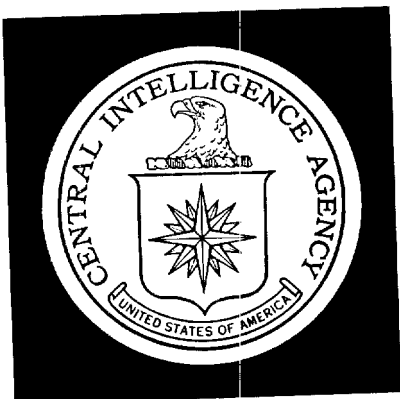


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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

State Dept. review completed

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(Information as of noon EST, 4 March 1971)

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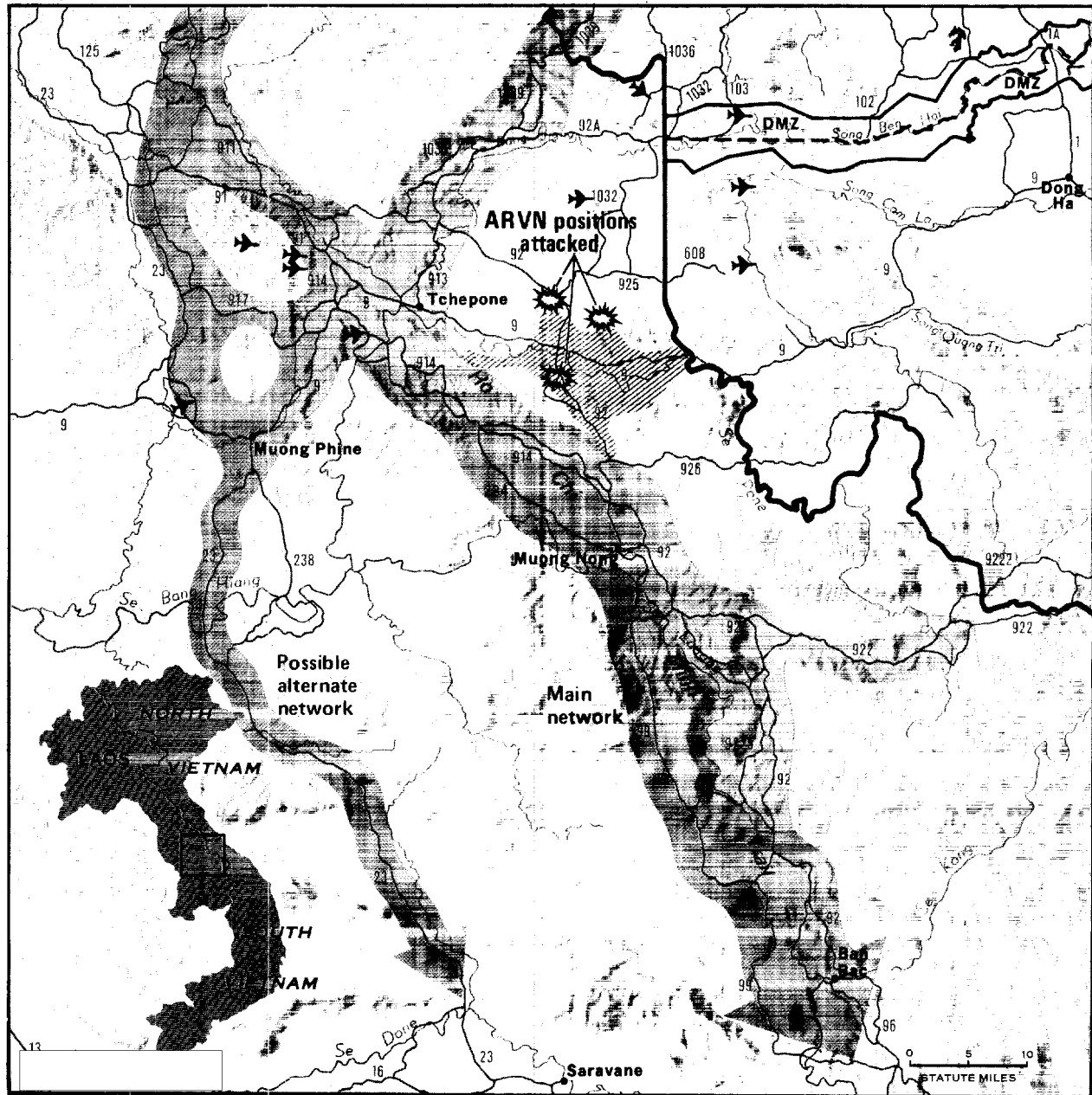
NOTES: Nationalist China; Burma; Yugoslavia-USSR; Austria; [REDACTED]
[REDACTED] Africa-UK; Senegal-Guinea; Panama

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Tchepone Area

- ← Location of US aircraft fired on by SAMs
- ▨ General location of ARVN forces



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FAR EAST

Indochina: *The Battle Joined*

Some of the heaviest, bloodiest fighting of the war is taking place as the Communists attempt to thwart South Vietnam's dry-season offensives into their strongholds in southern Laos and Cambodia. Both sides are playing for high stakes: the South Vietnamese seek to cripple the enemy's war-making capacity and to impress upon Hanoi that the rules of the game have been changed; the Communists must protect their supply routes and are trying hard to inflict setbacks on the South Vietnamese that could have wider repercussions on the course of the war.

During the past ten days the Communists have counterattacked South Vietnamese advances vigorously in both Cambodia and southern Laos. The attacks slowed the South Vietnamese drive into the Ho Chi Minh Trail complex, but at week's end Saigon's forces were beginning once again to press westward. Casualties have been heavy on both sides, but both Saigon and Hanoi seem willing to pay this price in pursuit of their current objectives.

Enemy Strikes Back in Laos

Long before the allied operation into eastern Laos was launched on 8 February, it was apparent that North Vietnam would fight hard to defend the Ho Chi Minh Trail. This conclusion was borne out during the first two weeks of the operation as the Communists rushed reinforcements to the area and launched an accelerated drive to move supplies south before the South Vietnamese could stop them. But what was not so apparent—and indeed what could only be a matter of speculation—was that Hanoi might also view the situation as an opportunity to bring its military resources to bear against allied forces in a way that has eluded the Communists in South Vietnam for nearly two years. Recent enemy tactics strongly suggest that the North Vietnamese do see such an opportunity and that although defense of their

supply lines still has first priority, they also are out to strike a blow against the South Vietnamese and the allied Vietnamization program.

The developing action on the ground in Laos during the past week gives some indication of how the North Vietnamese plan to pursue these objectives. The strongest enemy thrusts so far have come against the right flank of the South Vietnamese operation, that is, the string of positions held by airborne and ranger troops on the high ground north of Route 9. The Communists apparently hope to bring such heavy pressure to bear in this area that the South Vietnamese will be reluctant to push deeper into the Ho Chi Minh Trail complex to the west and south.

The upshot of these instructions was the heavy North Vietnamese attack last weekend against two South Vietnamese forward positions on hills north of Route 9. The enemy suffered heavy losses in the actions, but South Vietnamese casualties were also substantial, and part of an ARVN brigade headquarters was overrun. The fighting took place just a few miles from the area where a South Vietnamese ranger battalion had been badly battered the previous week.

Fighting also has picked up in the area assigned to the South Vietnamese 1st Division south of Route 9. The ARVN 1st Division withdrew under enemy pressure from one hilltop position in this area during the week, and other units of the 1st have been involved in a series of sharp ground clashes. During the past few days the South Vietnamese have resumed westward movements toward Tchepone, leapfrogging by helicopter to hilltop positions along Route 9. So far the North Vietnamese have resisted these moves with a hail of anti-aircraft fire, but the enemy has yet to carry out heavy counterattacks with ground forces against this advance.

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During the week the North Vietnamese added surface-to-air missiles (SAMs) to their already stiff air defenses in the general vicinity of the Lam Son 719 area of operations. US pilots reported being shot at by several missiles or rockets a few miles west of Tchepone and along the Demilitarized Zone. SAM firings in the DMZ area are rare but not unprecedented; the firings from inside Laos may be the first the Communists have made with these weapons in that country. Their introduction in larger numbers could significantly increase the threat to allied aircraft supporting the South Vietnamese drive into Laos.

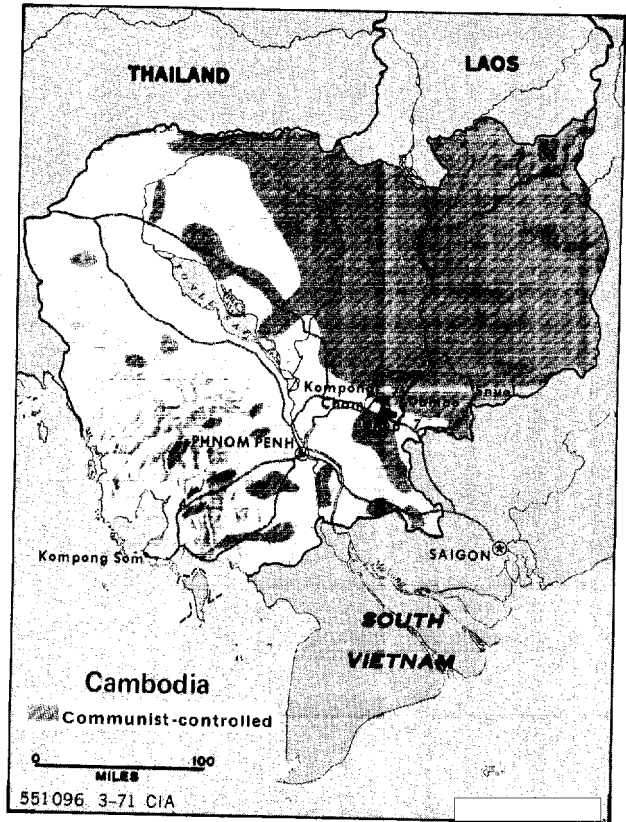
A Hotter War Around the Chup Plantation

South Vietnamese Army (ARVN) forces ran into increasingly strong enemy resistance in eastern Cambodia during the week. Heavy Communist rocket and mortar barrages against ARVN positions east of the Chup rubber plantation, particularly near the village of Dambe on Route 75, caused ARVN losses of several hundred killed or wounded. At the same time, air strikes on enemy troops in this area reportedly resulted in some sizable Communist casualties.

