monarchy—could suffice to keep Thanom in office until the next elections scheduled in early 1973 when he has publicly promised to step down.

If Thanom leaves office early, as seems increasingly likely, leadership would almost certainly pass on to Deputy Prime Minister Praphat, long the single most powerful figure in the government. With an exaggerated reputation for venality and conservatism, Praphat's ascension would be opposed by many elements of Thai society—including the monarchy and its supporters. His recent announcement that he is resigning from all commercial positions should help mollify some but will not win over his major opponents. These elements would see Praphat's elevation as signaling a retreat from the goal of a constitutional government with representative institutions. There is, however, no evidence that Praphat himself is maneuvering to hasten Thanom's exit, but many of his supporters in the army and in the civilian bureaucracy are eagerly looking ahead to the day of change.

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Japan Turns to the US for Aid on Space Program

Japan has recently decided to forgo its "do it yourself" space booster program in favor of obtaining the required technology and equipment from outside sources, primarily the US. This decision probably will be reinforced by failure of an attempt to orbit Japan's first scientific data collecting satellite on 25 September.

Up to now, Japan's space program has relied on two boosters of native design, the Lambda and the Mu, developed by Tokyo University scientists.

The Lambda was used to place Japan's first satellite—a small one not designed to collect information—into orbit last February. The Lambda

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program was plagued by separation and ignition problems, but Tokyo University scientists finally overcame these problems after four launch attempts had failed.

The Mu is a larger launch vehicle having four solid-propellant stages as well as eight strap-on, solid-propellant boosters. The launch attempt on 25 September was the first firing of the complete Mu space launch vehicle and was unsuccessful because the fourth stage failed to ignite. Tokyo University scientists probably will try again to launch the Mu in January.

Meanwhile, Japan's National Space Development Agency has been designing larger launch vehicles as follow-ons to the Mu rocket. This group had planned to develop two progressively

larger and more powerful launch vehicles, designated the Q and the N. Under present plans, however, the Q—an all-Japanese design—will be limited to testing purposes, and only the N will be used operationally. Furthermore, to shorten the development time and increase the payload of the N booster Japan has decided to forgo its own development of a new first stage for the N and will rely instead on the US Thor-Delta rocket for this purpose. The other two stages will be designed and built in Japan.

As plans now stand, Japan will acquire two or three Thor-Deltas from the US and hopes to arrange for licensed production in Japan. There will be eight launches of the N vehicle beginning in 1975 to place communications and scientific satellites into orbit.

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EUROPE

The Asian Parade to Moscow

Recent developments in Soviet policy toward Europe and the Middle East have tended to take the limelight away from Moscow's relations with the Asian states on the periphery of China. That an intensive Soviet courtship of these states is under way, however, is evident in Soviet trips abroad and especially in the steady stream of Asian visitors to Moscow in recent months.

One of the consequences of last year's clashes on the Sino-Soviet border was the new impetus given Moscow's drive to win friends and influence in Asia. Almost immediately after the incidents, Premier Kosygin visited India, Pakistan, and Afghanistan; President Podgorny went to Mongolia and North Korea; and lesser Soviet officials traveled to Burma, Cambodia, Laos,

Thailand, Singapore, Malaysia, Indonesia, and Japan.

The visits seemed motivated primarily by Moscow's desire to gain acceptance for the Soviet version of what had happened on the Ussuri River. The subsequent recall of all the USSR's ambassadors in Asia for a general policy review, coupled with Brezhnev's "proposal" for a system of collective security in Asia, suggested that the Soviets had embarked upon a new effort to increase their influence.

Brezhnev's proposal, couched in general terms, evoked a great deal of curiosity and also much skepticism. No detailed elaboration of the proposal was ever given and Moscow, after taking

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soundings from Asian leaders, apparently concluded that, for the time being at least, it was wiser to concentrate on bilateral paths of trade and diplomacy.

Since last September, when Japanese Foreign Minister Aichi made his first official visit to the USSR, there has been a virtual parade of Asian visitors to the USSR. Aichi was followed by Prince Sihanouk in March, and in April leading officials from the Asian Communist countries (Le Duan from North Vietnam, Tsedenbal from Mongolia, and Choe Yong Kon from North Korea) went to Moscow for the Lenin Centenary celebrations.

They in turn were followed by Pakistani President Yahya and Australian Deputy Prime Minister McEwen in June, Malaysian Prime Minister Tunku Abdul Rahman in July, and Indonesian Foreign Minister Malik and Afghan Prime Minister Etemadi in August. September was the

busiest month of all. Singapore's Prime Minister Lee Kuan Yew and Indian President Giri both made lengthy state visits to the USSR, and Afghanistan's King and Queen also stopped off for a two-day "unofficial" visit.

Moscow has clearly derived benefit from some of these visits; others have not been so successful. Developments in Cambodia over which the Soviets had almost no control, for example, have placed strains on the USSR's relations with Hanoi that talks in Moscow were not able to overcome. On the other hand, Indonesian Foreign Minister Malik's visit resolved the debt-repayment question that had been clouding Soviet-Indonesian relations for years. The Soviets recognize, however, that diplomatic efforts will take time. Consequently, Moscow is probably not too discouraged by its lack of progress thus far and will probably continue to encourage close and frequent contacts with Asian leaders.

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USSR: *Recent Appointments Spell Status Quo*

Party boss Brezhnev has been increasingly active in domestic and foreign policy affairs in recent months and the extensive publicity accorded him has further underscored his pre-eminence within the leadership. The pattern of recent personnel assignments suggests, however, that he has not measurably increased his authority in this vital political area and that collective decision-making still prevails.

Appointees to several important regional party posts have all been relatively obscure local officials who have made their way up through the local party organization. None has any visibly close contacts in the politburo. Although this pattern in part reflects a conscious party effort to work out a more orderly "career development" policy in the wake of Khrushchev's arbitrary approach, it also reflects the fact that no one member of the politburo has gained the upper hand in

cadre matters. Brezhnev has been able gradually to eliminate followers of his political rival Shelepin, but he apparently has not exercised more than a veto in the selection of their replacements.

The recent change in the leadership of the Leningrad party organization has reflected this situation. There are a few tentative indications that the political sympathies of former Leningrad party boss Tolstikov, who was confirmed as ambassador to Peking in mid-September, lie with Shelepin. In any event, he is clearly no supporter of Brezhnev, and his exile to Peking is a gain for the General Secretary. Tolstikov was succeeded in the key Leningrad post, however, by his long-time deputy and presumed protégé, Grigory Romanov.

The 47-year-old Romanov is little known outside of Leningrad. He has spent his entire

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career there and has served as second secretary of the oblast party committee since 1963. Similarly obscure local officials were selected to head the party organizations in Chelyabinsk Oblast and Khabarovsk Kray during the summer. These shifts were obviously made with an eye to the upcoming party congress next March, when both men can expect to be elected to the central committee. Romanov is already a member. Because of the importance of the Leningrad party post, he should eventually gain a seat on the politburo as a candidate member. Tolstikov was the only head of the Leningrad organization in recent years who failed to achieve this rank.

The Leningrad shift was presided over by party secretary Suslov. His presence underscored both the importance of the Leningrad post and

his own position in the leadership. It also provided additional evidence that Brezhnev did not have a free hand in the selection of the party boss in this oblast, whose allegiance has historically been especially important to the head of the party.

Since Brezhnev became party boss he has publicly presided over two personnel changes elsewhere. In both cases his presence was a clear display of his personal involvement in the matter. The first and most notable time was at the reinstatement of his protégé Kunayev as Kazakh party boss immediately after Khrushchev's ouster. Brezhnev has not publicly demonstrated this authority in cadre matters for several years, however, which raises a question as to how firm his control of the new central committee will be. [redacted]

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YUGOSLAVIA: President Tito is wasting no time in rallying support for his recent proposal of a collective presidency. The party executive bureau met in unprecedented session on 25 September, together with representatives of the Federal Assembly, the popular-front organization, trade unions, and the constituent republics. Edvard Kardelj, who more and more appears to be Tito's choice as his successor, gave the main report approving the concept of a collective presidency, and necessary constitutional changes were agreed

upon, at least in principle. The full presidium of the Yugoslav party will meet on 3 October, only a short time after the completion of President Nixon's visit, to hear Tito and Kardelj speak on the subject. Thereafter, lesser party and government bodies on the republic level will be convened to discuss the topic. The reason for Tito's haste is not clear. As far as is known, he is not ill and does not intend to retire soon. [redacted]

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SWEDEN: Final returns from the parliamentary elections on 20 September have reduced the ruling Social Democratic Party's representation in the new unicameral Riksdag even further, thus forcing Prime Minister Olof Palme to rely more heavily than he had anticipated on Communist support to remain in office. The 350 seats in parliament are distributed as follows: Social Democrats 162; Communists 17; Center 71; Liberals 58; and Conservatives 41. When the new Riksdag convenes next year, the three bourgeois

parties together will have one-seat majorities on all parliamentary committees, giving them the power of life and death over legislative proposals. This factor combined with the ideological heterogeneity of the Communist delegation—ranging from pro-Maoist through neo-Stalinist and revisionist to New Left—does not promise smooth sailing for the Palme government, despite its ostensible 10-seat majority in combination with the Communists. [redacted]

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Safeguards Problems Beset the IAEA

The highlight of the annual conference of the 103 member states of the International Atomic Energy Agency (IAEA) that ended this week was the adoption of an Italian proposal to amend the IAEA statute to expand the Board of Governors, the agency's executive entity, from 25 to 35 members. Rome and Bonn would receive permanent seats on the board under terms of the amendment, which must be ratified by two thirds of the member states.

The Soviets strongly opposed the Italian initiative and will probably launch a campaign to delay ratifications of the amendment until Italy and West Germany, both members of the European Atomic Energy Community (EURATOM), have ratified the Nonproliferation Treaty (NPT). Moscow maintains that states sitting on the board but not having fully accepted the treaty will seek to weaken the safeguards agreements that nonnuclear-weapon states or regional groupings must reach with the IAEA. Both Italy and West Germany will delay their NPT ratifications until EURATOM has worked out a satisfactory agreement with the IAEA, a lengthy process currently delayed even more by the refusal so far of France to join its five partners in drafting a negotiating mandate for EURATOM.

France does not intend to sign the NPT and wants any IAEA-EURATOM agreement phrased in such a way as to protect its right as a nuclear power to refuse international inspection of its

nuclear facilities. Several other states, those in the near - nuclear-weapon category, also have expressed concern that a comprehensive IAEA verification arrangement would have a strong industrial espionage potential harmful to any technological advances they may make in peaceful applications of nuclear energy.

The difficulties the IAEA faces in establishing a viable safeguards system were most evident at the recent meeting of its working group looking into the question of inspections. The US, with support from the UK and Hungary, argued primarily for minimum restrictions on IAEA rights of access. Three near-nuclear—West Germany, Japan, and Sweden—favored inspection only at certain key points in the utilization of fissionable material. An accord was not reached/

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Fifty-six nonnuclear-weapon states adhering to the NPT were to have begun safeguards negotiations with the IAEA by 1 September under terms of Article 3 of the treaty. Only 16 have declared their readiness to enter into negotiations, and the IAEA's continuing inability to set its own house in order on the desired level of inspections hardly serves to induce a more forthcoming attitude on the part of the 40 delinquents.

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France: *Government Labor Policy Succeeds*

Prospects for a peaceful labor scene this fall have been greatly enhanced by the Pompidou government's efforts to create a "new society." Premier Chaban-Delmas, architect of "La Grande Reforme," has introduced a number of innovations that have satisfied major demands of labor

leaders in the private and public sectors, thus reducing the possibility of large-scale strikes resulting from social and economic tensions. Important negotiations begun this week with the nationalized railway workers will test whether in fact the unions are content for the present to

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bargain around a conference table rather than in the streets.

Earlier this month, Finance Minister Giscard D'Estaing completed a series of consultations with France's five major labor federations on government proposals for tax reform. These talks constituted one of the more significant reaffirmations of the government's philosophy of consultation in the field of labor relations. One aim of the government in promoting consultation is to create a sense of participation on the part of the unions in the search for programs and actions commensurate with France's resources and progress. [redacted]

[redacted] the labor leaders involved, including Georges Seguy of the Communist-led General Confederation of Labor (CGT), have expressed satisfaction that their meetings with the Finance Minister have constituted a true dialogue, with a genuine give-and-take of ideas and arguments on the regime's tax proposals.

Nonetheless, some labor leaders are still apprehensive and are following a "wait and see" policy. In an effort to discredit the government's actions, Seguy has announced that tax reform will be the theme of mass meetings the CGT will organize in October at the time the National Assembly debates the budget.

In the past year, the government has made several other labor reforms. Blue-collar workers were transferred from hourly to monthly pay status and granted fringe benefits formerly enjoyed only by white-collar workers, and workers who take vocational training to upgrade their skills are being given leave with full pay. Although the CGT has been reluctant, most unions have responded positively to the introduction of the "social contract," designed to give labor and management time to iron out disagreements. In return for a 90-day pledge not to strike, the unions are guaranteed wage adjustments linked to movements in the GNP, worker productivity, and the general performance of the employing company.