Some of the sharpest ground fighting took place near Dambe east of the Chup rubber plantation. ARVN troops claimed to have killed about 270 Communists during a series of sharp battles around Dambe toward the end of the week. Fifty-eight ARVN soldiers were killed and over 200 were wounded. There are seven enemy regiments maneuvering in the Chup plantation - Dambe general area, where the Communists appear determined to keep ARVN forces tied down so as to divert or delay them from moving into the important storage and base areas in the surrounding countryside.

Enemy Reactions in South Vietnam

Communist forces are using South Vietnamese Army (ARVN) operations in Laos and Cambodia to freshen appeals to their own troops to fight harder in South Vietnam, but as yet these



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have not matched words with action. Enemy attacks and support did pick up somewhat in northern South Vietnam during the past week, and there are many signs that North Vietnamese artillery and infantry elements plan to harass allied positions stretched along Route 9 between Dong Ha and Khe Sanh.

Enemy activity in Military Region (MR) 2 has generally been at a relatively low level, except for sharp attacks against ranger positions in the central highlands. In MR 3, attacks have been light and there is little to indicate that these will grow significantly in the near future.

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[redacted] With the exception of a rash of attacks against government security outposts and some skirmishes in the U Minh forest, however, the level of military activity has been moderate throughout the delta.

Moscow Warns as it Frets

Moscow registered its concern over events in Indochina in a toughly worded government statement last week and in an oral demarche to US Ambassador Beam by Deputy Foreign Minister Kuznetsov. Moscow's response did not appear to signal an expansion of the Soviet military aid commitment to Hanoi but rather the seriousness with which the Soviets view the possibility of future action aimed directly at North Vietnam. The Kremlin specifically reminded Washington that the DRV "is a socialist state" but only vaguely warned that the USSR would "help" repel any action against the North. The USSR clearly has some apprehensions that the US will support incursions into North Vietnam and wants to be firmly on record against such moves.

Moscow warned that Indochinese developments may seriously damage US-Soviet relations and questioned the utility of carrying on negotiations with Washington in the face of alleged US violations of its Geneva commitments regarding Laos. Moscow has made similar statements before, however, and there have been no indications thus far that the USSR actually intends to disrupt ongoing diplomatic contacts.

Moscow's reaction to Indochinese developments has reflected frustration over its inability to significantly influence developments in either Washington or Hanoi, as well as unease over the possibility that it might be called on to take more forceful action to back up the North Vietnamese. The Soviets have sought to keep alive the possibility of a political settlement, but they have made clear that the USSR considers itself powerless to bring about serious negotiations at present. Unless Hanoi shows some interest in diplomatic initiatives, therefore, the Soviets are unlikely to make any dramatic moves.

Another Spectacular in Cambodia

The Communists broke a five week stand-down in major attacks against Cambodian targets when they carried out a mortar and ground attack against the country's only oil refinery at the seaport of Kompong Som. Although the attack did not have the same psychological impact as the raid against the Phnom Penh airport in late January, it was the first time the Communists had brought the war into the important seaport and indicates that small-unit actions against population centers may become a continuing feature in Communist tactics in the coming months. Phnom Penh's petroleum supplies will not necessarily be disrupted as a result of the damage caused by the attack, however.

Enemy elements succeeded in destroying four large storage tanks at the refinery before they were driven off by local government security forces. The Communists apparently did no damage to the refinery itself, however. The enemy also bombarded a nearby airfield with mortar fire, forcing its temporary closure.

Only limited amounts of petroleum supplies have been trucked to Phnom Penh since Route 4 was reopened in January because of subsequent Communist harassing attacks against convoys traveling that highway. The capital is continuing to depend on the movement of petroleum supplies up the Mekong from South Vietnam to maintain essential fuel stocks. Riverine convoys to Phnom Penh have been arriving there with such regularity that three-month-old restrictions on the sale of gasoline and diesel fuels to civilians recently were lifted.

In the meantime, the Communists continued to carry out light harassing attacks against several main lines of communication. These actions were largely ineffectual. Government forces in the Phnom Penh special military region reported the presence of sizable numbers of well-armed enemy troops within striking distance of the city. No heavy fighting occurred in the capital area, however. Nevertheless, the Cambodians remained

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apprehensive that enemy pressure against Phnom Penh will intensify as the first anniversary of Sihanouk's ouster—18 March—draws near.

The Communists, too, appear to be regrouping and resupplying their combat forces around the Long Tieng complex, which now also number over 10,000 men.

In the south, Communist units are continuing to harass government outposts on the northern and eastern edges of the Bolovens Plateau, but have done relatively little damage.

Several rockets did hit Pakse on 4 March, causing only limited damage, according to preliminary reports.

The Penetrating Viet Cong

The Communists are still giving considerable emphasis to subversive activities, and they appear to be having some success. In the delta, a majority of the 29 government territorial force outposts that have fallen to the Viet Cong in the first two months of 1971 have been betrayed from inside the camps.

The Other War in Laos

Communist ground activity has been light throughout Laos for most of the week, but Communist forces in several areas appear to be preparing for increased activity. In the key Long Tieng complex southwest of the Plaine des Jarres, action has consisted principally of small-unit clashes and shelling exchanges, although two government outposts, four miles northeast and 22 miles east of the base, were overrun. Long Tieng itself was hit by ten rockets on 4 March, but no facilities were damaged. The government is strengthening its forces in this area, and some 1,200 irregulars from military Region III were moved into the complex on 1 March, raising government force levels to over 10,000.

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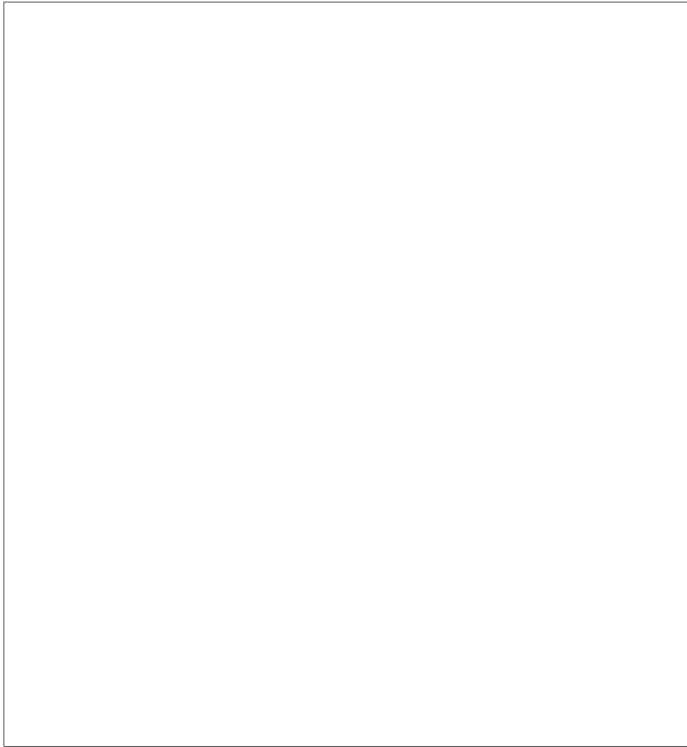
Within the past two years, the Communists have come to regard the territorial units, which bring the government closer to the people, as the most direct threat to their activities. Viet Cong attempts to subvert these forces undoubtedly will be expanded in the months ahead. They will continue to meet with some success until South Vietnamese territorial and police forces are better trained to cope with these Communist tactics.

Addressing his remarks to Hanoi, Thieu has recently begun to threaten an invasion of the North unless the latter stops sending its forces into the South. His political motives aside, Thieu clearly wants to keep North Vietnam thinking about its own defenses while it weighs its strategy and deploys its forces against the allied operation into Laos. In the longer term, he probably wants to drive the point home to Hanoi that the ground rules of this war have been changed and that Hanoi no longer enjoys the advantage of being able to invade the South without much real concern that the latter's forces might move against the North.

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Electioneering in South Vietnam

Playing new variations of an old theme, President Thieu has come up with a "Four No's" slogan for his election campaign. Swinging through the central highlands last week, Thieu promised no coalition, no neutrality, no territorial concessions, and no permission for the enemy to operate as a legal political party in South Vietnam. This seems to run counter to Thieu's earlier, more forthcoming offers to let the Communists participate in elections. Thieu has apparently decided to take a more uncompromising line in his campaign speeches in order to set the stage to attack the opposition, especially Big Minh, whom he probably will charge with softness toward the enemy.



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SECRET**Communist China: *Military under Fire***

Debate at the highest levels over the growing role of China's armed forces in party and government affairs is apparently intensifying. Although the sensitive issue of the army's day-to-day role in politics has long been treated circumspectly in official pronouncements, the ground rules appear to be changing, and unusual public criticism is being directed at alleged political failings on the part of the nation's numerous military administrators.

The points at issue are complex. They include Peking's desire to ensure centralized control over its most viable governing instrument as well as concern over the qualifications of some officers to hold posts within both the army and the civilian party apparatus. Beyond these problems, however, the recent propaganda outpourings also raise the possibility that a divisive struggle is going on in Peking—a struggle that in the past year already has resulted in several major casualties among leaders whose fate at least in part may have been determined by their attitude toward the army's future in politics.

The most recent public airing of deficiencies in the armed forces came last week in an authoritative article in the party theoretical journal *Red Flag*. The article launched a particularly harsh attack on the performance of both senior and junior military officers—many of whom are directly involved in civil administration. By implication they were charged with bureaucratic shortcomings reminiscent of those for which China's former party officials were censured during the Cultural Revolution. Thus, the article claimed that the performance of many officers is marred by the twin evils of "arrogance" and "complacency" and called for an intensified ideological struggle to eliminate these traits. According to *Red Flag*, this struggle should take the form of regular "open-door rectification"—a demeaning form of political harassment in which officers are forced to suffer direct criticism and verbal abuse from "revolutionary" soldiers and even, on occasion, from civilians.