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Other important reforms include the revision of the legal minimum wage with annual adjustments, and the share-holding program for Renault workers, who, on the basis of seniority, are given rights to dividends and representation on management councils.

The successful introduction and implementation of these reforms and the impressive Gaullist parliamentary victory in Bordeaux last week indicate that Chaban-Delmas' "new society" is working. [redacted]

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INTERNATIONAL AVIATION: Toward week's end the US draft resolution on aerial hijacking had a 50-50 chance of adoption by the International Civil Aviation Organization (ICAO) Council. Fourteen of the 27 council members must vote for adoption, and 10 seemed certain to do so. France appeared reluctant to oppose the US draft openly and reportedly was seeking sufficient

abstentions to deny the US a majority of council ballots. Complicating the prospects for the US draft were less stringent Canadian and Japanese alternative proposals that may be more palatable to a number of countries concerned about the economic effect of an air services boycott. [redacted]

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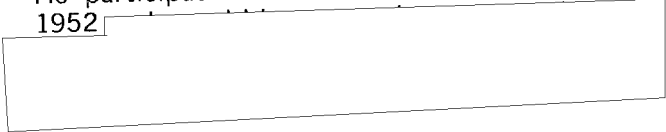
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MIDDLE EAST - AFRICA

Egypt: *Nasir Passes from the Scene*

President Nasir's death following a heart attack on 28 September leaves Egypt and the Arab world with no single leader of comparable stature.

Nasir's loss will be sorely felt in Egypt, where there is no obvious permanent successor. According to constitutional law, Vice President Anwar Sadat has been appointed interim president, and a new president is to be selected within 60 days. Although Sadat may be selected to stay on as a figurehead chief of state, he is not thought to carry much weight in Egyptian political circles. He participated with Nasir in the revolution of 1952



If a figurehead president is chosen for the short term, the decision-making will probably be left in the hands of the group of advisers who constituted Nasir's inner circle. Included in this group are Minister of State Sami Sharaf, who has also been chief of presidential intelligence; Minister of National Guidance Muhammad Haykal; Minister of Interior Sharawi Jumah; and possibly Amin Huwaydi, who is currently a minister of state but until recently was chief of general intelligence. There seems to have been some rivalry among these men and,



President Nasir

although they all appeared to share a common loyalty to Nasir, it is not clear whether or for how long they will set aside their differences in order to preserve the political stability that Egypt has enjoyed since the early 1950s.

The active military leadership cannot be ignored in this period of

transition, however, and whoever eventually emerges on top will need at least the tacit blessing of the armed forces. Muhammad Fawzi, the commander in chief of the armed forces and the minister of war, is not believed to have any particular political ambitions for himself, but his influence with the military will be important in determining whom they support. Other generals may also hope to play a role in post-Nasir Egypt.

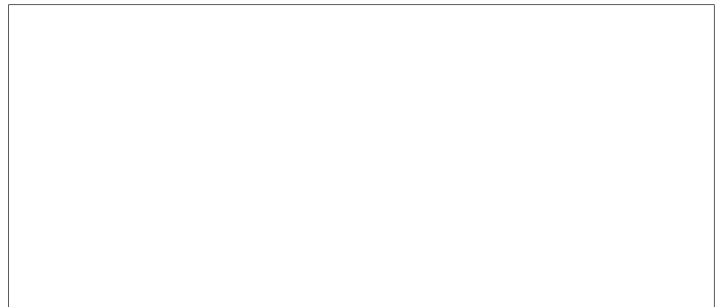
There are also a number of civilians who either hold positions of some influence now or have held important posts in the past who could be involved in the political maneuvering that is reportedly already taking place. This group includes such figures as former vice president Zakariya Muhyeddin; member of the executive council of Egypt's sole legal political organization Ali Sabri; and such former members of Nasir's "free officer" group as Abd al-Latif Baghdadi. The final outcome of this period of flux cannot be predicted, however, and some relatively obscure figure could eventually emerge at the top—even as Nasir himself did

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Israeli Reaction



Israeli Arab-watchers expect military leaders to dominate any Egyptian regime. They believe that the new rulers will be so preoccupied with infighting and maintaining power, and so engrossed in domestic problems, that they will be ineffective either diplomatically or militarily.

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They see no one of Nasir's stature emerging for years, and believe that individual Arab states will act with increasing independence of Cairo. They thus conclude that Nasir's death has set Arab nationalism back ten years and has probably slowed the Arabs' anti-Israeli drive. Israeli officials are also probably not unhappy that Nasir's death, combined with the upheavals in Jordan, has probably set back peace talks for some time.

Other Effects of Nasir's Death

The Soviets will be gravely worried about their long-run position in Egypt. They will play their cards in a fashion calculated to protect their stake, subordinating short-run concerns to their effort to find and back a new leadership that promises to be of enduring value to Soviet interests.

Most Arab leaders are likely to maintain a respectful silence on the succession question until the dust has settled, but the centrifugal forces in the Middle East will be accelerated without Nasir's stabilizing influence. The other Arab leaders are either too preoccupied with their own problems, or of too little influence, to be serious contenders for a leadership role.

Nasir's death seriously complicates Middle East peace efforts, but its precise effect may not be clear for some time. At least at the outset, the new Egyptian leadership will probably be preoccupied with domestic political concerns and will not be eager—or perhaps able—to explore new approaches to the Arab-Israeli problem. Even if they were, they do not command Nasir's authority in Egypt or in the Arab world and would have trouble making any agreement stick

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Jordan: The Crisis Ebbs

Thursday morning, army units and truckloads of fedayeen began moving out of Amman, bringing to a close the latest round in the continuing Bedouin-Palestinian hostilities. Egyptian President Nasir was the principal architect of the present settlement, which was agreed to last weekend in Cairo by King Husayn and Yasir Arafat. Despite Nasir's sudden death, the fragile armistice still managed to pass beyond the initial stages of implementation under the close supervision of military observers from the major Arab states.

As in past settlements, both sides can claim victory. The fedayeen were never dislodged from large sections of Amman and still hold parts of northern Jordan. The army has had the satisfaction of a showdown with the despised irregulars and, if its performance in Amman was less than decisive, it covered itself with glory by repulsing

the Syrian invasion. Even if the terms of the settlement are fully carried out, however, further army-fedayeen clashes seem inevitable. Senior army leaders are likely to be grudging in their acceptance, and casual contacts between Bedouin soldiers and commandos could again erupt into shooting. Much still depends on the attitude and leadership of Yasir Arafat, and on the King's desire and ability to keep the army in check.

The agreement signed in Cairo and endorsed by Arab chiefs of state on 27 September differed little from previous government-fedayeen compacts, but it did provide for enforcement by the other Arab states and this has been the key to its successful implementation so far. If necessary, both sides can justify their acceptance despite previously adamant rejections by terming it an imposed settlement.

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The process of cleaning up the capital has begun, but at least ten days will be required to restore a modicum of water and power supplies. Food stocks are beginning to pour in, but the volume so far is inadequate fully to meet the need. Earlier casualty estimates have been scaled down, and it is now believed that the number of dead in Amman will probably not exceed 1,000. Emergency hospitals, including two flown in by the US, are operating around the clock.

Fedayeen units in the north appear to have spent the early days of the cease-fire consolidating and extending their hold on Irbid, Ramtha, and other cities and towns. As a result of fighting that continued sporadically as late as 30 September, the army may have succeeded in cutting the road between Ramtha and the Syrian border. By noon Thursday, however, press sources indicated that guerrillas and army officers had signed an agreement to restore peace to the north and that army tanks had pulled away from the Ramtha road.

The proximate cause of the latest conflict, the seizure of foreign hostages by the PFLP, was finally resolved when the last six airline passengers were released on 29 September. None had been harmed, and most remarked favorably on the treatment they had received. The next day, the seven guerrillas held in Switzerland, West Germany, and the UK were released and flown to Cairo.

Israel Sees Balm in Gilead

Israeli officials have issued a whole series of warnings to Jordan and the fedayeen, threatening a strong Israeli military response if the guerrillas

concentrate in northern Jordan and begin to harass Israeli settlements in the Beit Shean valley across the border. The warnings and threats suggest that, given a justifiable opportunity, Israel may be thinking of moving across the Jordan River to clean out and perhaps to hold the Gilead Heights. In this regard, General Bar-Lev, the Israeli chief of staff, warned of military actions "different in scope and character" than previous strikes against the fedayeen. Moreover, Deputy Prime Minister Allon noted that Israel has the means "to ensure that the Jordan valley and the Beit Shean settlements will not again be easy targets for the Jordanian Army and terrorist organizations." The Israelis have nevertheless scaled down their build-up opposite north Jordan, although there has been no evidence that the reserve units mobilized during the crisis have been released.

PFLP to go Underground

The PFLP, which was responsible in large measure for bringing on the recent disorders, has decided to become an underground terrorist organization targeted against "reactionary" Arab states as well as Western interests. The extremist fedayeen group is convinced that the Palestine Liberation Organization and certain "reactionary countries"—Lebanon, Saudi Arabia, Jordan, and the Persian Gulf states—are "maneuvering" against it. The PFLP believes that as a result of its activities over the past three years, the organization has established the sort of reputation it needs to make converts to its cause. Eventually, it hopes to lead an uprising of the Arab masses, a goal of its parent organization, the now-defunct Arab Nationalist Movement (ANM). The ANM had branches throughout the Arab world prior to the June 1967 war, and the PFLP may be hoping to reactivate this old apparatus.

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Chad: *Insurgency Respite*

President Tombalbaye's government, with French help, has won a battlefield respite in its five-year struggle against Muslim insurgents. Concomitant administrative measures, however, have not yielded the improvements and socioeconomic services necessary to eliminate the underlying causes of discontent.

The insurgency stems from the Muslims' historic ethnic conflict with the non-Muslim southerners who now rule the country, but it has been enflamed by poor local administration and unjust taxation. At the request of the weary Tombalbaye regime, France intervened a year and a half ago on the condition that sweeping reforms be undertaken.

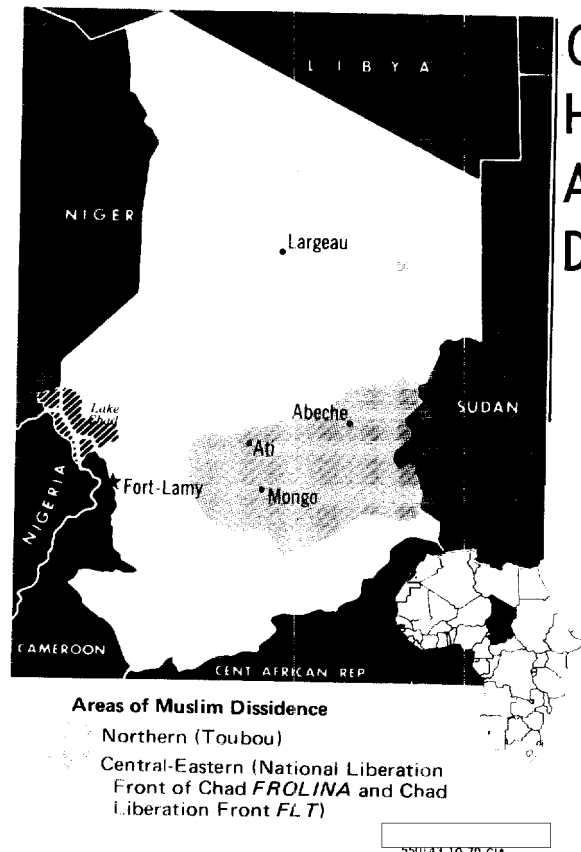
At the moment, the military situation appears well in hand. There has been no serious dissident activity since last April, and the rainy season now ending has not seen the usual resurgence of widespread raids in central-eastern Chad. Instead, several important insurgent leaders from the central area have initiated an informal cease-fire preparatory to engaging in peace talks early this month. The rebels in this region seemingly are in greater disarray than those in the east and north, where sporadic incidents are more common.

Tombalbaye has helped contain the insurgency by developing closer ties with his Arab neighbors. The insurgents have not received aid from Sudan or Libya, and their self-styled leader in exile has been barred from both countries. Also, Khartoum has promised a greater effort to interdict rebels seeking sanctuary.

French combat troops are being gradually pulled out, with mid-1971 as the completion

date. An expanded advisory element will remain for several years to assist in administrative reform and to complete the retraining of the Chadian military. Chad's French-led forces, aided by the permanent French intervention force at Fort Lamy, supposedly will be ready to assume the defense burden by next year.

Unless Chad follows up its military gains with administrative remedies and a political settlement, however, dissidence will probably continue



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and could again reach dangerous proportions, given the military's uncertain capabilities. Moreover, eastern and northern insurgent leaders are not party to the scheduled peace talks, which may yet founder because of government intrans-

sigence or prove to be only a rebel delaying tactic to allow them to regroup. Although Paris sees no alternative to Tombalbaye, it probably is not prepared to shore him up indefinitely for intangible results. [REDACTED]

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Congo (Kinshasa): *Bad News for Brussels*

Two years of relatively good relations between the Congo and Belgium recently came to an end when Kinshasa announced several economic changes that disturbed Brussels, and the Congolese press assumed an anti-Belgian tone. Belgian officials have voiced their concern to the US.