It seems unlikely that this latest diatribe pre-
sages another round of purges in the military, but its

threatening tone and critical style almost certainly will impose additional strains on the morale and possibly on the cohesiveness of China's politically overburdened military hierarchy. Moreover, it is apparent that some army men, if not the majority, are opposing open criticism of the military's political performance on the grounds that it undercuts the army's authority. That this reaction is becoming widespread is suggested by *Red Flag's* unusually frank attack on the idea that one should not wash one's dirty linen in public.

Although it is difficult to determine exactly which elements in the regime are authorizing the present assault on the military, it seems safe to assume that the current complaints are the product of long-standing divisions over the proper limits of the army's political role. Indeed, such divisions may have been a major factor contributing to the uncertain leadership picture in Peking over the past year.^{25X1}

it is possible that the more recent fall of politburo member Chen Po-ta was precipitated in part by his support of opponents of the army during the Cultural Revolution.

In any case, concern over the military establishment seems to be one discernible thread running through the murky, behind-the-scenes leadership struggles in Peking. The issue appears still unresolved, and the fact that a recent Mao directive ordering army men not to fear criticism has not yet been widely publicized suggests continuing disagreement^{25X1} over the manner and extent to which the prescribed rectification campaign within the armed forces should be carried out.

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NATIONALIST CHINA: Taipei's claim to sovereignty over the Senkakus—officially registered for the first time last week—will probably not be allowed to jeopardize relations with Japan. The dispute over oil exploration rights in the East China Sea area has been brewing for the past 18 months, and Taipei no doubt felt it politic to claim the islands formally in view of the fact that Peking did so last December, and also because of mounting domestic pressure to take a more forthright stand on the issue. Taipei's previous position had been merely to deny Japan's claim to the islands, and it has publicly ignored Peking's. The Nationalists' latest pronouncement also claims for Taiwan "full and unrestricted" rights in exploration and exploitation of the continental shelf in that area. Despite this, the Nationalists probably hope to proceed with the exploration through informal agreements reached with Japan since last November. At the same time, they will probably give face-saving propaganda play to their new stand.



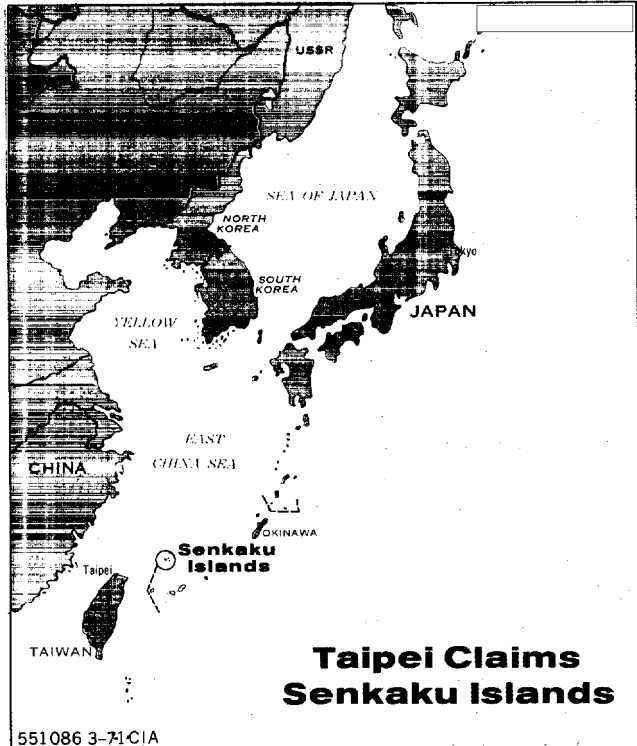
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BURMA: General Ne Win's emergency medical evacuation to London on 20 February because of a bleeding ulcer spurred the ruling Revolutionary Council into considering the succession for the first time. The 11 ranking military figures who form the upper echelon of the Revolutionary Council—plus field commanders summoned hastily to Rangoon—named Army Chief of Staff San Yu to take over should Ne Win depart the scene. San Yu, a long-time, hometown friend of Ne Win, is considered a dull, hard-working professional soldier.

Burmese Government press releases on 27 February reported that Ne Win was improving



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and would be discharged from the hospital shortly. Continuing uncertainty in the coming months over Ne Win's health, however, combined with San Yu's lack of leadership qualities, may give rise to intensified maneuvering by others in the Revolutionary Council who might aspire to succeed to the leadership. Any period of instability following a weakening or removal of Ne Win's heavy hand would reduce Rangoon's ability to cope with its multiple problems, particularly ethnic and Communist insurgency and former prime minister U Nu's efforts to mount a resistance movement from Thailand.



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EUROPE

France Renews Commitment to Space Programs

The French National Space Studies Center (CNES) announced last week that it had received a budget of \$133 million for space programs during 1971. This is the second largest budget CNES has ever received and, after two years of declining budgets, reflects a renewed commitment by the government to French space efforts.

The budget had risen steadily from \$3.4 million in 1961 to a high of some \$140 million in 1968, then declined for two years because of national economic strain and a re-evaluation of some space activities. The 1971 budget allocates \$84 million to program investments and \$49 million to R&D and operating expenditures.

The program investment sector includes \$36 million for the European multinational space organizations, suggesting a strong French commitment to the development of the Europa space boosters and applications satellites. France maintains that these programs are essential to serious European participation in space exploration and applications. In actuality, the programs probably do more to further France's own independent space efforts, already more advanced and comprehensive than those of all other European countries combined.

In addition to the European programs, \$30 million will be spent on bilateral projects related to the development of the French-inspired Symphonie communications satellite system and studies for upgrading the Diamant-B space booster, presently the basic workhorse of the French space program. Even if its capabilities were improved through such a joint project, the new missile still would remain a French space booster and, as with the Diamant-B, France prob-

ably would offer to make it available on a fee basis for use by the European scientific community.

Included in the money for bilateral cooperation is \$10 million for various Franco-American space experiments, but only about \$1 million for joint studies of space with the USSR. The Franco-Soviet studies will center on the launching of another French solar cell package by a Soviet launcher. Last year's joint efforts were highlighted by the landing on the moon of a Soviet scientific package containing French laser reflectors.

The French space budget also includes some \$18 million for programs the French will conduct themselves, such as sounding rocket launchings, stratospheric balloon projects, and laser experiments. Most of this sum, however, will be spent on developing and launching three satellites this year from France's new space center in French Guiana.

Paris took an early and continuing lead among European countries in supporting space programs. France's expenditures on space activities in recent years have amounted to more than one third of the total for Western Europe as a whole, and this proportion is increasing. France also is the only West European country consistently to spend more on national and bilateral space projects than it contributes to Europe's multinational programs. France views its space activities as having provided invaluable inputs to a whole range of scientific, aerospace, and military programs, as well as having contributed to placing France in the forefront of the European scientific community.

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YUGOSLAVIA-USSR: Although both sides expressed satisfaction with the visit of Yugoslav Foreign Minister Tepavac to Moscow on 23-27 February, there were nevertheless some tense moments in the official talks. The Soviets had some "remarks" about Yugoslav publishing practices and singled out as an objectionable example the memoirs of long-time Yugoslav trade-union leader Svetozar Vukmanovic-Tempo, which poignantly describe the bleak period of the Tito-

Stalin break in terms unflattering to the Kremlin. For their part, the Yugoslavs pressed Moscow to agree to open talks on information activity in each other's country. Privately Yugoslav officials have said they prefer to avoid an open dispute, but unless the Soviets agree to curb some of their propaganda activities, the Yugoslavs may move against the Soviet Novosti press service.

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Poor Countries to Receive Limited Trade Break

Japan, the European Community (EC), and the UK intend to implement their generalized tariff preference schemes by midyear. The schemes, which were coordinated within the Organization of Economic Cooperation and Development (OECD), will permit manufactured and semimanufactured exports of less developed countries (LDCs) to enter the granting countries duty free within a quota. Other OECD members, including the US, are also likely to implement generalized preference schemes. Some important questions, particularly which countries should be granted beneficiary status, still are unresolved, but the choice in any event will be left to individual donors.

Promulgation of the Japanese preference scheme is scheduled for 1 July, although implementation may be delayed if the EC is not ready to undertake its own preference scheme. Tokyo's preferences probably will have little impact on Japanese imports because many products including textiles, particularly important to the LDCs, are excluded, and important nontariff barriers remain. The Japanese will treat as beneficiaries all the less developed members of the United Nations Conference on Trade and Development (UNCTAD) who request preferential treatment. Countries that discriminate against Japanese exports, however, will be included along with Hong Kong and possibly mainland China and the US trust territories, in a special group to be granted preferential treatment on a product-by-product basis. The inclusion of Hong Kong, even on this limited basis, represents a significant concession by the Japanese and was made only after strong UK intervention.

The UK is waiting to see what the US, Japan, and particularly the EC, will do before it promulgates its own preference scheme. Even though the EC has postponed a council decision on its scheme until a meeting on 30 March, implementation on 1 July still seems likely. Its preferences probably will include textiles, and quotas are only likely to be enforced for a limited number of sensitive products. EC associates would still retain significant advantages in the EC market inasmuch as they receive preferences there for agricultural exports as well as for manufactures and semimanufactures, which are not subject to quota ceilings. The inclusion of Hong Kong in the EC's generalized preference scheme was made with the understanding that Hong Kong would not be included in any special preference arrangement arising from the EC-UK enlargement negotiations.

Implementation of generalized tariff preferences will require a waiver from the General Agreement on Trade and Tariffs (GATT) because the preferences violate the most-favored-nation principle embodied in GATT. A waiver agreed to by the prospective preference donors probably will soon be presented to the LDCs for their approval. The waiver will be in effect for ten years. The status of countries on the borderline of development, such as Spain, Greece, Turkey, Romania, and Bulgaria, remains to be determined. Romania and Bulgaria have requested inclusion in the scheme, but they have been explicitly excluded from beneficiary status by Japan.

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AUSTRIA: Chancellor Kreisky's minority Socialist government may ultimately provoke a vote of confidence following the recent breakdown of three-party talks on army reform. The reform plan, aimed at reducing the term of compulsory military service, is opposed by the military, the opposition People's Party, and to a lesser extent the Liberal (Freedom)

Party. Kreisky appears to be confident that the small Liberal Party will support his plan when parliament votes on it, probably in May. If the chancellor is defeated on the army reform issue he probably will call for new elections, which recent polls indicate would result in a clear-cut Socialist majority.

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Polish Workers Persist with Demands

Food prices returned to their precrisis level and more local party leaders were fired this week, but Poland's workers are not wholly mollified. Pledges made by leaders in speeches at factories and at meetings of mass organizations that inadequate living and working conditions will be improved suggest that the workers are now focusing their demands on a better way of life, especially with regard to housing.

A party official in Warsaw admitted last week that small-scale strikes and work stoppages are continuing in various localities. Party leader Gierek visited one of these trouble spots—the Cegielski combine in Poznan where the 1956 workers' revolt began—and told the men they should try to solve their own problems and not simply wait for solutions "from the top." Gierek encouraged the workers to arm him with answers

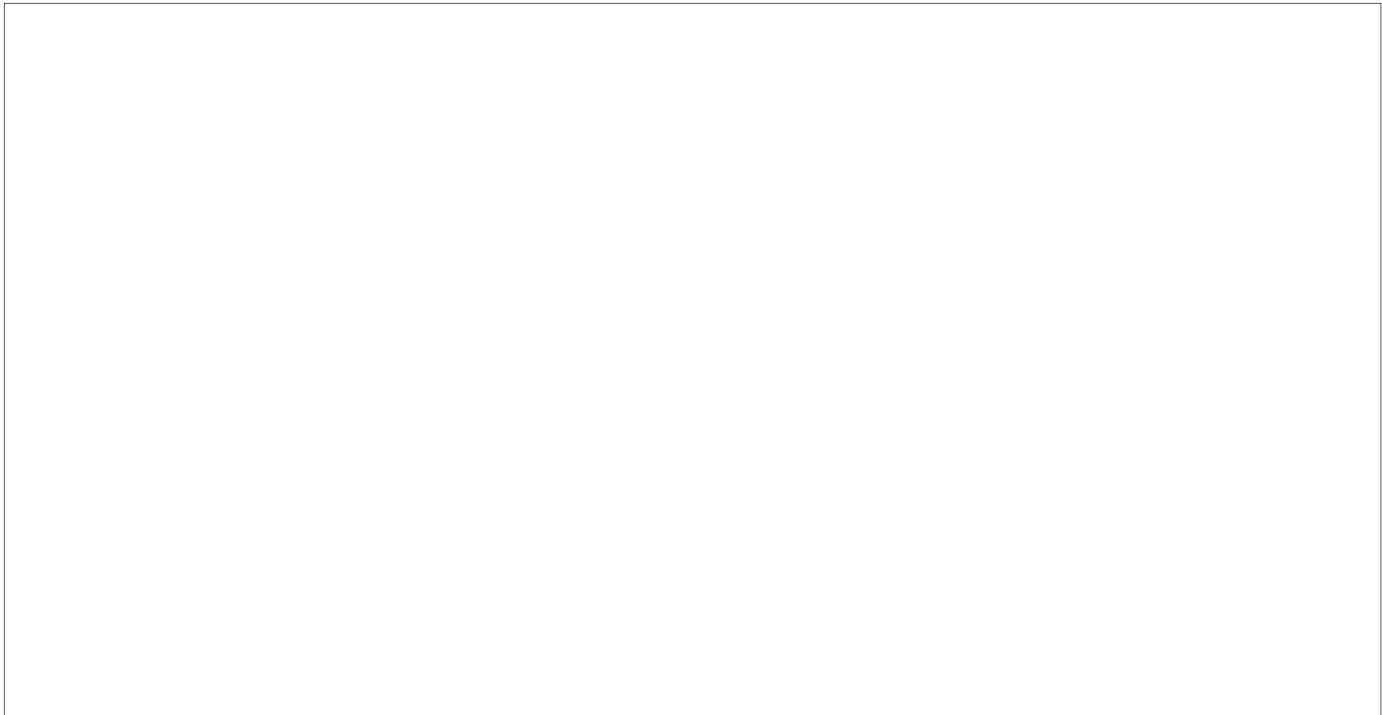
to Poland's problems so he could present them at the forthcoming party congress.

This tactic has the value of placing some of the burden of responsibility on the workers if conditions do not improve as rapidly or as smoothly as they would like. It also has the advantage of giving the workers, after years of neglect, a sense of participation in decisions that alter their lives.

At the same time, the appeal for broader popular participation carries some risks and will be carefully monitored by the party. The Gierek regime has been patient, but it will not tolerate a threat to its power monopoly. Future domestic stability may depend on recognition of this fact by the workers, who have been emboldened by their success in having the food-price increases revoked.

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Portugal: *Caetano Defends Reform Proposals*

In the face of right-wing pressures, unrest among students, and rumors of his possible ouster, Prime Minister Caetano has moved to affirm his authority. In a recent broad-ranging but somewhat defensive television talk to the nation, Caetano attempted to moderate criticism from both the left and right of his proposals for administrative, educational, and constitutional reform. Although stressing that the government understood the people's impatience with the slow pace of modernization, the prime minister made clear that competing demands for resources made it impossible to proceed with the desired urgency.

On educational reform, Caetano both defended the proposals made by his education minister and reassured the right wing that the reforms would not result in drastic changes. The proposals, prepared with student participation, provide among other things for more flexible courses, full-time professors, and greater accessibility to education on the part of needy students. In reiterating forcefully his commitment to educational reform, Caetano probably hoped to prevent a recurrence of the student strikes and demonstrations that began in December and subsided only in late February. The government will be hard pressed, however, to come up with the necessary funding.

Right-wing elements in Portugal have been especially concerned over the proposals for constitutional reform now before the legislature, particularly those that will give greater autonomy to the overseas territories. Caetano's reassurances in the past several months that the government has no intention of giving up the territories and that its primacy there will be ensured by its continued control over foreign affairs and defense apparently have failed to satisfy the critics. In the television address, Caetano was notably impatient with the need to defend his policy and stated that his past record should speak for itself.

Younger technocrats who had expected an announcement of new initiatives on the part of the government or at least a more positive approach were somewhat disappointed by Caetano's performance. They probably were particularly concerned over the administrative reform program, which critics charge has become bogged down. The speech did serve, however, to educate the people on the problems involved in directing a complex reform program and to remind dissatisfied elements that the prime minister is fully in charge.

Caetano's authority has also been bolstered by the mid-February acquittal of liberal priest

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Mario de Oliveira, on trial for "provocation of crimes against the state" and for "making false statements that cause public unrest." Oliveira had incurred the displeasure of conservative elements by his liberal theological and economic ideas and by his outspoken opposition to Portugal's African policy. His trial was regarded as an open contest

of strength between conservatives—both religious and political—and those who are seeking to move Portugal toward a more open and liberal society. His acquittal, which is being appealed by the prosecution, can be interpreted as a victory for Caetano's policies.

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European Communities Debate Farm Prices and Policies

The EC's annual debate on agricultural prices, which for some commodities should go into effect on 1 April, has become another agonizing reappraisal of the EC's farm problems. The responsible officials are burdened on the one hand by demands from farm groups for higher prices to alleviate falling incomes, and on the other by warnings, especially from the US, about the consequences of increased protectionism that higher Community prices imply. Adding to the difficulties of finding compromises between the conflicting views of the member states—and frequently between ministries within a given state—is the EC Commission's attempt to link its price proposals to a much-needed program of agricultural modernization.

The Commission thesis is that price increases alone will not improve the farm situation. The Commission's proposals on agricultural reforms—which it has been trying to peddle for three years—aim at increasing farmer income by reducing the number of farms, increasing the size of the remaining farms, and withdrawing some land from agricultural use. The cost envisaged for the program is \$300 million in the first year, which would increase to \$2.5 billion in 1977. Commissioner Mansholt has revised his original 1968 proposals, however, to place more emphasis on national measures and to limit the Community's contribution to 50 percent of the cost in each country.

Given the pressures for price increases, the Commission regards as minimal its price recommendations of last February, which will be discussed at a Council meeting again next week. Price increases of 2 to 5 percent are suggested for some grains, beef, veal, and milk. On a commodity of particular interest to the US—corn used as feed grain—the Commission in fact proposes no increase. The Dutch and German governments, however, are being pressed by farmers for much larger hikes, especially for grains. The French National Farmers' Organization remains opposed to most grain-price increases, although it otherwise wants a different—generally higher—"hierarchy of prices" from that requested by the Commission. Italy, meanwhile, fears the effect of higher feed grain prices on its livestock production.

The need for reform is generally accepted, but not all the member states believe that Mansholt's specific proposals are the right ones, and those who want immediate price rises do not wish to see them delayed because of a debate over reform. It will be difficult, moreover, to mobilize political support for a costly reform program even though it is intended to avoid greater costs in the future. Italy, however, wants agreement on the reform program to occur simultaneously with any price increases.

In presenting its "minimal" price proposals, the Commission also noted that larger increases would make more difficult the adjustments the British will have to make on joining the Community. Indeed, the price demands of Bonn and The Hague are in clear contradiction to their desire to facilitate UK entry.

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MIDDLE EAST - AFRICA

Middle East: *Diplomatic Maneuvering and Military Preparations*

Cairo's position on an extension of the cease-fire beyond 7 March remains uncertain in the face of Israel's apparent refusal to accept Egypt's demand that it withdraw from all territory it occupied in the June 1967 war.