Kinshasa made two announcements affecting Belgian corporations operating in the Congo in mid-September. One was a decision to award two mining concessions in Katanga to an American-led consortium rather than to a Belgian-led one including Union Miniere, the company that operated the Katanga copper mines until late 1966. Various political and economic considerations entered into the decision, but, in the final analysis, Mobutu apparently decided that he did not want Union Miniere to return to the Congo, even on a small scale.

Secondly, a decision was made to place all subsidiaries of Cominiere—a large Belgian company that operates most of the Congo's public utilities—under the Ministry of National Economy. Officials in Cominiere are currently engaged in internal legal wranglings, and the Minister of National Economy claims the action was taken to prevent a deterioration of Cominiere's services while the legal maneuvering is going on.

Although these two decisions were not related, the Congolese Council of Ministers released a communiqué that linked them. The communiqué was then reprinted by the local press with anti-Belgian overtones, a line it probably would not have taken without direction from or at least the tacit approval of the President. Moreover, Mobutu himself added fuel to the fire by making several anti-Belgian comments in his own speeches.

Officials in Brussels—already nervous over Mobutu's recent demotion of National Bank Governor Ndele, whom they believed to be the only Congolese with good financial judgment willing to speak up to Mobutu—reacted to these developments with concern. Belgians in the Congo, however, have remained calm, assuming that this, like similar incidents, will soon pass.

It is unclear why Mobutu has taken this tactic when he is so eager to attract foreign investment into the Congo. Part of it is a lingering distrust of Union Miniere and Mobutu's personal ire over the attempts of one Belgian company to gain control of Cominiere. Of equal importance, however, may be the national elections to be held later this month and in November; Mobutu is well aware that standing up to the Belgians is always good politics. [REDACTED]

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Dominican Opposition Crumbles

Since his re-election last May, President Balaguer's political tactics have all but eliminated any effective opposition, and his opponents now seem resigned to another four years of his paternalistic rule. The Communist left, which disrupted the election campaign with numerous killings, is now on the defensive as a result of a persistent counterterrorism campaign by security forces. Former president Juan Bosch's leftist Dominican Revolutionary Party (PRD), virtually the only organized, large-scale opposition group, will probably be the object of increased harassment.

The only two parties to attract a sizable share of the vote against Balaguer are in serious straits. The activities of the Anti-Re-election Democratic Integration Movement (MIDA) have practically ground to a halt, and party leaders reflect the group's despair by focusing not on the objective of building an effective opposition but on the hope that Balaguer will step down in 1974. MIDA, a breakaway faction from the President's Reformist Party, may find its ranks further thinned over the next several months as repentant Reformistas return to the fold. Former general Wessin's rightist party is faced with even more serious problems. Military supporters have deserted him for a chance to return to the active duty posts proffered by the administration, and a significant civilian segment of the party, [redacted]

[redacted] has bolted the organization and accepted government positions.

The President has dealt with the left in less subtle fashion. The security forces' campaign has been blatant, brutal, and effective. Several ranking figures of the Dominican Popular Movement

(MPD), the most active Communist faction, have been killed or jailed recently. This week, a party youth leader was arrested and murdered by police. The MPD, which was responsible for the kidnaping of the US air attaché in March, may attempt some spectacular retaliatory act. [redacted]

[redacted] Most of its energies have been spent in a futile battle with Bosch for leadership of the left. Balaguer's strategy has been to set factions of both the right and left to warring, and his opponents' naiveté has contributed to the success of his efforts.

Meanwhile, former president Bosch has continued the surprising, generally moderate policies he adopted on his return to the country early this year. Military leaders, who consider Bosch a Communist and the greatest threat to Balaguer's carefully nurtured stability, are nonetheless concerned. They fear that he is playing a waiting game, building a more moderate party image and hoping to enter the elections in 1974 rather than abstain as in this year's contest.

Bosch is currently purging radicals from the party and has outlined plans for rebuilding labor support and for organizing peasant leagues. New initiatives in these sensitive areas—the rural population is the mainstay of Balaguer's electoral support, and leftist-tending unions have been tightly controlled—would probably elicit a strong government response. With other opposition camps in disarray, the armed forces will probably turn increasing attention to PRD activities. The military has already been using a fictitious right-wing front to harass the party. [redacted]

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Terrorism on the Upswing in Guatemala

The almost daily terrorist incidents in Guatemala over the past two weeks seem designed to provoke a repressive response from the government that in turn might force the more cautious "revolutionary" elements to join a campaign of armed violence.

The two-month lull in terrorist activity ended in mid-September with dozens of bombings, assassinations of police officers and others, kidnappings, and scattered acts of sabotage. Disappearances of university students have led to protests and accusations of government repression. Minister of Government Arenales has claimed publicly that the terrorism represents a "master plan" to force the government to "depart from the margin of the law."

The resumption of terrorism comes in the wake of a confrontation between FAR commander "Manzana" and dissidents embittered by inactivity, but it is unclear whether the new round of violence is the work solely of FAR splinter groups or whether it is the work of several groups.

The Communist Party (PGT), which believes it has growing assets in the quasi-legal sphere and therefore opposes the use of armed violence as the major revolutionary strategy, is seriously disturbed over the recent increase in terrorism and alleged Cuban influence in the FAR. Because the PGT is more exposed than the FAR, its members are more vulnerable to a government crackdown.

[redacted] the FAR wants to provoke the government into retaliating against the PGT because the party has refused to cooperate with the terrorists in several recent operations. More than likely, however, FAR activists want to prod the PGT into adopting an active policy of violence.

The Arana government meanwhile is pursuing its crash program to upgrade the security forces, and it plans to activate soon a harder line against the insurgents. A new emergency law is now in draft and Congress is being asked to appropriate \$500,000 for an anti-insurgency and pacification program. The mobile military police reportedly will be replaced by a larger national guard to police the rural areas, and several of the now-independent and often rival police forces will probably be combined. The armed forces have been redeployed, new paratroop companies have been added, and the increased army presence in some rural areas has already slowed banditry and guerrilla violence.

The lack of visible security success in Guatemala City, nevertheless, is raising questions as to why Arana is not implementing his promised imposition of law and order. The government evidently remains determined to act against terrorism primarily through legal methods, but Minister of Government Arenales believes that in the face of the current security problem, the government soon must react severely if it is not to be confronted with the disaffection of right-wing civilians and some military supporters. The government is also concerned that the FAR will attempt a "spectacular" assassination, which would increase significantly the pressure on the government.

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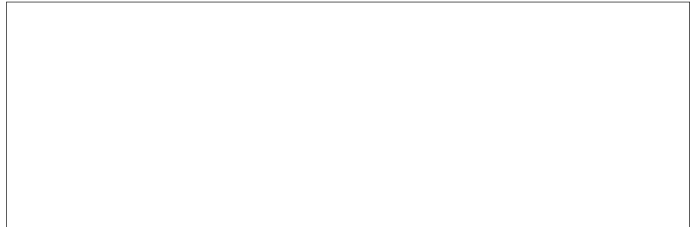
Peru: Discontent Growing in the Military

Military disillusionment with the Velasco government has reached a higher point than at any time since the overthrow of President Belaunde two years ago. Opposition to such radical policies as the industrial reform law is partially responsible, but perhaps more important is the growing estrangement of officers who participate directly in the government from their nonpolitical colleagues in strictly military positions.

The most recent outward sign of dissatisfaction with the government's policies was the resignation of Labor Minister General Chamot. Chamot has been instrumental in blocking official recognition of the Communist labor confederation despite pressure from some members of the government. His dismissal and the reorganization of the Labor Ministry have been among the list of demands in most Communist-led strikes of recent months.

It was announced that Chamot resigned for personal reasons, but a strike of Communist-led workers that has paralyzed the mining industry may have increased the pressure on him. The Communist labor confederation was asked earlier by the Minister of Interior (who will temporarily fill the labor post) to play a leading role in the celebration of the Velasco government's second anniversary on 3 October. A 15-day suspension of the miners' strike was announced shortly after Chamot's resignation, indicating that he was forced out at this time to avoid any problems for the government on 3 October. Chamot's perma-

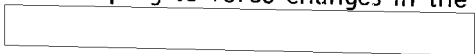
nent replacement will be the present air attaché to Paris, General Pedro Sala Orosco, whose political attitudes are unknown.



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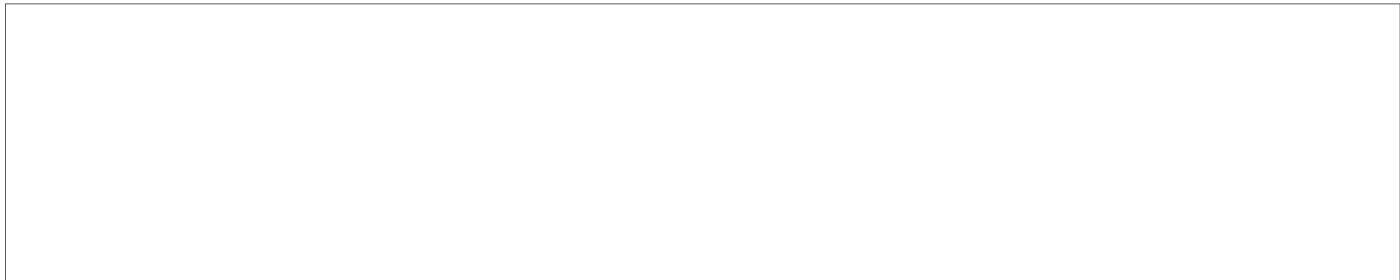
In order to fill some of the strategic positions expected to open up as a result of the personnel changes, President Velasco was forced to resort to issuing a special decree promoting officers he trusts. General Montagne, the minister of war who has opposed many of the government's radical measures, previously had been successful in keeping Velasco's favorites off the promotion list. Most had not met the necessary requirements, and the President's action in overriding the list has angered many top military officers.

General Jose Benavides, who is highly popular within the army and is a leading spokesman for the moderates, retired from active duty when he was passed over for promotion. Bitter over his treatment and disillusioned with Velasco's policies, Benavides could become the rallying point for other officers hoping to force changes in the government.



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Ovando of Bolivia Completes First Year

President Ovando celebrated his first anniversary in Bolivia's top office on 26 September, but had to overcome another political crisis in order to do so. Ovando has had to resort to crafty maneuvering and compromise to stay in office this long, and the very eve of his first anniversary was no exception.

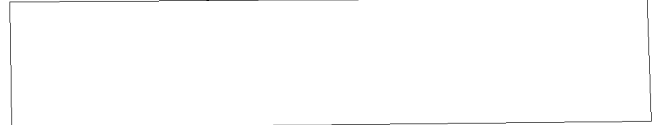
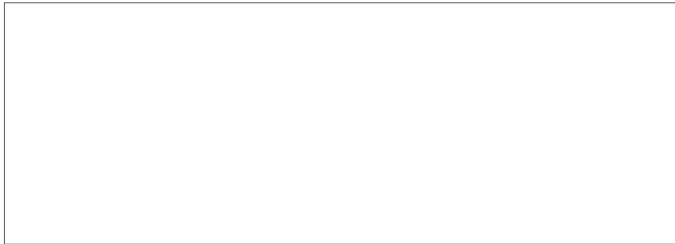


Apparently, no time frame was set for the cabinet changes, but removal of the ministers would represent a further curbing of Ovando's power by the military. It is possible, however, that Ovando will continue to procrastinate—as he has in the past—or balance the removal of the leftists by dismissing a military minister such as Interior Minister Ayoroa.

On 25 September there were widespread rumors that Ovando was either going to resign or be forced out of office. That something was afoot was suggested by meetings of top military officers on 23 September followed by a communiqué issued by a group of retired generals on the 24th calling for Ovando's removal and for new elections.

By making these promises, Ovando has weathered yet another serious political crisis. All of the participants in the Ovando-military struggle are still present, however, and there is nothing to suggest that any basic differences have been resolved. Thus, the conflict that has characterized Ovando's first year is assured for the second.

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CUBA: By avoiding major issues in his speech on 28 September, Fidel Castro did little to dispel the uncertainty that has characterized his leadership since the end of the sugar harvest. During his address marking the tenth anniversary of Cuba's neighborhood vigilance committees (CDRs), Castro repeated his theme of 26 July that the political development of the national youth, women, farmers, and labor organizations has been neglected, and promised that these groups would receive the attention they merited. He assumed full responsibility for the neglect, and, in an im-

plicit criticism of his own decision to concentrate on harvesting a record-breaking ten million tons of sugar in 1970, attributed his error to "a certain idealism." He again referred to a vague process by which the people, especially through the mass organizations, would exert greater control over production of goods and services, but he again failed to describe specifically how this control would be achieved. He made it clear, however, that repressive measures are being developed for use against workers guilty of "vagrancy, parasitism, and absenteeism."

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Chile: *Allende Sees Clear Road to the Presidency*

Marxist Salvador Allende's growing confidence that nothing stands between him and the presidency was demonstrated clearly this week.

He refused to accept the specific list of "democratic guarantees" presented him by the country's largest party, the Christian Democrats (PDC), saying his long "democratic vocation" is proof enough that guarantees are not needed. He added that the Chilean people are the real guarantee of their democracy, and rejected outright the PDC request for assurance that as president he would not interfere with the armed forces. Allende claimed that his respect for their professional role could not be questioned and that he would not relinquish even to his own coalition the presidential prerogative of designating the high command of the military.