The formal Israeli response to Ambassador Jarring's initiative reportedly was a more detailed version of the cabinet communique of 21 February in which the Israelis rejected an Egyptian offer to make peace in return for Israel's complete withdrawal from Sinai.

Although the Israeli reply was described as not being specific on borders, Israeli officials have begun to spell out what they regard as minimal acceptable boundaries in any settlement. In a speech on 25 February, Prime Minister Golda Meir said, "We will not be able to leave the Golan Heights, Jerusalem, or Sharm ash-Shaykh." In a radio interview the next day, Foreign Minister Abba Eban also indicated that Israel would insist on retaining these three areas. On 27 February, Deputy Prime Minister Yigal Allon stated on radio that it was essential for Israel to retain control over Sharm ash-Shaykh and a strip of land connecting it to Israel proper, as well as retaining a defense line along the Golan Heights. Although all three officials indicated that their statements did not represent an official decision on borders, their views appear to be shared by a majority of government members.

The final Egyptian position on extending the cease-fire is not clear. The Egyptians are apparently willing, at least for the time being, to permit the US to continue its efforts to persuade the Israelis to be more forthcoming on the withdrawal issue. It is noteworthy that, as the deadline of 7 March approaches, the tone of Egyptian propaganda has been consistently less strident than it was just prior to the previous expiration

date of 5 February. President Sadat told a meeting of the Palestinian National Council in Cairo on 28 February that Egypt intends to explore fully the possibilities of a political solution to the Arab-Israeli crisis before resorting to war. International efforts to gain from the Israelis a more positive commitment on withdrawal, together with international appeals for continued military restraint, could provide Cairo with sufficient justification for continued reliance in the immediate future on political rather than military action.

The USSR, meanwhile, in an obvious attempt to increase pressure on the Israelis, has issued one of its infrequent government statements on the Middle East. The statement, released on 27 February, contrasts the alleged reasonableness of the Egyptian response to Jarring's proposals with the Israeli communique announcing Israel's refusal to withdraw to the pre-1967 boundaries, and it attempts to link Israel's position to the latter's relationship with the US. The statement also warns that the only alternative to a political settlement is a "military clash" and affirms that all states interested in peace must act vigorously to prevent Israel and "its patrons" from frustrating such a settlement. It ends with the standard reiteration of all-out Soviet support for the Arabs in their struggle to regain their lands.

Military preparations by both the Egyptians and the Israelis appear to involve contingency planning and the alerting of forces, but there are no indications that either side is mobilizing or redeploying forces to initiate hostilities. The strategic standoff that has developed is unlikely to change in the near future. Egypt's military leaders appear to be aware that a large-scale crossing of the Suez Canal would only produce another Arab defeat. The Israelis, on the other hand, have little to gain from another round of fighting.

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Palestinians: *Parliamentary Powwow*

The meeting in Cairo this week of the National Council, the Palestine Liberation Organization's (PLO) parliamentary body, concentrated its attention on the problem of unifying the various fedayeen organizations.

The initial sessions of the council were taken up with speeches by Yasir Arafat, Council Chairman Yahya Hammuda, and others who reaffirmed their intention to continue the military struggle against Israel. Meeting at the same time as the council was the "Popular National Conference." This assemblage, presumably responding to a fedayeen-inspired invitation, reportedly drew together a wide spectrum of once-distinguished Jordanians and East Bank Palestinians. Both groups were expected to call for the prevention of any further conflict between the two peoples and to condemn King Husayn's regime. The conference also underscored the need for the unity of Palestinians on both banks of the Jordan River.

In his welcoming speech opening the council, President Sadat of Egypt rather brusquely told the Palestinians to restrict themselves to their proper concerns. He pointed out to the delegates that the responsibilities and potential strength of the fedayeen movement had been exaggerated from the beginning by various states to enable them to avoid fulfilling their own obligations. The

Egyptian leader counseled the guerrillas to forestall any further attempts to liquidate them by concentrating on unifying the Palestinian movement. Whatever they decide to do, Sadat now has served notice on the Palestinians not to interfere in Cairo's attempts to achieve a peace settlement.

The council in fact, was concerned with the seemingly unsolvable problem of unifying the various fedayeen organizations. A three-man committee composed of a Fatah, an independent, and a Palestine Liberation Army (PLA) representative attempted to meld various proposals for unity into an acceptable formula that was to be presented to the entire council for its approval. The Popular Front for the Liberation of Palestine again played the main role in attempting to obstruct any effective movement toward unity by boycotting the meetings and by refusing to take part in any decision making.

Arafat and other PLO leaders apparently sought to nip any quarrels in the bud by making two quick decisions. The contentious issue of the establishment of a Palestinian entity was avoided by omitting it from the agenda and the PLA's representation in the council was increased to six seats in an effort to assuage PLA commander Brigadier General Yahya, who has been critical of Arafat and others.

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Relations Between Syria and the USSR Warm Up

Syrian Prime Minister Asad's visit to Moscow last month apparently was a considerable success on all fronts—political, military, and economic. Asad is believed to have responded favorably to Soviet urgings that Damascus align itself more closely with Egyptian foreign policy and agree to a political settlement in the Middle East, thus reflecting a more forthcoming attitude than Syria has heretofore displayed. Moscow was receptive to Syrian requests for additional economic aid, and the Soviets promised to continue their flow of military assistance.

Moscow reportedly will provide economic aid for 15 to 20 major projects under Syria's five-year plan (1971-75). Work has already been started on several of these projects, and others have been discussed during the past several years. The Soviets presently are operating, in part, under a 1957 aid agreement that nominally is valued at \$100 million but that actually is open-ended. Moscow also extended \$133 million in 1966 to cover the first stage of the Euphrates Dam, scheduled to be completed in 1973.

The two countries apparently agreed to the USSR's construction of another dam and a high-tension powerline, possibly to carry electricity from the Euphrates Dam, as well as to increased Soviet aid to boost Syrian oil production. The USSR also will participate in the construction of the Damascus-Homs railroad—a project that was approved nearly two years ago and that already has been surveyed. In addition, the USSR will

provide Syria with locomotives and possibly other rolling stock. Other projects mentioned during the Moscow discussions include construction of a satellite communications system and a completely equipped agricultural cooperative. Finally, the USSR agreed to a delay in Syrian debt repayments, but it is not clear if this postponement refers to the economic or military debt.

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Soviet military assistance to Syria has been immune to vacillating political relations between the two countries. In 1970 alone Syria received over 20 high-performance jet aircraft as well as medium tanks, armored personnel carriers, and other ground forces equipment. The number of Soviet military advisers rose to over 750 last year, in part to expand the SA-2 system introduced in 1969.

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Sudan Revolution Flags

The young military revolutionists have all but lost the elan that swept them into power with the bloodless coup on 25 May 1969.

Public confidence in the Numayri regime has been seriously undermined by the government's

indecision and vacillation in dealing with the country's chronic domestic problems. There is still no end in sight to the festering 15-year-old rebellion of black African separatists in the south that continues to drain the treasury's limited financial resources. Moreover, Numayri has failed

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to capture his people's imagination by his ventures into foreign affairs; there is clearly little popular enthusiasm for his moves toward unity with Egypt, Syria, and Libya in an Arab quadripartite federation.

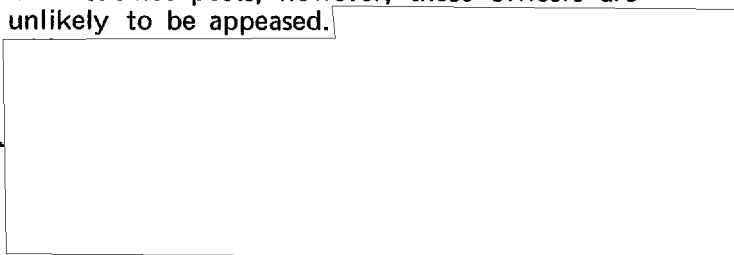
Faced with these outstanding problems, the Sudan clearly needs a firm, balanced, and pragmatic leadership that the inexperienced young officers have been unable to provide. Perhaps their most glaring blunder has been the mismanagement of the economy. The wholesale nationalization last spring of business firms, industries, and banks did not result in the panacea envisioned in the regime's Marxist slogans but instead brought economic stagnation. In an about-face, the Numayri government is now courting understandably reluctant Sudanese capitalists in an attempt to expand the private sector of the economy.

It is no longer possible to identify any one group within Sudanese society that solidly backs the Khartoum government. Even the Communist-

dominated labor movement, formerly the main pillar of the revolution's mass following, has gradually withdrawn its support over the past six months. A complete break between Numayri and the orthodox wing of the Sudan Communist Party (SCP) seemed implicit in the President's pledge last month to "crush and destroy" the SCP.

Lacking a popular base of support, Numayri is acutely aware that his ability to remain in power hinges entirely on the backing or at least the acquiescence of the army. Numayri's public attacks against the SCP and the removal of Communists and ultraleftists from the cabinet and the ruling Revolutionary Command Council over the past few months were patently designed to mollify conservative, command-level army officers. With four prominent Communists continuing to hold cabinet posts, however, these officers are unlikely to be appeased.

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AFRICA-UK: African reactions have been muted to the Heath government's decision to sell Wasp marine helicopters to South Africa. Tanzanian President Nyerere, who threatened last summer to leave the Commonwealth over this issue, has decided not to take any action, now for fear of losing what little leverage he has to prevent Heath from selling even larger quantities of arms to South Africa. The Zambian Government, which along with Tanzania led the opposition to the arms deal before and during the recent Commonwealth conference in Singapore, is apparently taking the same tack and has merely said it "reserves the right to take action."

at Singapore to examine Heath's claim that Britain must sell South Africa naval arms to offset a growing Soviet naval presence in the Indian Ocean. In protest, Nigeria has withdrawn from the study group, and India, another member, has said that it would be an "exercise in futility" for the group to meet now. Although only Nigeria has taken any action—albeit largely symbolic—to protest the sale, the fireworks are not necessarily over. Much will depend on whether Heath allows further arms sales to Pretoria. Foreign Minister Sir Douglas-Home was purposefully vague on this point when answering questions in parliament last week.