Allende's adamancy is predicated on his certainty that a bloc of the PDC represented by 25 legislators will vote for him on 24 October without conditions. This will ensure confirmation of his slim electoral victory on 4 September. This bloc is led by defeated presidential candidate Radomiro Tomic,

Divisions between leftists and moderates have wracked the PDC for years. One leftist faction bolted in 1969 and is now part of the Allende coalition. Tomic's group is sure to bring the matter to a head at the PDC national congress this weekend, shattering President Frei's recent efforts to unify the party.

The formerly close relationship between the PDC and the Roman Catholic Church in Chile has weakened considerably. Important elements of the left wing of the church have come out strongly for Allende, and on 24 September the Chilean Episcopate made a formal statement that in effect counsels "Christian acquiescence" to Al-

lende's plurality in the popular election. Father Roger Vekemans, a leading international churchman who has lived in Chile and has played an active role in social reforms there for some years sees little hope of stopping Allende short of intervention by the Chilean military, which he considers highly problematical. The prospect of an Allende government has led Father Vekemans and his West German backers to transfer his social development organization (DESAL) to Caracas.

Meanwhile, Allende's Popular Unity (UP) activists are following up their successful efforts to extend their control over most of the media and universities by taking quiet but effective control of union and professional organizations in virtually every significant enterprise and activity. They will then be in a position to influence labor negotiations and to facilitate Allende's reported plan to halt the exodus of managerial and technical personnel as soon as he takes office.

Within the UP, the Communist Party (PCCH) has set up a 50-man commission of specialists to plan the execution of the coalition's program according to PCCH priorities. The commission is working on the problem of how to implement the 40 popular "bread and butter" measures Allende promised to take as soon as possible, as well as on how fast and how extensive the nationalization of Chilean industries should be. PCCH studies are also being made on attracting foreign investment and on expanding trade with Communist countries while also maintaining Western European and US trade options.

Their optimism that Western European countries will continue to do business as usual under an Allende government is well-founded. French automotive firms have announced that they will continue with a \$2.2-million minority investment in a new assembly plant in Chile, and British banking interests are planning to sign a \$10-million long-term loan to finance imports by

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the government development agency. The pro-Allende media are hailing these developments as proof that warnings of economic chaos are unfounded.

Recent terrorist incidents attributed by leftists and rightists to each other are adding to the nervousness among Chileans uncertain as to what will happen next. The Communist leaders fear

that Allende may be assassinated. They believe that his death would trigger widespread violence that would strengthen leftist extremists who consider armed struggle the only road to power and who reject the Communist thesis that "via pacifica" is effective in Chile. Communist concern is reflected in press accusations that the US and its representatives are plotting with Chilean rightists against Allende. [REDACTED]

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ECUADOR: The makeup of Ecuador's military hierarchy was radically changed last week when more than a dozen conservative colonels and the chief of the armed forces general staff were summarily retired. This move by the ambitious minister of defense, Jorge Acosta Velasco, who has recently been acting as though he were in charge of the entire government, was probably motivated by his desire to build his support among those "reform-minded" lieutenant colonels in command positions. As Acosta and the military continue to tighten their grip on many facets of internal gov-

ernment operations, opposition elements have seriously begun to criticize the regime. The mayor of Guayaquil and the prefect of Guayas Province, both of whom are important political leaders, were removed from office and arrested on 27 September for their criticism of the government. President Velasco has asked former minister of government Galo Martinez Merchan to resolve the crisis in Guayaquil, an indication that Martinez is gradually returning to power. [REDACTED]

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Jamaica: *Labor Troubles*

Prime Minister Shearer's important labor support has been threatened by a power struggle between the two major unions. A strike over pay and worker dismissals that began on 16 August at the Alcoa plant construction project erupted into violence on 24 September. The walkout has grown into a jurisdictional fight between the country's two major labor unions—the Bustamante Industrial Trade Union (BITU), which is the labor arm of the prime minister's Jamaican Labor Party (JLP), and the National Workers Union (NWU), which is controlled by the opposition People's National Party. For its part, Alcoa has informed the government that because of continuing labor disturbances and rising costs it has been forced into making a "complete reappraisal" of its Jamaican activities. This will fur-

ther complicate the government's chances of finding a solution to the problem.

The government is fighting hard to prevent a vote to determine which union will represent the workers. The Alcoa site is in Prime Minister Shearer's parliamentary constituency, and a defeat of the BITU, which seems likely in an honest vote, would be a heavy blow to the JLP. The government has marshaled goon squads to intimidate workers and has been successful in having the poll postponed. According to a JLP spokesman, the issue could be an important factor in the general elections, which must be called by early 1972. The two political parties are very evenly matched nationwide, and both draw their support primarily from labor. [REDACTED]

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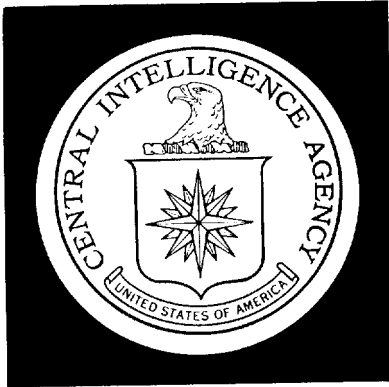
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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

Special Report

The Fate of China's Youth

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No 42

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No. 0390/70A

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THE FATE OF CHINA'S YOUTH

Four years ago the youth of Communist China were caught up in a maelstrom of rebellion aimed at turning an entrenched governing bureaucracy on its head and remolding the nation's society and people. Under the banner of the Red Guard movement, youthful activists emerged as the spearhead of Mao Tse-tung's Great Proletarian Cultural Revolution and made a frontal attack on the educational system, harried much of the highest leadership, and spread political chaos throughout the land. Their activities captured the imagination of the Western press and of many "new left" student leaders outside China, who saw similarities between their movements and that of China's young militants.

The Red Guard movement, however, was only superficially a spontaneous outpouring of youthful discontent and unrest against the "establishment." In actual fact, the Red Guards were largely pawns in a great domestic political struggle over power and policy that was initiated not by the students but by the regime. The artificial and carefully structured growth of the Red Guard movement is no better illustrated than in its rather abrupt and conclusive official demise in the summer of 1968. The end of the usefulness of student activists as political instruments having been unmistakably demonstrated to the regime, it eventually rusticated hundreds of thousands of them for political "re-education" and reform through labor.



Because of the harsh repression they have suffered since 1968, China's students today are probably more cynical, apathetic, and disheartened than at any time since the Communists took power in 1949. Even though they did not rebel against the system entirely on their own initiative, China's students did have outstanding grievances and many of them willingly lent themselves to the Red Guard movement in the belief that it would rectify such ills as an inadequate educational system, shortage of job opportunities, and limited career mobility. All of these grievances are currently being dealt with by the regime but in accordance with the conflicting imperatives of Maoist ideology and current political realities rather than in response to specific student demands. Thus, despite the fact that the regime continues to pay lip service to China's youth as Mao Tse-tung's "revolutionary successors," their influence on policy is nil and their succession is a long way off. In the meantime, barring another revolution from above, China's youth are likely to continue to express their discontent and dissatisfaction through the time-honored practice of passive resistance and foot-dragging rather than through direct assault on the establishment itself.

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The Monkey Kings

"Revolutionaries are Monkey Kings, their golden rods are terrible, their supernatural powers far-reaching and their magic omnipotent, for they possess Mao Tse-tung's great invincible thought. We wield our golden rods, display our supernatural powers, and use our magic to turn the old world upside down, smash it to pieces, pulverize it, and create chaos—the greater confusion the better. We are bent on creating a tremendous proletarian uproar, and hewing out a proletarian new world!"

Red Guard Poster, 24 June 1966

Many "new left" student leaders in the West have noted similarities between their "movements" and those of the Red Guards who were the spearhead of China's Great Proletarian Cultural Revolution in 1966-68. Some parallels superficially are quite striking. The Red Guards appeared to be attacking the increasingly irrelevant and worn-out remnants of a used-up cultural tradition. They were fanatic and not open to appeals for compromise and reasoned adjustment. Their attack on the self-satisfied Communist bureaucracy that had grown up since 1949 appeared to reflect a deep-seated hatred of the twin



evils of hypocrisy and inertia. Above all, the Red Guards believed that they were about to inherit the earth. And initially many militant Red Guard groups directed their ire specifically at the administrative apparatus of an educational system that did not seem capable of preparing them for the future that propaganda had assured them was to be theirs.

The Red Guard phenomenon, however, did not arise out of unfulfilled youthful expectations but out of internecine quarreling within the hierarchy. It was brought into existence and protected by the highest levels of a Chinese regime that had closed schools in the summer of 1966 precisely so that the students could "make revolution." The major targets of Red Guard attacks—entrenched party, government, and academic officials who were charged with resisting Mao's leadership—were chosen by the regime. The radical Red Guard leaders were in close communication with extremist colleagues of Mao in Peking and took their orders directly from them. In addition, as the Red Guard movement spread throughout China it was backed up by an elaborate logistics network supported by the state. The more important radical Red Guard groups also communicated with one another and with Peking over the state-run telegraph net. These activities could not have occurred without backing from the central authorities, and in this sense the Red Guard movement was an artificial—and in many ways highly structured—movement quite different from the student protests in the West and in some other Asian states.

The Revolutionary Tradition

To say that the Red Guard movement was wholly inspired and manipulated by the regime is not to deny Mao's genuine concern with cultivating "revolutionary successors" or to imply that political activism is alien to China's youth. Indeed, the modern Chinese revolution largely began with the famous student-inspired "May 4th" movement of 1919 that followed the overthrow of the Manchu dynasty. "May 4th"

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represented the reaction of Chinese youth against traditional culture and custom that had failed to adapt China to the modern world as symbolized, at that time, by the shabby treatment China received at the peace conference in Paris. It was no accident that the most influential journal of that period was called *New Youth* or that its editor, Ch'en Tu-hsiu, was one of the co-founders of the Chinese Communist Party.

The cultural system that came under attack in 1919 had always accorded a special place to the scholar. The imperial mandarin system was an administrative system peopled by a scholar-elite. The way to advancement was through study and examination, and the rewards frequently were great. Beyond material advantage, the educated man traditionally was accorded a position of honor in society. The pace of success, however, was very slow. Rewards and honor went to the old and aging while the young remained subordinate. Scholarship was devoted to quasi-Confucian ends bearing little relationship to the needs of the modern world.

The "May 4th" movement turned all this upside down: the youthful students who were the spearhead of the movement were exalted over their hidebound and repressive elders, and traditional concerns and attitudes were denounced in favor of the liberating influence of modern techniques and Western intellectual currents. "May 4th" was the fountainhead of both the Communist movement and the Chinese nationalist movement in its modern form, as well as the source point for most Chinese intellectual trends of this century.

The implications of this movement, however, really were not clear-cut, as they once seemed. Elderly scholars were denounced and derided—but by younger scholars. Modern Western intellectual fashions, including Marxism, flowed into China—but the Maoist version of Marxism, which in time became the new orthodoxy, contained a heavy infusion of notions derived from a romantic view of the traditional,

peasant-based uprisings that had punctuated Chinese history. Above all, although Confucianism as an administrative and philosophic system was discarded, the ethical and cultural assumptions on which it rested in large degree survived. The specific gravity of a culture that had remained virtually intact for some three thousand years proved very high, and the consequences of this fact still are working themselves out.

One immediate result of the "May 4th" movement was to fuse the connection between students and politics. Youthful activists not only played a major part in mobilizing public opinion against "imperialism" in the early 1920s but were also prominent in the growth of the nationalist movement later in the decade. Student disenchantment with Chiang Kai-shek's Kuomintang was an important factor in the long duel between the Communists and the Chinese Nationalists. The idealistic fervor of these children's crusades continued to be important in the fluid politics of the 1920s, 30s, and 40s. It was much less so, however, after the Communist take-over in 1949.

The Legacy of Discontent

In its initial years, the stock of the new order among most of the politically conscious young people was extremely high. The achievements of Mao Tse-tung and his colleagues since the mid-1930s had indeed been remarkable. They had gone from one victory to another—they had unified China, fought the US to a draw in Korea, halted a runaway inflation, and put China on the road to economic development and modernization. These accomplishments gave the regime a mantle of invincibility, and young people were willing to accept its dictates at face value. Their optimism was also buoyed by the romantic incentive of serving social and political idealism that promised them participation in political action aimed at overcoming past weaknesses, such as an oppressive traditional social order, a fragmented political system, and an ineffective government.

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As the years wore on, Chinese youth were presented with a series of disillusioning facts and unpalatable choices, and many lost their revolutionary elan. The students diminished as a political force and discovered that the Communists were as unsatisfactory from an idealistic point of view as the nationalists had been. By the eve of the Cultural Revolution, student discontent had built up to the point where many were eager to respond to the Maoists' cry that "there can be no construction without prior destruction."