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London's decision effectively undercuts the eight-member Commonwealth study group set up

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Drift Toward East Pakistani Secession Continues



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President Yahya Khan's postponement of the National Assembly has brought a strong reaction from East Pakistani leaders and some violence in the province.

posed on 2 March. The army appears to have taken over police functions in Dacca, East Pakistan's capital, and reinforcements may be flying in from West Pakistan.

Yahya said he was indefinitely postponing the assembly, which was to have met on 3 March to begin writing a constitution, because of the "confrontation" between East and West Pakistani politicians. He promised to convene the body as soon as these differences were resolved.

Yahya made a last-minute attempt to resolve the crisis by calling for a meeting of all party leaders in Dacca on 10 March, but Mujib rejected the invitation, calling Yahya's proposal a "cruel joke."

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East Pakistanis—who would have had an absolute majority in the assembly—had refused to compromise on their program to limit the central government to responsibility for defense and foreign affairs and to leave taxation, foreign trade, and aid in the hands of the provinces. The largest West Pakistani party—with support from other Western politicians—planned to boycott the assembly unless the Easterners agreed to negotiate.

Mujib intends to reveal his plans at a rally scheduled for 7 March. [redacted] he will announce the equivalent of 25X1 East Pakistani independence—possibly a reference to an arrangement under which the two parts of the country would have separate governments and constitutions but would share a common president.

Mujibur Rahman—leader of the Awami League that won almost all of East Pakistan's seats in elections last December—bitterly criticized Yahya's decision. He called for general strikes on 2 and 3 March, and later extended them through 6 March. Although Mujib asked for restraint, violence has broken out and is continuing despite a nighttime curfew im-

Such a declaration by Mujib would face Yahya with a difficult decision. He might decide to let East Pakistan go its own way peacefully, but he could choose to use the army to try to enforce a central government control. This could turn into a long, costly, and ultimately futile operation, but some 25X1 military men are arguing that a "judiciously ruthless and stern" approach will cow the East Pakistanis, at least for the time being. [redacted]

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SENEGAL-GUINEA: President Senghor moved this week to meet Guinean demands for restrictions on anti-Toure exiles in Senegal by extending internal security laws to cover activities inimical to "friendly or allied states." Senghor's more conciliatory attitude was prompted partly by his need to concentrate on domestic problems. A proponent of regional cooperation, he realized the serious harm the Organization of Senegal River States (OERS) would suffer if the bitterness between Dakar and Conakry continued.

An arrangement reportedly was hammered out between Guinea and Senegal at a recent meeting of the OERS after weeks of mutual recriminations over alleged Senegalese support for Guinean oppositionists. The Senegalese reportedly promised to try Guinean exiles for the same crimes for which they had been sentenced in absentia in Guinea. Several leading Guinean oppositionists reportedly have already been arrested. For their part, the Guineans 25X1 agreed to permit the return to Guinea of a group of expatriate Guineans who the Senegalese allege were spies for Conakry. [redacted]

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WESTERN HEMISPHERE

Chile: *Elections and Foreign Affairs*

The Chilean coalition government is trying hard to make a good showing in the elections on 4 April for municipal officials and a successor to President Allende in the senate. The Popular Unity (UP) coalition hopes to win about half the total vote so that it can further its claim of political dominance throughout the country and it is sparing no activity or expense to achieve this. Coalition candidates must run under their own party labels, and each of the largest UP partners—the Communist, Socialist, and Radical parties—is determined to do well to strengthen its own position.

The Communist Party (PCCh) is using its superior organization and discipline plus cash and government spoils in its attempt to win votes. So far, the PCCh reportedly, is outstripping both the other UP parties and the opposition parties as well. The Communists are believed to control about four fifths of the estimated 15,000 local UP committees, which are being activated as the key to the coalition's electoral effort. The committees serve as clearing houses for patronage and other government favors, and assist in the recruitment of lower class groups, whose loyalty was formerly an important factor in the Christian Democratic Party's strength.

This week Allende visited his old senate district in Chile's three southernmost provinces on behalf of UP contender Adonis Sepulveda, who has a good chance of winning against a divided opposition. Sepulveda, who like Allende is a Socialist, is benefiting from a major government economic effort in southern Chile, which includes an emergency employment program. The rising unemployment rate throughout the country is being used as an election issue by the opposition, but it is unlikely to affect the outcome decisively.

In a speech on 25 February to the congress of the Chilean Labor Confederation, Allende listed what he had already done for the workers and promised to put Chile "on a war footing" this month to overcome persistently serious unemployment and inflation.

In the same speech Allende said that the inter-American system is in a crisis. He cited the arguments of others that US and Latin American interests diverge ideologically and economically, and stated that the US "seeks to maintain a situation under which it exercises hegemony." The progovernment press sounded the same theme in recounting Minister of Economy Vuskovic's recent appearance before the Inter-American Committee on the Alliance for Progress. Vuskovic was hailed as having "boldly confronted an organ previously dominated by imperialist US forces" with his presentation that characterized Chile's economic program as revolutionary but reasonable.

In foreign affairs, Allende is still carefully tending relations with Chile's most important neighbor.

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One of Allende's recently announced economic development plans, involving an extensive area along the Argentine border where armed irregulars have been reported, is probably an attempt to reassure the Livingston government.

On 25 February Chile and Cuba signed a bilateral civil-air agreement for service between Santiago and Havana. It will begin within three months and will be shared by the national airlines of both countries. The weekly passenger flights on the Chilean government airline will continue

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on to Western Europe, while the weekly flights of the Cuban airline to the south will stop at Lima.

The undersecretary of foreign affairs announced recently that he will head a high-level delegation to the Leipzig Fair this month. He also

revealed that Chile is preparing for trade discussions with East Germany, "reflecting the desire of two nations that have put their faith in socialism." The visit may also be used to fulfill Allende's promise to establish diplomatic relations with Pankow. [redacted]

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Colombia's Troubles Increase

Colombia's increasing social problems are symptomatic of ~~unrest~~ among student, labor, teaching, and campesino groups, and dissatisfaction in the political arena is also on the rise.

In Cali, students went on strike in early February to protest university administrative policies. Following a series of student demonstrations, police and military forces occupied the university grounds on 26 February, sparking a day-long riot that resulted in several deaths and considerable property damage. University and high-school students in several other cities, including Bogota, have also staged strikes and demonstrations since early January, but none has reached the proportions of the Cali incident.

A number of labor strikes over specific grievances have been called recently, and a nationwide, 24-hour strike is scheduled for 8 March. This strike originally was called by the Union of Workers of Colombia to protest the government's reclassification of state employees as public officials, thus depriving them of the rights of collective bargaining and striking. The strike now is backed by the Communist-dominated Trade Union Confederation of Workers of Colombia, the National Popular Alliance (ANAPO) of former dictator Rojas, a dissident wing of the President's Conservative Party, and smaller opposition groups. Elementary school teachers throughout the country have been on strike since mid-February demanding a substantial wage increase; they have been joined in some places by high-school teachers.

The occupation of private lands by campesinos has increased significantly in recent weeks; half of Colombia's 22 departments have been affected. Protesting the slowness of the government's agrarian reform program, the National Association of Land Users has said, "The land they have taken, invading ranches throughout the country with thousands of families, belongs to the people and we will not return it." In most cases, however, police and military forces have removed the campesinos peacefully.

These problems, which seem to be unrelated and to arise from local, specific grievances, have common roots in Colombia's economic and political difficulties. Although trends in the economy over recent years have been generally good, the lower classes see little improvement in their lot. Per capita income remains low, and total income is inequitably distributed. A rapidly expanding population, a high rate of unemployment, and a gnawing inflation are becoming increasingly serious social problems.

At the same time, the gradual dismantling of the national front system of government and an ~~apparently ineffective administration~~ are creating political dissatisfaction. ~~Popular unrest is matched by discontent on the part of prominent political and business leaders, and Communists and other opposition groups, including ANAPO, are taking advantage of the situation to expand their influence and increase their popular following.~~ [redacted]

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Cuba: *Prensa Latina Continues to Expand*

Fidel Castro's once-discredited Prensa Latina press agency has been generally successful in its current attempt to expand its operations and raise its prestige outside Cuba. The agency, [redacted]

[redacted] has already made significant advances in South America and in Europe. In addition to attracting new subscribers by increasing its press broadcasts and reorganizing its publications, the agency has established offices in La Paz, Quito, Stockholm, and Madrid since last July, and it is expected to open another in Caracas shortly. The expansion, which is designed to help refurbish Cuba's image abroad, [redacted]

[redacted] has provided a channel for communicating with governments with which Cuba has no formal relations.

Prensa Latina now boasts that its main office in Havana is supported by five bureaus (Paris, Prague, Mexico City, Montevideo, and Santiago) and by offices or correspondents in cities in 22 other countries (La Paz, Quito, Lima, Moscow, Peking, Hanoi, Pyongyang, Tokyo, New Delhi, Colombo, Beirut, Algiers, Rome, London, Stockholm, Brussels, Copenhagen, Madrid, Sofia, East Berlin, Brazzaville, and the United Nations in New York). In addition, the agency claims to have "regular or traveling" correspondents reporting from Buenos Aires, Rio de Janeiro, Bogota, Caracas, San Jose, and Santo Domingo.

To supplement its eight daily press transmissions beamed to all parts of the world, Prensa Latina disseminates through its European bureaus the "Latin American Roundup" twice a week. Its bureau in Mexico City acts as distributor for "Expresso," a wrapup of world news passed three times weekly to newspapers and periodicals in Mexico, Central America, and the Caribbean area. The home office also publishes and gives wide dissemination to several Latin American - oriented publications such as PEL (*Panorama Economico Latinoamericano*), a weekly journal usually devoted to statistical "evidence" of US "imperialism's" economic penetration of other countries. Havana also provides special services tailored to specific requirements of its consumers such as interviews with leading political personalities or photographic coverage of special events.