China's educational facilities, for example, had expanded greatly since the Communist takeover in 1949, but they had not kept pace with a burgeoning population approaching over 800 million people—almost half of them under twenty-one. Competition for places in universities and colleges was keen, and even those who did manage to acquire education frequently found that they were still stymied. Meaningful jobs commensurate with educational level and skills were often not available, and any openings frequently involved transfer from the comparative comfort of the great cities of east and central China to remote and backward outposts. Moreover, the leadership that had taken power at the end of the civil war had not relinquished its stranglehold on middle and upper echelon jobs. As the queue for these grew longer, the waiting period grew more frustrating.

The problem of limited career mobility was made all the more acute because the regime very early on had deliberately fostered rising expectations by painting a glowing picture of a modern and powerful China to be built by the younger generation. University students naturally assumed that they were going to take their places as leaders and builders of the new society. Because the professional and technical specialists needed for modernization were in short supply, not all students found their hopes dashed. But the absurdities of Mao's Great Leap Forward in 1958-1959 and the consequent social and economic retrenchment in the early 1960s led to a decline in educational opportunities across the board; as a result,

job opportunities were even further curtailed. The collapse of the leap forward forced the regime to renege on many of its golden promises and instead, to offer to much of the youth only long years of dour and unrewarding struggle. For many urban students, this meant banishment to the villages to provide mere manual labor in support of the post-leap efforts to step up agricultural development. To steel themselves for further sacrifices, the youth were told to emulate the very ordinary achievements of a model army hero, Lei Feng, who wrote:

"Some people call me an idiot. I want to do good deeds for the state and people. If they say I am an idiot, then I am willing to be one. The revolution needs voluntary idiots like me."

Meanwhile, for those who remained in school, tensions also were high. This was partially a direct result of regime goals that in practice conflicted rather than complemented an attempt to modernize the country on the one hand and an attempt ideologically to remold Chinese society on the other. Mao had shown an awareness of these tensions, but his attempts to solve the problem before the Cultural Revolution exacerbated rather than relieved the situation.

In China, as elsewhere, education is the key to advancement—however long deferred. Many of those who were best qualified intellectually for higher education were interested merely in material rewards and perquisites that a modernizing society must pay to the relatively small group that has attained technical proficiency. "Careerism," cynical or otherwise, became increasingly prevalent as the first flush of revolutionary enthusiasm wore off. At the same time, however, the regime was strongly emphasizing that China's youth would soon inherit both the country and the Chinese Communist revolutionary tradition. Mao in particular was concerned lest tradition be diluted by an indifferent youth bent on pursuit of their careers. He insisted that peasant and working-class background be the prime consideration

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in awarding places at institutions of higher learning.

Red Guard diatribes, even when discounted for polemical exaggeration, make it clear, however, that purely academic qualifications continued to play a part in the selection process after Mao's abortive attempt to lower educational standards during the Great Leap period. Stiff entrance requirements and difficult exams were re-instituted, allegedly against Mao's will, in an effort to raise the caliber of the students who were to become the technically qualified elite of the future. Thus, peasant and poor worker youths, told that they were China's "revolutionary successors" and uniquely fitted for this role by virtue of their backgrounds, found that the "class enemy" still was accorded preferment in the educational system. The hatred thus engendered boiled over in the early phases of the Cultural Revolution, when opposing student Red Guard groups broke down along class lines—particularly at the more prestigious universities where bourgeois students were numerous.

Red Guard Goals

The various frustrations, currents, and countercurrents faced by the youth before the Cultural Revolution were an explosive mixture, but it took a deliberate act on the part of the regime to ignite the fuse. Moreover, the Red Guard movement was never a unitary whole, and as the regime's revolution against itself ebbed and flowed, various Red Guard groups were employed as opposing political instruments both by the Maoists in Peking and by the civilian and army officials who were under attack. Insofar as Red groups of any persuasion could be said to have had a positive program, it was to acquire power by replacing disgraced former officials who had come to be regarded as symbols of the frustrating status quo. This ambition probably was confined to the leaders of the various Red Guard groups, but at all levels there was the hope that the log jam blocking the way to relatively rapid advancement could be broken. In retrospect, however, there was

never much likelihood that Red Guards would secure an appreciable number of important positions.

Implicit in Red Guard attacks on "power holders" was the larger, less well-defined aim of purifying the system. Starting from the Maoist premise of the corrupting influence of "revisionism," the Red Guards tended to attribute their frustrations to the ideological mistakes of the "power holders." Nevertheless, the evils that they attacked—bureaucracy, routinization, specialization, and pragmatic devotion to efficiency at the expense of ideology—were all inevitable manifestations of the modernization process. The Red Guards' demand for purity was thus in effect a call for a primitive, utopian Communism—a call that echoed Mao Tse-tung's demand for a new generation of true believers who would dedicate themselves even more fervently to the Chinese Communist revolutionary tradition.

Because these romantic and idealistic strands in the Red Guard program were unrealizable, cynicism and "careerism," those objects of Red Guard scorn, tended to grow rather than diminish among the students. In many instances, the students' general hope for advancement degenerated into a cynical "what's-in-it-for-me" attitude. As inconclusive battles for power between Red Guard factions dragged on, more and more individuals opted out of the struggle entirely and refused to become committed to any side. Many became drifters living from hand to mouth, while others gravitated toward criminal activities.

The Fate of the Red Guards

The success of the Red Guards—and their mentors in Peking—in destroying the party apparatus during the Cultural Revolution meant that a power vacuum had to be filled to get the country running again. By 1968 it was clear that the vacuum would be filled by the army and that the fate of the Red Guard movement was sealed. The Red Guards themselves were incapable of supplanting the apparatus they had helped to

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Propagandizing the Ideal

Model for Revolutionary Young People



Raised on Mao Tse-tung Thought, the twenty-year-old Red Guard Chin Hsun-hua grew to be a firm proletarian revolutionary.



At home, Chin Hsi in the frontier region she was too young, as a child laborer was. You shouldn't let man Mao asks—go re-educated by the ants." Their mother



In 1966, as Chairman Mao lit the flames of the Great Proletarian Cultural Revolution, Chin Hsun-hua bravely plunged into the battle to smash the bourgeois headquarters of the traitor Liu Shao-ch'i.



In 1968, Chairman Mao called on the young people who go to the countryside to be re-educated by the poor and peasants. As part of a study team, Chin Hsun-hua joined Shanghai to visit Heilungkiang Province on the north. There he saw vast stretches of land waiting to be opened. He became convinced that he should settle down in this border



Chin Hsun-hua urged his sister to go to the border region to be a poor and lower-middle peasant. She agreed.



Chin Hsun-Hua arrived in Heilungkiang in May 1969. He did everything in the revolutionary spirit of "fearing neither hardship nor death." Building a house, he got covered with mud from head to foot. Binding wheat, he was soaked with sweat. When people told him to rest, he answered, "The more I sweat, the less soft I'll be."



Chin Hsun-hua spread Mao Tse-tung Thought enthusiastically. Whenever a new instruction of Chairman Mao was published, he would cut a stencil, mimeograph it and take it around to the peasants. Once when he arrived at Aunt Sung's house, the family was already in bed. But they got up at once, lit a lamp and sat down to study it. The poor and lower-middle peasants' love for Chairman Mao taught Chin Hsun-hua a lot.



Chin Hsun-hua received education to become a poor and lower-middle peasant. He journeyed from the eastern frontier to the border region.



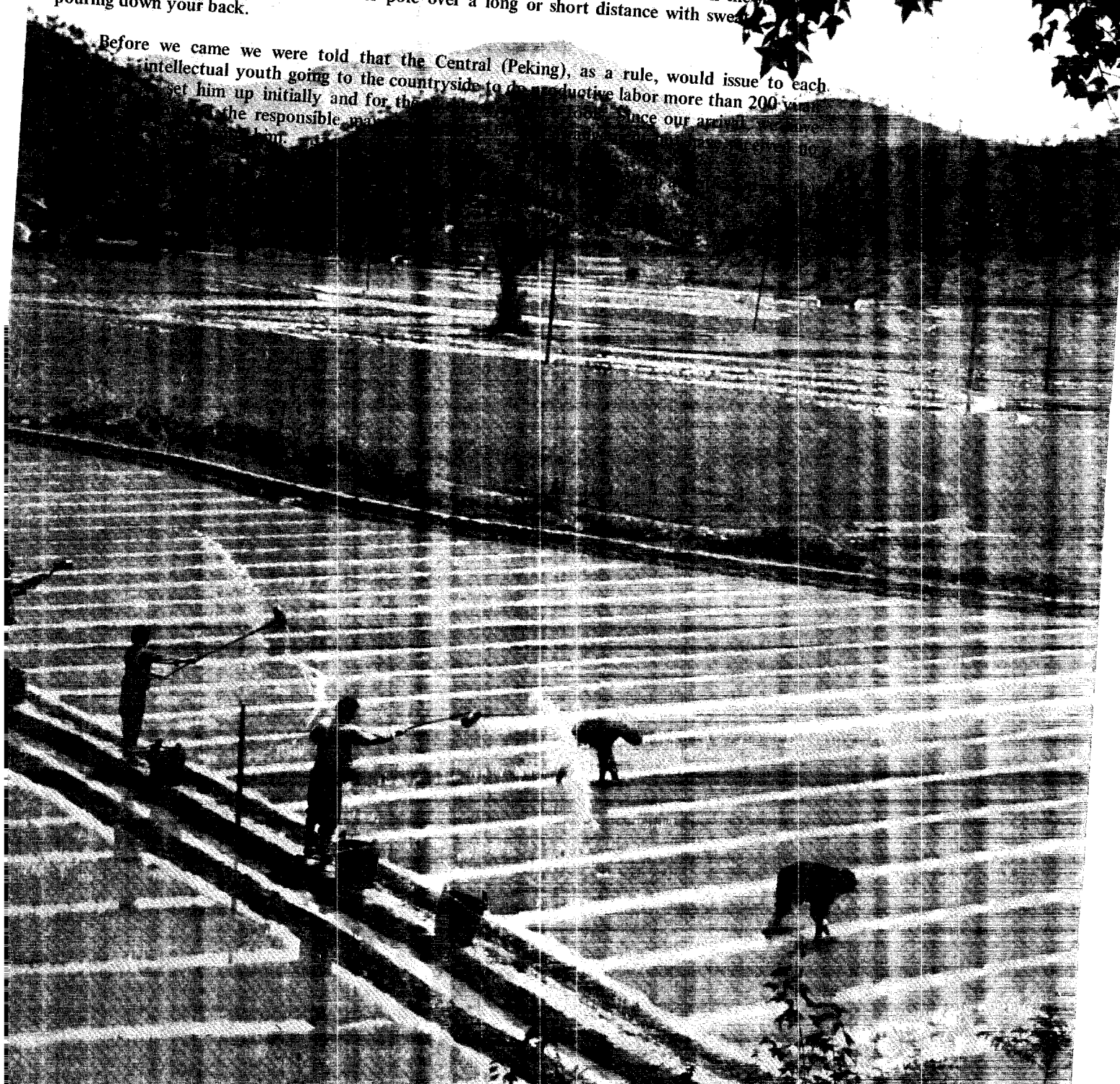
During a flood on August 15, 1969, several telephone poles on the river bank floated away. Chin Hsun-hua jumped into the raging waters to save the state's property. He lost his life in the battle, fulfilling his vow to "fight to the death for Chairman Mao."

*"The lowly are most intelligent, while the elite are most ignorant."
Mao Tse-tung*

CONFESSING THE REALITY

On 31 March 1970 I arrived at Fuch'eng People's Commune, Yang ch'un, Kwangtung and joined the other commune members in the fields doing all sorts of farm chores. We worked under great pressure, and the working hours are long. The rice fields of our production team are enclosed on all sides by water. The place is wet, humid, steamy, hot, and rainy. You scale hills, wade through water, cut firewood, labor in the open air, and carry loads on a shoulder pole over a long or short distance with sweat pouring down your back.

Before we came we were told that the Central (Peking), as a rule, would issue to each intellectual youth going to the countryside to do productive labor more than 200 yuan to set him up initially and for the rest of his life. Since our arrival, the responsible man has said that the Central has not done this.



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destroy, and it seems highly likely that Mao never intended them to play a major role in administering the country. He may well have regretted having to alienate the Red Guards whom he had hailed as "revolutionary successors," but once the regime finally decided that their usefulness as political instruments was over, it moved swiftly and cynically to repress them. Without so much as missing a turn, the enormous propaganda machinery put the nation on notice in August 1968 that the vanguard of the revolution was no longer the Red Guards but the more orthodox "worker/peasant proletariat."

Beginning in the late summer and fall of 1968, most armed Red Guard factions were broken up and their adherents brutally suppressed by the army, and the movement itself ceased to count politically. Although so-called "congresses" of Red Guards were subsequently established in major urban centers theoretically to provide youth a voice in local affairs, such organizations were controlled and manipulated by the authorities. Moreover, the membership of the congresses apparently consisted largely of those factionalists supporting the civil and military leaders who eventually emerged triumphant in the Cultural Revolution; for those Red Guards who backed their opponents a worse fate was in store.