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The quality of Prensa Latina's reporting has improved and much of its material now seems to be written from a Latin American rather than a Cuban point of view. This will probably enhance the possibility of attracting additional subscribers and will also help overcome the poor reputation the agency had earned in past years because of its biased, radical, and frequently inaccurate reporting. As Prensa Latina's stature improves, its efforts to achieve representation in other countries will probably encounter less resistance. [redacted]

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Soviets Increasing Aid to Cuba

Soviet economic aid to Cuba this year promises to revert to the pattern of 1968-69, when the Cuban economy's continued weakness resulted in a sharp rise in Soviet assistance. Last year there was some improvement in the balance sheets between the two countries as Havana's sugar harvest

and sugar exports to the USSR reached record levels.

The recently signed trade protocol for 1971 calls for an increase in total trade by more than \$100 million from the approximately \$1.2 billion

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registered in 1970. A Soviet spokesman has admitted that exports from the USSR will account for all of this increase, and there are good indications that the total bill for the Soviets will be even higher because Cuban exports are unlikely to match last year's figure of about \$475 million. Fidel Castro is on record as predicting that Cuba's trade deficit with the USSR will be "very large" this year.

During the past decade when Cuban-Soviet trade doubled, Havana has run a growing deficit that reached an estimated \$425 million in 1969. This deficit, after falling drastically last year, will again increase and probably will be close to \$400 million by the end of the year. At that time Cuba's total debt to the USSR will amount to about \$3 billion, the bulk representing balance-of-payments support. Over the years, moreover, the USSR has provided more than \$1 billion in subsidies through the preferential price it pays for Cuban sugar.

In addition to signing the annual trade protocol, Cuba and the USSR also extended until 1975 the trade and payments agreement of February 1965. This action probably concluded a series of recent moves by the two countries to improve their joint long-term planning and cooperation. The most significant step has been the establishment of an intergovernmental Commission for Economic and Scientific-Technical Cooperation. Most of the members are at the deputy ministerial level reflecting the importance apparently attached to this body by both sides. Although it is too early to assess the commission's prospects, it is likely to have a difficult future in view of the erratic shifts that have characterized Cuba's economic policies in the past.

Soviet military deliveries last year were routine, and available evidence points to more of the same in 1971. Shipments have consisted of newer equipment to replace materiel in Havana's aging military inventories.

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[Redacted]



PANAMA:

[Redacted] last week, top government leaders criticized the US for refusing to return a minor Panamanian official arrested in the Canal Zone on drug charges. Despite earlier threats of violent demonstrations, however, the government has thus far confined itself to diplomatic protests in the wake of a US decision to fly the prisoner to Texas to stand trial. General Torrijos apparently has concluded that further steps would not only be futile but also would jeopardize chances for

negotiations on more important issues. In a well-publicized press interview Torrijos characterized relations with the US as "good" although complaining about the violation of Panamanian sovereignty. Torrijos also advanced the standard rejection of the "in perpetuity" clause in any new canal treaty and stated that his government has no interest in establishing diplomatic relations with the Soviet Union at this time.

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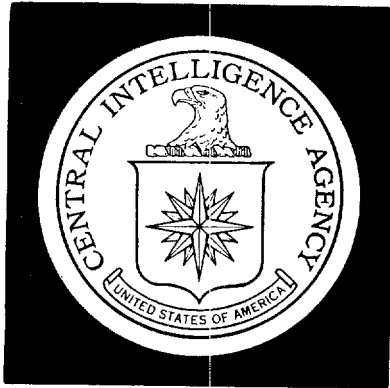
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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

Special Report

Separate Development in South Africa: The Bantustans

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№ 16

5 March 1971
No. 0360/71A

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SEPARATE DEVELOPMENT IN SOUTH AFRICA: THE BANTUSTANS

We can only safeguard the white man's control over our country if we move in the direction of separation—separation in the political sphere at any rate.

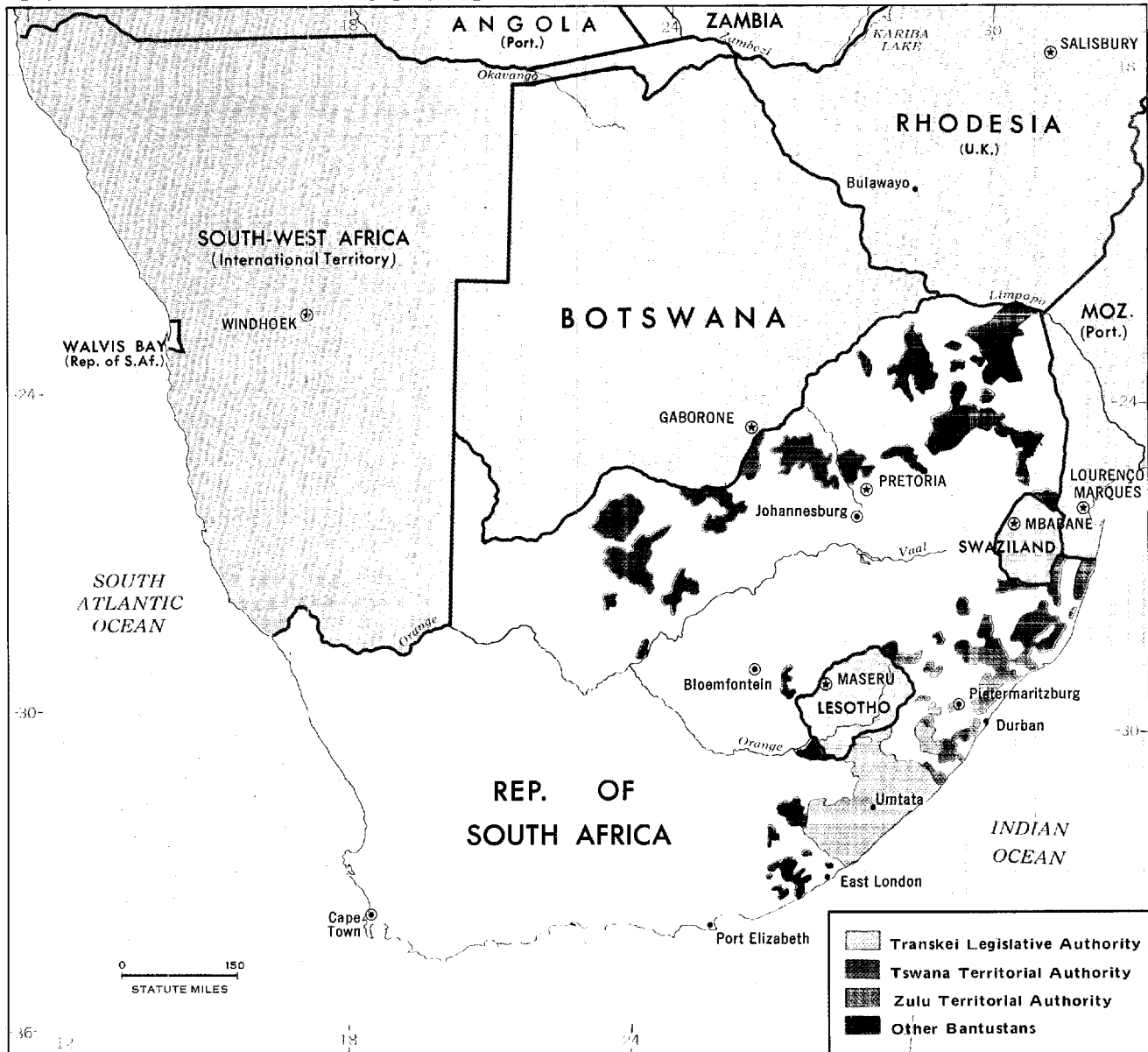
The late Prime Minister Hendrik Verwoerd, 1959

Since coming to power in 1948 the Afrikaner-dominated National Party has had as its primary goal the implementation of its policy of separation of the races (apartheid). In the last decade, the keystone of that policy has become the bantustans, the African tribal homelands. In theory, these territories will eventually become self-governing, independent states, and Prime Minister Vorster has said that his government hopes to grant "independence" to one or two bantustans in the next few years. The chances, however, that any of the homelands will ever become self-supporting and really free of dependence on white-ruled South Africa are almost nonexistent.

Granting nominal independence soon, however, could have certain advantages for Pretoria. It would probably reassure Afrikaner supporters of the government that it is moving ahead—albeit slowly—with separate development. It could also further the Vorster government's efforts to improve relations with a select number of black-ruled states and thus sow dissension among African leaders who are already at odds with each other over how best to deal with South Africa.

The government hopes the bantustans will eventually become the homeland of most of South Africa's blacks, and it is attempting to remove the Africans from white-designated areas by converting the black urban labor force, on which the economy is dependent, into a migratory one. The problems confronting the government in accomplishing this, however, are monumental, and whether the Nationalists will succeed in turning present planning into practice is clouded with uncertainty.

South Africa: Bantustans



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Background

There must be a white South Africa and a black South Africa politically divided but peacefully and cooperatively coexistent.

S. Pienaar, prominent Afrikaner journalist

Apartheid, though cruel in practice, is idealistic in theory.

Alan Paton, author of *Cry, the Beloved Country*

It is impossible to travel in South Africa today without noticing the distinctions that are made between the races. Separate facilities for whites and "non-whites" are almost everywhere: at airports, post offices, beaches, graveyards, even in those areas set aside for the African. In Umtata, the capital of the Transkei, for example, there are hotels where the chief minister of the territorial government, an African, cannot stay. South African law excludes the African from national political affairs and also dictates where he may live and what kind of job he may hold.

Although most of South Africa's 3.8 million English- and Afrikaans-speaking whites consider white minority rule essential and social segregation desirable, only the ruling National Party, the political voice of most Afrikaners, espouses the apartheid ideology of complete racial separation. Afrikaners' racial fears and sense of superiority are deeply rooted in their history as a frontier people among hostile African tribes and in their 17th century Calvinist religion with its doctrine of the elect. For them, regimentation of blacks has always been a matter of survival, and since coming to power in 1948 the Nationalist government has done its utmost to shore up, formalize, and extend the country's traditional system of racial discrimination.