Large numbers of chronic troublemakers and the rank and file of factions that wound up on the losing side were shipped off to army-run labor camps; many of their leaders were tried by drum-head courts and sentenced to death. Although the numbers killed were never disclosed, some inkling of the extent of the executions was revealed in the summer of 1968 when hundreds of bodies of militant factionalists from Kwangsi Province were found floating down the river to Hong Kong, trussed up like lambs going to slaughter.

Not all former Red Guards suffered so mean a fate. Some of their representatives have been introduced into leadership posts in local government and party apparatus. Some leaders of the movement have even been elevated to the party's

Central Committee, which was deliberately expanded after the Cultural Revolution to make room for Mao's "revolutionary successors." It should be noted, however, that many of these ex-Red Guards were not students at all but rather lower echelon "activist" bureaucrats from the former party and government apparatus. But, despite their rise to higher positions, they are unlikely ever to be capable of serving as much more than political tools for more powerful elements in the establishment.

The initial Draconian measures taken against the majority of the Red Guards were reinforced by other programs aimed at curbing disorders and reducing the opportunities for former factionalists to kick up their heels again. The nation's colleges and universities, which were still occupied by unemployed students, were taken over by worker propaganda teams backed by armed soldiers. This combination moved swiftly to restore a semblance of order among a population of quarrelsome student bodies whose numbers had not diminished because of the near freeze on promotions and job assignments from 1966 to 1968.

The most comprehensive measure employed to solve the problems of restless youth, however, was forcible emigration to the countryside. By the fall of 1968, the government had determined to send 90 percent of the middle school and university students of the classes of 1966, 1967, and 1968 (later extended to 1969) to army-run labor camps, state farms in remote border regions, rural construction projects, or agricultural communes. This program solved the dilemma in several ways. It provided order-oriented local officials with a means for punishing recalcitrant factionalists and for disposing of the many students who had returned to the cities during the Cultural Revolution. It helped ease pressures on the limited urban job market by getting rid of a huge backlog of unemployed students and underemployed young workers. It also complemented the regime's renewed efforts to improve rural development by injecting an educated labor force

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that could help apply modern technology to agricultural production, overcome rural illiteracy, raise rural health standards, and reduce the discrepancies between the advanced urban centers and the vast backward peasant communities. Finally, the program served the long-standing utopian end of developing Mao's "revolutionary successors" by teaching them how to work and identify with the masses they supposedly would eventually lead. The old promise of revolutionary succession had a hollow ring, however, because many of the youthful emigrés were told they would have to spend the rest of their lives in the countryside. Few youths welcomed the prospect of once again serving as "volunteer idiots" for a regime that had used and then discarded them so hypocritically in the Cultural Revolution.

Life on the Farm

The rustication of China's students was only one aspect of an over-all program that since August 1968 has probably sent upwards of 20 million city residents to the countryside. Nevertheless, the impact of the back-to-the-country movement has been greatest on middle school, college, and university students, who constitute perhaps over one half of all those transferred. From the fragmentary evidence available, the program appears to have had a devastatingly negative impact on the morale of the youths; the process of adjustment to their new fate is likely to cause painful headaches for China's overburdened local administrators for some time to come.

That the youth of China are shocked and dismayed at the cruel turn of events in the wake of the Cultural Revolution is not surprising. In 1966 they were told that they could expect to inherit the earth. In 1970 they find themselves tilling it instead. Most find the transition difficult and degrading. Although some students are fortunate enough to land back in their home villages, most are deposited purposely in unfamiliar and frequently hostile surroundings.

The anger and frustration of the youths is more than matched by that of their involuntary hosts. To the peasants, the "assignees" are an unwanted burden, more mouths to feed. The peasants often reserve the hardest tasks for their state-appointed guests. Some undoubtedly derive a special sense of power and satisfaction in being able to pile the workload on the crass students who arrive on the farms exuding an air of superiority. Official editorial comment on the problem shows that peasants frequently rationalize their attitude on the ground that "in farming work, intellectual youths have many impractical ideas, and it is difficult enough just to teach them how to carry or lift loads on their shoulders or with their hands."

Over the past year, the regime has been pushing local officials to make better use of the students' education and aptitudes, and there clearly has been progress in this direction. Some students have assumed lower level leadership positions, and efforts have been made in a few areas to groom more leaders by admitting youths into nascent Young Communist League branches. Still other youths are supposed to open primary schools and conduct part-time study sessions for adults or for students who cannot be spared from labor during the day. In addition, many of the students sent to the countryside are being trained as "barefoot doctors." Finally, some students who originally came from rural areas have been used to open agricultural research stations.

The vast majority of youths, however, probably are still serving as ordinary field laborers who, at best, are merely accepting their fate with sullen resignation. Indeed, there is ample testimony to this in the number of complaints in regime propaganda about the students' apathetic attitude toward accepting re-education from the peasants and their preoccupation with "becoming officials." In recent months, Peking has frequently admonished rural authorities to pay more attention to organizing the production activities of their youthful charges and to be more active in helping them solve their problems. As a result of

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such pressures from above, commune authorities reportedly are assigning special personnel to handle youth work, and top officials from urban areas are being sent to check on how their young emigrés are faring in the villages.

Despite intensified efforts by the regime to rationalize the youth resettlement program, problems are not confined merely to the rural areas and continue to mount. Although the bulk of the college classes of 1966 through 1968 have been resettled and universities are beginning to reopen, Peking apparently plans to continue assigning a majority of urban middle-school graduates to rural labor for periods of two to three years or longer. Some of these graduates reportedly are resisting emigration actively and, as a result, urban authorities have been forced to employ increasingly harsh measures, such as arresting the youths' parents, to meet rural assignment quotas.

Meanwhile, the substantial number of dissatisfied youths who continue to return illegally from the countryside is causing increasing concern to security officials in many cities. Because these returnees no longer have urban residency permits, ration cards, or access to legitimate employment, they are forced to turn to criminal activities to eke out a living. The extent of this problem is difficult to determine, but some idea is provided by the numerous mass trials held throughout China since last January. These dealt with a wide range of social, economic, and political offenses in a further effort to restore the civil discipline and control so badly undermined by the Cultural Revolution. The large number of common criminals placed on trial and the high incidence of crimes cited such as robbery, pickpocketing, forgery, and prostitution are unusual in China, suggesting that many of the offenders are illegal returnees from the countryside who have unexpectedly turned from "revolutionary successors" into juvenile delinquents.

Crisis of Authority

The difficulties that local authorities have been having with youths in both town and

countryside point up an interesting paradox; despite the severe repression of former Red Guards and even though the majority of young people probably accept their post - Cultural Revolution fate with sullen resignation, there is an unusually high incidence of youthful indiscipline in China today. This is reflected not only in reports of criminal acts but also in editorial comment on quarreling between rural assignees and their peasant mentors, "anarchism" among young factory workers, and even indiscipline in the ranks of the army. Pre-teen and teen-age youths have been reported staging street rallies, arguing in public with policemen, and haranguing adult passers-by. Such behavior was unknown before the Cultural Revolution and although it is not allowed to get out of hand today, young people apparently now feel more license to engage in give and take with the authorities.

Part of the reason for this unusual phenomenon lies in an inherent contradiction in the regime's approach to young people. While on the one hand it has authorized cruelly suppressive measures to restore social discipline, on the other it instructs officials to recognize that the disillusionment of today's youth is a severe and trying hurdle that should primarily be overcome through political re-education and persuasion. There is therefore a gray area in which local authorities must move cautiously, allowing greater latitude for open, although nonviolent, expression of some concerns and grievances.

Another explanation for the marked changes in the attitude of youth toward authority lies in what transpired during the Cultural Revolution itself. By using young activists as the spearhead of their attack on their party and government opponents, the Maoists brought into existence mass organizations whose sole purpose was opposition to recognized authority. Once having been allowed to challenge the legitimacy of the establishment, it is not easy for former Red Guards to accept the dictates of the power holders who have emerged from the Cultural Revolution. This problem is made all the more acute because many veteran civil and military officials have been

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returned to power who were the targets of Red Guard attacks, and the former young activists apparently feel they have been victimized by a cruel hypocrisy.

Finally, the Cultural Revolution introduced into the fabric of national life many sharply etched antagonisms and divisions that have dramatically affected the actions and outlook of the politically conscious young. The quarrels over power and policy between competing Red Guards and between them and their bureaucratic opponents, as well as divisions over the future direction of China's revolution, have had an enormous carry-over effect and are present at every level where youth confronts authority. This phenomenon is likely to make it increasingly difficult for the regime to reconcile its authoritarian tendencies in running the state and in modernizing the country on the one hand and its desire—in part ideological, in part politically practical—to maintain revolutionary momentum and to convince the younger generation that its interests are still identical with those of the regime on the other.

Bleak Present, Uncertain Future

The traumatic impact of the Cultural Revolution on China's youth and the variety of repressive actions taken by the regime afterward might easily have been anticipated. Their fair hopes blasted, students and other young people on the whole are now probably the most alienated, apathetic, and unhappy segment of the Chinese populace. Within the past year the regime has taken some action on problems that concerned the students before the Cultural Revolution, but the "solutions" have the old familiar ring. For example, efforts have been made to assign jobs to some former university students who have escaped rural resettlement; these, however, often are still not always commensurate with the skill levels of the employees. Efforts are apparently being made in some cities to give middle-school graduates of 1969 the opportunity to choose urban factory assignments over rural resettlement; still it appears that the choice is given only to a fortu-

nate few while the majority are expected to "volunteer" for labor in the countryside. Finally, universities have begun to reopen this fall after a four-year hiatus, but admission criteria have a heavy political bias. The criteria do contain a number of loopholes that could allow students who have been rusticated since 1968 an opportunity to renew their education, but the returns are not yet in on how many this would involve or the quality of the academic training they will receive. In any case, Peking's most recent commentary on enrollment policy suggests that a large percentage of the students in the college classes of 1967, 1968, and 1969, who have already been labeled "graduates" by the regime, will have "to find outlets for their talents in the countryside" rather than in the universities.

As to the future prospects of this year's middle-school graduates, some localities apparently have held examinations to determine the best academically qualified for university admission. The regime, however, maintains that most of those who will matriculate in the future must have performed several years of manual labor and have the proper worker-peasant - class background. Such criteria may be eventually modified if it appears that they are preventing the matriculation of a student body capable of undertaking scientific research and other professional training in addition to the heavier doses of political and vocational courses that Mao has ordered the universities to offer. Nevertheless, future college students are likely to be more mature than in the past and fewer in number, inasmuch as the present rustication program seems designed to exclude a sizable percentage of those who graduated from middle schools during the Cultural Revolution.

Ultimately, the disillusionment of Chinese students with the outcome of the Cultural Revolution could redound to the advantage of a more moderate and pragmatic leadership in the post-Mao era. There is no sign, however, that the general malaise of China's youth will translate itself into any serious obstacle to the continued

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stability of the regime or even a significant turning away from Communism's idealized political and social goals. There is no organized student opposition in China today, and all indications are that in the future "student power" will again be carefully channeled into party-directed activities. To help ensure this, the former Young Communist League is apparently being reconstituted along much the same lines as before to prevent youthful elements from striking out on a path independent of the party.

In all likelihood, China's youth will continue to remain rather docile and malleable, at least by Western standards. As an interest group their

needs and demands will probably continue to be formulated and articulated from above rather than below. As individuals they will attempt to alleviate some of the harshness and severity of their existence without risking much direct conflict with the system. They are, after all, products of a society that has long been skilled in the tactics of "seeming to comply, while secretly disobeying." In any case, their fate lies not in their hands but in those of the military and party figures who eventually seized the levers of power in the Cultural Revolution. Any changes in the immediate future in Communist China will be wrought by these men and not by today's "revolutionary successors."

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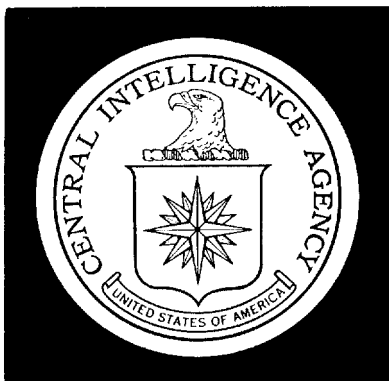
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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

Special Report

Constraints on the Soviet Oil Position 1970-80

Secret

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CONSTRAINTS ON THE SOVIET OIL POSITION, 1970-80

Since the mid-1950s the USSR has been a substantial net exporter of oil. In recent years, oil sales have been the country's largest single source of hard currency. In 1969, however, the Minister of the Petroleum Extraction Industry, V.D. Shashin, declared that total Soviet exports of oil will not increase significantly in the future because domestic demand will rise faster than production. He also said that the USSR will maintain a high level of exports to Eastern Europe but expressed doubt that exports to the West will show much further increase. Shashin's predictions may well err on the side of optimism. Analysis confirms the suggestion that during the 1970s Soviet consumption of oil is likely to increase faster than production. By 1980 there still will be an excess of production over domestic consumption, but the excess will be less than the import requirements of Eastern Europe. The USSR already has begun procuring small quantities of Middle Eastern and North African oil under barter agreements for re-export to other Communist countries. Encouraged by the Soviets, the East European states also have been bartering directly for Middle Eastern oil. The Soviets probably hope that oil obtained in this manner will permit them to maintain oil sales in hard currency markets at current levels.

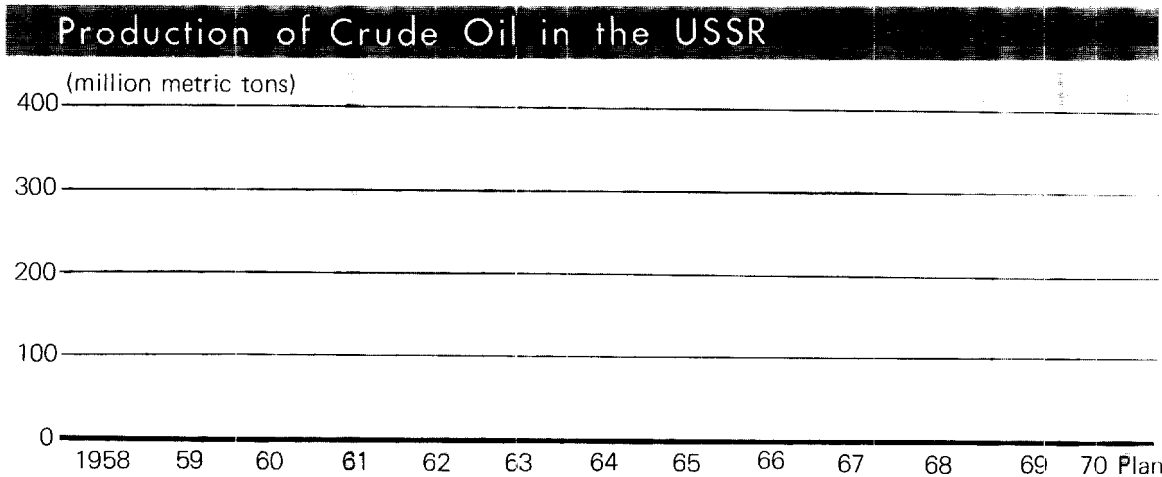
Production

The USSR has emerged as a major oil producing nation only in the last two decades. Soviet crude oil production, which rose from 37.9 million metric tons in 1950 to 147.9 million in 1960, should reach 350 million this year. Thanks to this upsurge, the Soviet Union now is second only to the United States in crude oil output. The rate of increase has declined, however, from almost 16 percent per year during 1956-60 to a less spectacular but still rapid rate of nearly eight percent annually.

During the post-1950 expansion of oil production, Azerbaydzhan—where fields had been producing since tsarist times—was eclipsed as the principal Soviet source of oil by the prolific Urals-Volga region. Although production in the North Caucasus, West Siberia, and Central Asia subsequently increased considerably, the Urals-Volga region still accounted for some 60 percent of national output as recently as last year.

Soviet authorities originally predicted that the Urals-Volga fields alone would be yielding 350 million tons of oil a year by 1980, but they

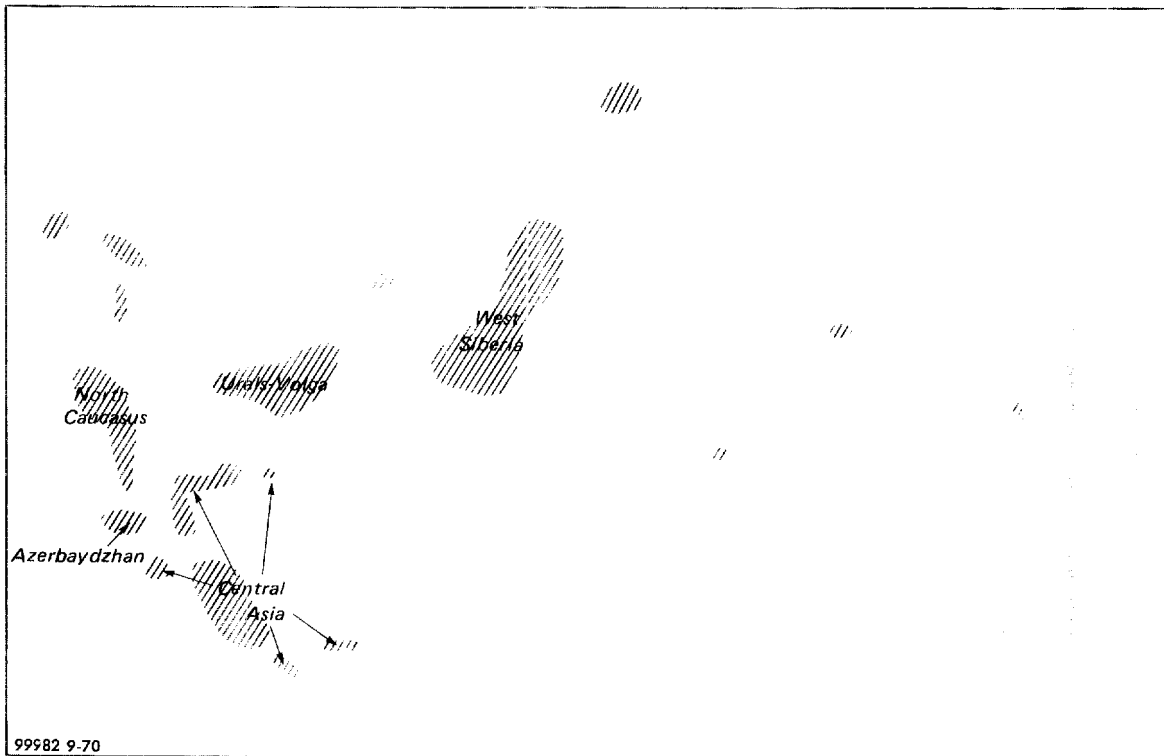
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USSR: Major Oil Producing Regions



now indicate that annual production there will be at its peak this year at about 207 million tons. The amount of oil that ultimately can be recovered from this region has been reduced by extraction at excessive rates and by faulty use of water injection to maintain reservoir pressure. Injected water has encroached on producing oil zones and has isolated sizable pockets of oil, rendering them unrecoverable.

Costly blunders have not been confined to the Urals-Volga region, but have occurred in practically all oil producing areas. In addition to excessively rapid extraction and faulty water injection, a common mistake has been large-scale burning off of the natural gas found in association with oil. The gas should be recycled into the deposits to maintain pressure and utilized after the extraction of oil has been completed. In the important fields of western Kazakhstan, associated gas was burned off instead of being recycled. Then cold sea water was injected in an attempt to restore pressure, and much of the oil, which is high in paraffin content, solidified. As a result, production targets have had to be cut drastically.

Obstacles

Under constant urging to maximize short-run achievements, Soviet oil technicians have worked feverishly with poor equipment and obsolete technology. The geophysical instruments they use to map geological structures are generally outdated. In seismograph technology, which is used in the exploration of deep, complex geological formations, the USSR is seven to ten years behind the US. The Soviets continue to rely on turbodrills for as much as 80 percent of all operations, both for shallow and deep drilling. The transition to greater reliance on rotary drilling, best suited for deeper drilling, is impeded by a shortage of high-quality drill pipe. Soviet deep-drilling capability also is limited by a shortage of high-powered mud pumps and high quality drill bits. Burdened with their many handicaps, Soviet

drillers require eight to ten months to drill wells that American crews could sink in a single month.

Transportation of oil continues to encounter serious problems. Prior to 1965, most oil was shipped by rail, although this mode of transport was nearly three times as expensive as movement by pipeline. Since 1965, however, pipelines have carried the greatest tonnage. At least 80 percent of the oil-pipeline network carries crude oil, and the remainder oil products. The oil fields of Azerbaydzhan and the Urals-Volga region, on which the Soviets have depended so heavily, are sufficiently distant from major centers of population and oil consumption to pose significant transport problems. The newly important oil fields of Central Asia and West Siberia are even less accessible.

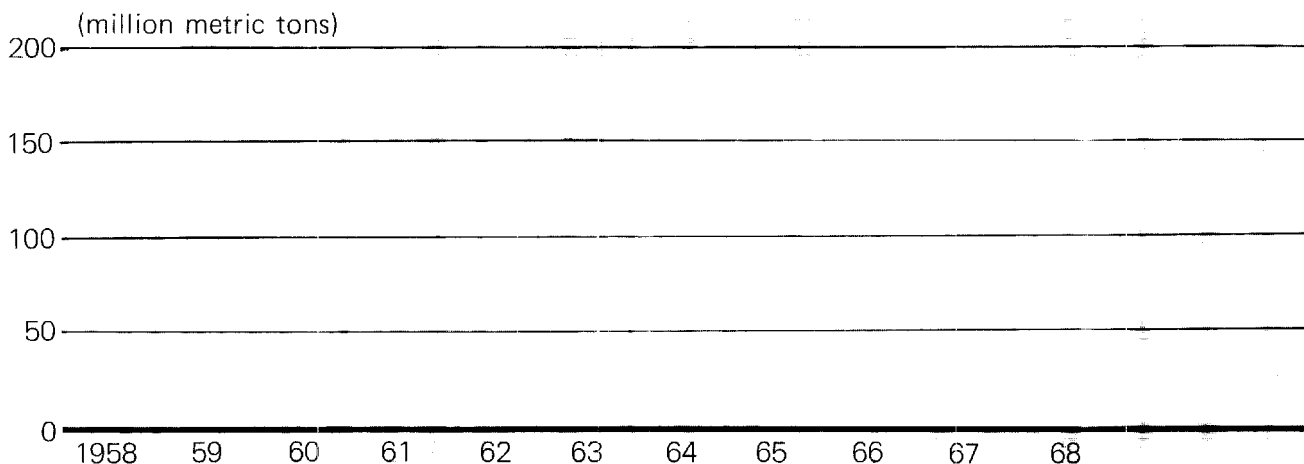
Oil refining, like oil extraction, is technologically backward in the Soviet Union and lags far behind the American industry in the quality of individual products, in product mix, in the depth of refining, and in the sophistication of refining processes. This backwardness has resulted chiefly from failure to allocate sufficient investment to refining during a period of rapid growth and transition to lower quality crude oils. In part, however, the lag in product mix is attributable to the pattern of demand, which is influenced by the small number of automobiles in the Soviet Union. The demand for high-octane gasoline now has begun to rise, but facilities for producing it are not keeping pace. Expansion of existing refineries and construction of new ones consistently have fallen short of plans. Nevertheless, primary refining capacity has increased at an average rate of about eight percent a year since 1958 and now is second only to that of the US. It is sufficient to meet the needs of domestic consumers and to provide over 25 million tons of products for export.

Consumption

Soviet oil consumption has increased greatly since 1950, but only recently has it approached

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Apparent Consumption of Oil Products, USSR



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the growth rate achieved by production. During the decade from 1958-68, consumption of oil products rose at an average annual rate of about 8.4 percent. Despite the existence of an over-all surplus of oil, sporadic local shortages of certain oil products nevertheless have occurred because of failure to turn out the needed range and quality of products and because of inadequacies in the transportation and distribution systems.

With production outstripping domestic consumption in past years, an increasing portion of Soviet oil production was exported. Exports of oil and oil products increased about 17 percent per year over the decade from 1958 through 1968. Since 1966, however, the growth of exports has slowed appreciably, and exports to free world countries have leveled off. Even so, exports of oil and oil products remain the USSR's biggest single earner of hard currency. Last year such exports brought in some \$340 million. Moreover, the Soviet Union serves as the principal supplier of oil to Eastern Europe.

Domestic Prospects Through 1980s

The USSR has abundant potential resources of petroleum, both on and offshore, that could enable it to become the world's leading producer of petroleum by the end of this century. It is estimated that, as of 1 January 1969, the Soviets had proved reserves of crude oil of 3.0 to 3.4 billion tons, or about 10 to 11 times the amount produced annually. This situation is analogous to that of the United States, where proved reserves were estimated at 4.2 billion tons in 1969, giving a ratio of reserves to production of about 10:1.

To tap their reserves successfully, the Soviets must overcome difficult obstacles, of which one of the most serious is permafrost. Some 30 to 40 percent of Soviet reserves lie under permafrost, and Soviet technicians have yet to prove that they can operate successfully in such conditions.

Plans call for crude production to rise from 350 million tons in 1970 to 450 million in 1975,

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a goal that implies an average annual growth rate of 5.2 percent. This rate, which is well below the 7.6-percent rate posted during the five year period now ending, seems attainable.

Achievement of the 1980 plan target for crude output of 550-600 million tons now seems unlikely. An anticipated decline in production in some of the older regions, more difficult climatic and geological conditions in new producing areas, rising exploration and development costs, and a shortage of equipment embodying modern technology—especially for drilling—suggest that production in 1980 probably will be in the vicinity of 500 million metric tons. This estimate implies that production will increase by only 2.1 percent per year during the last five years of the decade.

Because future production depends in part upon current drilling rates, it is significant that total drilling for exploration and development of petroleum resources declined after 1967. Given both the Soviets' inexperience with the sophisticated techniques that are becoming more necessary and the more difficult drilling conditions anticipated in the 1970s, it is doubtful that average annual drilling rates will increase very much. Shashin has indicated that production goals must be achieved by technical progress and without any such steep rise in capital investment for drilling as has occurred in recent years. Some improvement, however, is possible. The priority assigned to the petroleum industry as a leading earner of foreign exchange makes it likely that Soviet planners will make an effort to provide the resources required to solve problems that already have been recognized by Soviet technicians.

Prospects for the three regions that will be the USSR's principal sources of oil in the present decade are mixed at best. In the Urals-Volga region, blunders have cut prospects for 1980 production by some two thirds. It now seems that production in this region will decline from 207 million metric tons this year to about 180 million in 1975 and 100 million in 1980. Production from Central Asia is expected to rise more slowly

than planned but to reach 60 million tons in 1975 and 65 million in 1980. West Siberia presents the greatest potential but poses the most difficult problems. Production in this area may increase from 30 million metric tons this year to 100-120 million in 1975 and 150-200 million in 1980.

Demand for petroleum products in the Soviet Union can be projected by its relationship to anticipated industrial growth. Using this method and taking into account the expected growth of the motor vehicle park, it is estimated that the USSR will consume approximately 350 million tons of oil in 1975 and 450 million tons in 1980.

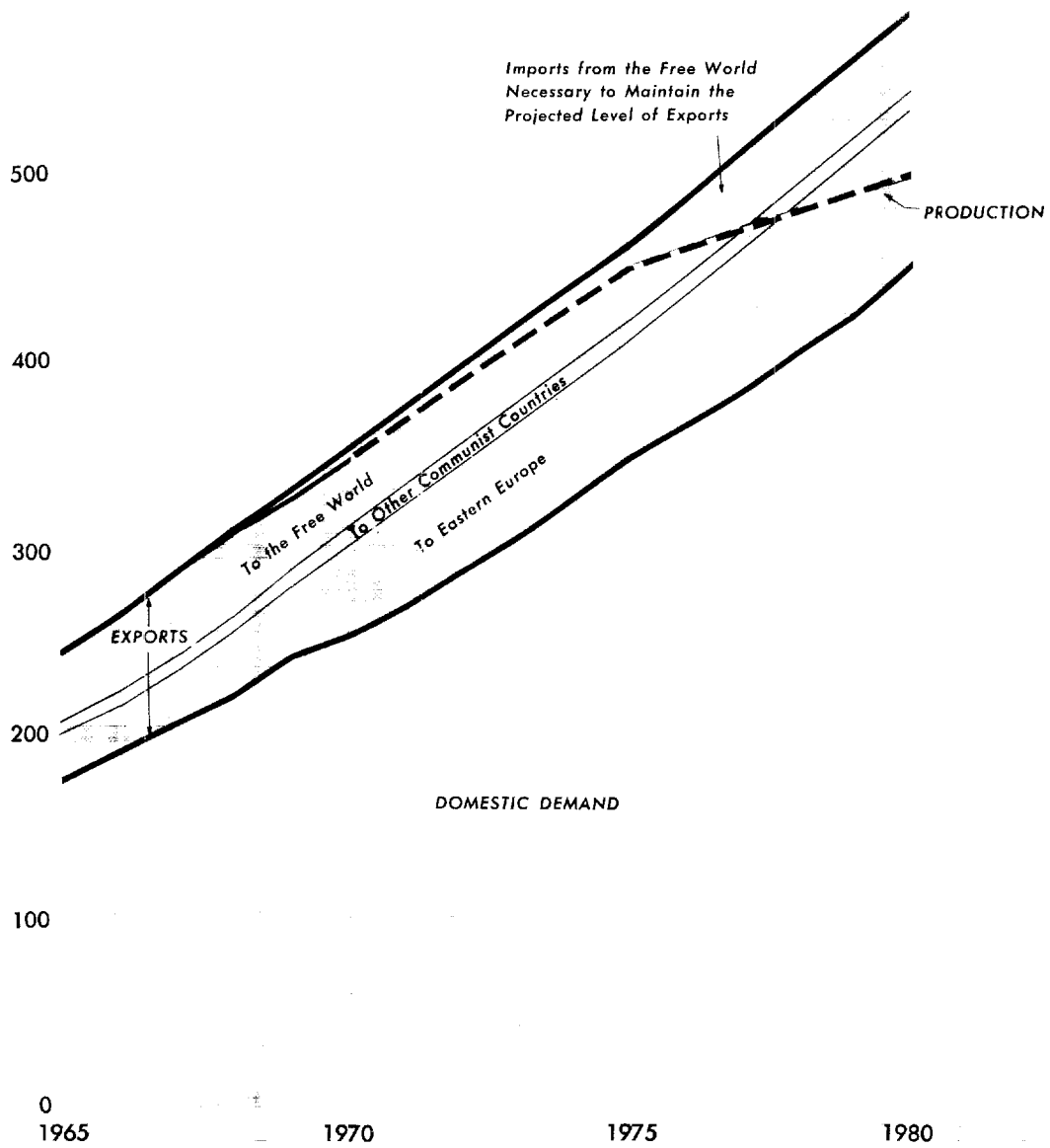
Projections of both production and consumption are, of course, subject to error, and projections ten years into the future are particularly risky. Western estimates indicate that the Soviet excess of production over domestic consumption will rise from 90 million metric tons this year to about 100 million in 1975 and then decline to about 50 million in 1980. Meanwhile East European demand for foreign oil is expected to outstrip Soviet supply capability. If the Soviet Union is to maintain exports of oil to hard currency markets in this decade, the USSR and Eastern Europe will have to obtain oil from non-Communist producers. It seems likely that in 1975 the Soviets will be obtaining about 10 million metric tons of Middle Eastern and North African oil for shipment to other countries on Soviet account. Moscow probably hopes to pay for some of this oil by bartering technical assistance and equipment for producing oil. By 1980, however, the USSR may have to obtain as much as 80 million metric tons a year from non-Communist countries in order to maintain its deliveries to foreign clients. At today's prices this quantity of oil would be valued at more than \$750 million. In addition, the Eastern European countries probably will need to import some 15 million metric tons directly from the Middle East and North Africa in 1975 and perhaps 30 million in 1980. Even if the Communist countries' imports reach the indicated levels, however, the Middle East and

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Estimated Soviet Production, Demand, and Exports of Oil

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Million Metric Tons of
Crude Oil Equivalents
600



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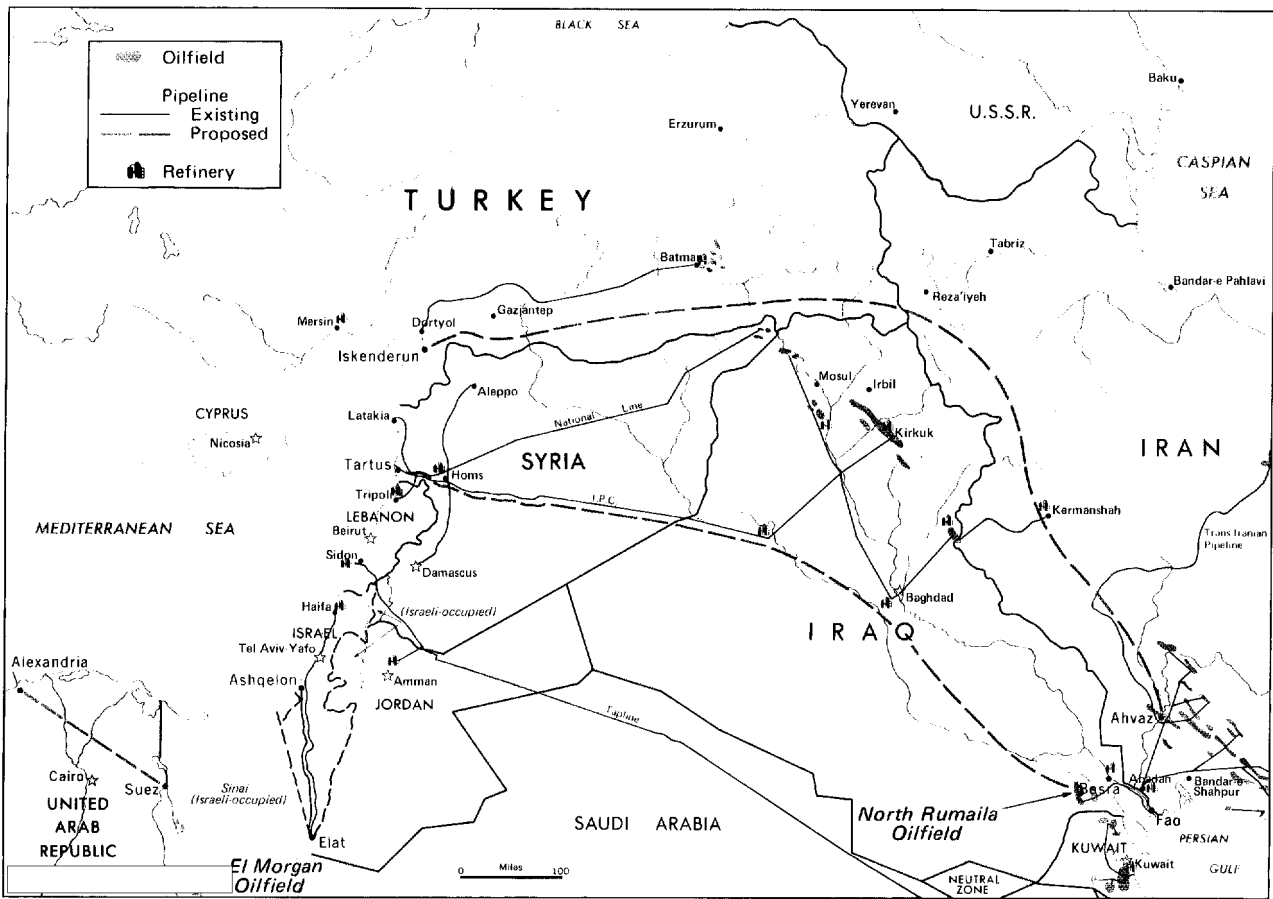
North Africa will remain dependent on free world markets for the disposal of more than 90 percent of their oil.

Soviet Interest in Middle Eastern and North African Oils

The USSR's involvement with Middle Eastern and North African oil, already in evidence for a decade, is expected to increase further in the 1970s. In the last year or two Soviet interest in such oil has increased perceptibly, and the USSR now has oil pacts with most of the major oil producing countries of the Middle East and North Africa.

The first agreement with Iraq was concluded in the early 1960s, essentially for political purposes and for its impact on Western oil interests. In 1967, however, after Baghdad had reclaimed some of its concession areas, the USSR and Iraq signed a memorandum under which the Soviets would provide technical assistance and equipment for exploration and for the extraction, transportation, and marketing of oil in exchange for crude.

An agreement signed with Baghdad in June 1969 and valued at \$72 million is repayable in hard currency. Another pact, valued at \$67 million, provides for Soviet assistance in exploiting



the big North Rumaila field—where drilling began in September—and for the surveying of new areas, with payment to be made in crude. The Soviets also are to lay an 80-mile pipeline to the port of Fao, where they will build storage facilities. If findings in other fields in southern Iraq justify development, the Soviets “will examine the possibility of providing technical assistance in implementing” development programs there. In carrying out these agreements, the USSR has sent numerous experts to Iraq.

The USSR has been exploring for oil in Egypt and may drill as many as 40 exploratory wells in the Western Desert, where operations began in March. The Soviets are to provide ten seismic crews to bolster prospecting operations and will deliver six drilling rigs. Furthermore, if oil is found, the Soviets will provide credits for the development of the field, which will be repaid in oil.

The USSR also is expected to receive two million tons of Egyptian crude from the El Morgan field in 1970 in exchange for Soviet oil delivered to northern Egypt. As in the past, the Egyptian oil probably will be shipped to other countries on Soviet account, a practice likely to be followed as long as the Suez Canal remains closed and the Suez-Mediterranean pipeline remains to be built.

Soviet involvement in Algerian petroleum affairs began in 1964 with the establishment of the African Petroleum and Textile Institute, where an estimated 300 Soviets are on the teaching staff. About 200 Soviet oil technicians have been working in Algeria since 1967. In 1969, the USSR

contracted to receive 500,000 tons of Algerian oil annually through 1975 as part of a barter deal.

Recently the Soviets and Algerians signed several contracts, two of which covered exploration and drilling. At present six drilling rigs are operational and the USSR is to provide 15 more. The USSR will probably not receive many kudos, however; most observers describe the Soviet equipment as antiquated, perhaps as much as 20 years behind Western equipment. The rigs are usable only for shallow drilling and would be unsuitable for exploitation of major Algerian fields.

Soviet exploration in Syria, which has been going on for more than ten years, helped Damascus to begin commercial production early in 1968. The Soviets also provided technical aid for construction of a 400-mile pipeline linking the fields in northeastern Syria with the Mediterranean port of Tartus. In late 1969 Soviet specialists prepared a comprehensive plan for oil production, and agreed to aid in the establishment of a research laboratory for Syria's proposed oil institute.

Six months after seizing power in 1969, the new Libyan government took several steps, including negotiation for Soviet participation in Libyan oil affairs, to reduce its dependence upon Western companies. The Soviets have proposed a joint exploration venture with the newly organized Libyan National Oil Company and last May sent a delegation of petroleum experts to Libya to conduct a one-month study. At that time they also agreed to supply three Soviet technicians to the Libyan Ministry of Petroleum to perform a long-term survey of oil reserves.

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