In the last ten years or so the focus of the government's racial policies has become the bantustan, the Africans' tribal homeland. Afrikaner

political leaders and intellectuals contend, with some justification, that South Africa is not one but several different "nations" as incapable of forming a single political and social unit as, say, India and Pakistan. In order for the white man (as well as the non-white) to maintain his own identity and keep what he believes is rightfully his, it is argued that each "nation" should be allowed to develop in its own way with its "own institutions, attitudes, and values." Until such time as this can be brought about, however, discrimination, or what has come to be known as "petty apartheid," will remain in force.

By definition tribes are considered nations, and the government has gone to some lengths to bolster the authority of traditional tribal chiefs in African-designated reserves (bantustans) and to revive tribal ties among Africans in urban areas. Tribal dialects have become the language of instruction in African schools, and the government has established separate universities for some tribal groups. The government-owned South African Broadcasting Corporation also has regular programming in the tribal languages. In urban areas, officials have begun to divide Africans residentially along tribal lines. Above all, the government has promoted its bantustan program as the answer to South Africa's troubling racial problems.

Although the idea of separate homelands for blacks is a logical outgrowth of apartheid, it is also a response to foreign critics who have branded South Africa's racial policies as harsh and totally oppressive. If current government plans are carried out, all Africans eventually will become citizens of these homelands, which will be given the formal trappings of independent states. In theory, Africans would then be free of white political control, and whites would retain exclusive rights in their part of the country where blacks would be treated as foreign migrant workers. What the relationship between these "independent" bantustans and white South Africa would be is unclear, although government leaders sometimes speak of a "commonwealth" of South Africa.

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To those, therefore, who criticize the South African Government for withholding political rights from the Africans, Pretoria holds up the panacea of a future multiracial, but racially separated, union of South Africa. To the opponents of apartheid, however, separate development is at best a utopian, self-deluding policy, and at worst (and more likely) an attempt to pull the wool over the eyes of the outside world and to provide a moral basis at home for continued white supremacy rule. They are deeply skeptical of the government's claim that "petty apartheid" is only transitory and that the bantustans will ever achieve real independence.

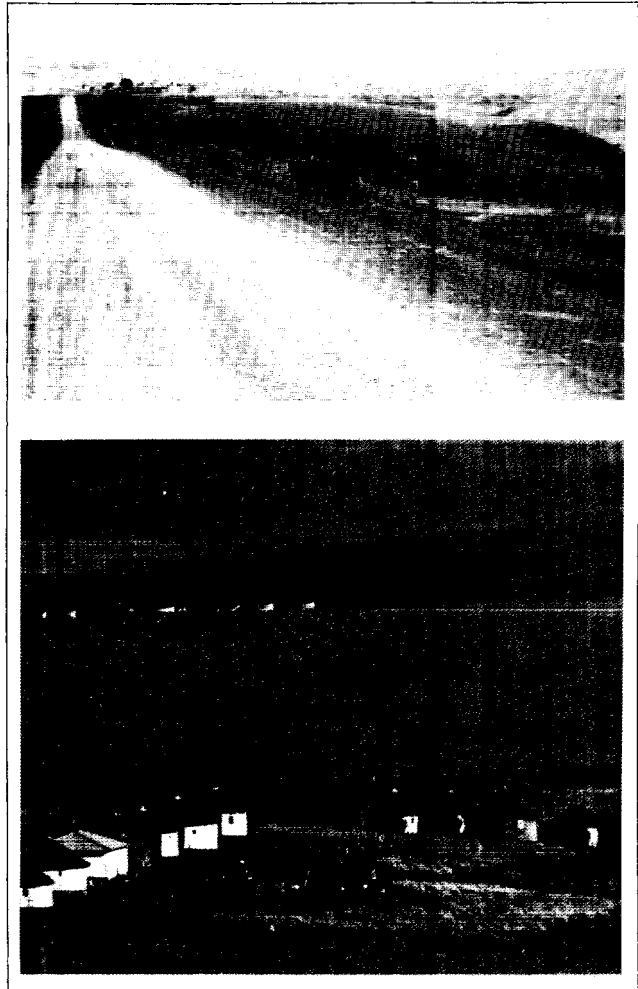
Some Afrikaner intellectuals are also highly critical of the bantustan program, not because they disagree with it but because they want the government to do more to make it a reality. In fact, the government's efforts have often been compared unfavorably to the plans to industrialize the reserves proposed in the mid-50s by one of its own special study groups—the Tomlinson Commission. But the late Prime Minister Verwoerd, whom many Afrikaners look upon as the prophet of apartheid, rejected this course. As a result, the government has concentrated largely on the more dramatic and less expensive effort of political development.

Inside the Bantustans

They are valleys of old men and old women, of mothers and children. The men are away, the young men and the girls are away. The soil cannot keep them any more.

Cry, the Beloved Country

Nearly half of South Africa's 15 million blacks now live in the eight reserves set aside for them. These homelands make up less than 12 percent of the land area of South Africa, and by one recent official count consist of 276 bits and pieces of territory scattered mostly over the east-



Typical scenes in the Bantustans

ern half of the country. Although the government is committed to buying over 5,000 more square miles of land consigned to the reserves under the 1936 Bantu Trust and Land Act, it does not plan to consolidate many, if any, of the bantustans completely. This would entail the removal of too many white farmers, not to mention some white towns and major cities.

Over the last decade Pretoria has pumped roughly \$400 million into the homelands for land

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purchases, township planning, housing, and other social services, as well as for agriculture. Annually that amounts to less than two percent of the government's expenditures. Although agricultural development has been given priority, officials have had to combat not only chronic drought conditions that afflict much of the country but the African peasant's traditional indifference to farming and his strong resistance to change as well. Because of African neglect as well as overpopulation, soil erosion and cattle overstocking are still widespread, and food shortages are frequent.

Many young blacks in the reserves, moreover, prefer to seek industrial jobs rather than farm because as wage earners they have at least some opportunity to ease their harsh living conditions. Industrial development in the reserves, however, is practically nonexistent. Since 1961 only 35 government-backed factories have been built, employing a total of 945 Africans. In contrast, over a million and a half blacks now work as migrant laborers in the white-controlled economy, and an estimated 35,000 additional Africans from the reserves join the labor market each year.

Officials claim that there are just not enough experienced African businessmen and skilled laborers in the bantustans yet to make industrial development feasible. Although true, this is at least partly the result of the government's own apartheid labor laws that exclude Africans from holding managerial and most skilled jobs. Until recently, moreover, white corporate business interests were not allowed to operate in the reserves under any conditions. Now this restriction has been modified, but because of the lack of adequate water, electrical power, housing, roads, and rail facilities, few companies have shown any interest in investing in these remote areas.

In sharp contrast with its economic program, Pretoria has put enormous effort, particularly in the last three years, into erecting administrative structures in the homelands ranging from local tribal to territorial authorities. Since 1968, seven

of the reserves have acquired territorial status—theoretically the penultimate step before full independence—and two of them, Tswanaland and Northern Sotho, are expected to gain limited parliamentary self-government within the next year or so. The South African parliament will probably also bestow homeland citizenship on blacks this year.

All of this is in preparation for at least some form of eventual political autonomy for the homelands. Prime Minister Vorster stated late last year that his government hopes to grant "independence" to one or two bantustans in the next few years. If so, the Transkei will probably be the first. Unlike the other homelands it consists virtually of one large solid block of land. The territory also has a long history of local self-government dating back to the 1890s, and as the oldest bantustan it has had most of the trappings of a modern state since 1963. It boasts a constitution, a cabinet, a partially elected legislative assembly, and a civil service (largely black), as well as a flag, an anthem, and an official language. The Transkei's economy, however, is still based primarily on subsistence agriculture and migrant labor, and its government is almost entirely dependent on Pretoria for regular financial support and development funds. Consequently, the development of the Transkei into a self-supporting independent state is at best a very distant goal.

Granting nominal independence soon, however, could have certain advantages for Pretoria. It would probably reassure most Afrikaners that the government is moving ahead with separate development. Moreover, for some time Prime Minister Vorster has been trying to improve his government's relations with a select number of black-ruled African states, particularly Malawi, (the only African state with which it has diplomatic relations) the Ivory Coast, Gabon, and the Malagasy Republic.

Last year Pretoria made some progress in this direction. In November, President Houphouet-Boigny of the Ivory Coast made a public

Literally built atop some of the richest gold mines in the world, Johannesburg is South Africa's largest city. Today, its population is almost 60 percent black.



appeal for a "dialogue" between black- and white-ruled African states, thus breaking the surface unity of black African opposition to South Africa. That same month, Tananarive accepted \$6.5 million in economic aid from Pretoria. A gesture toward his own blacks, some observers believe, would help further Vorster's "outward looking policy" and drive the opening wedge even deeper between the moderate and more militant African states.

South Africa could, of course, be creating troublesome neighbors within its own borders. Not all of the bantustan leaders are subservient to Pretoria's will. Chief Buthelezi of Zululand, an outspoken critic of apartheid, recently took the government to task for not living up to its obligation to provide new land to Zulus ejected from farm land allotted to whites. Many of the other tribal chiefs, however, have a vested interest in the present system and are almost completely submissive to the wishes of Pretoria. Even

Buthelezi is keenly aware of the limit to which he can go in challenging the government.

Rural Solution to an Urban Problem

The flow of Bantu (African) labor must be reduced, then it must be stopped, and then it must be turned back.

The Deputy Minister of Bantu Administration to a group of South African businessmen

Sixteen years ago the Tomlinson Commission recommended that the government industrialize the reserves so that they could support the bulk of South Africa's black population by the end of this century. This approach, intended to attract blacks back to the homelands from white areas, was rejected as politically and economically impractical. The white taxpayer would never have willingly paid the costs; many in fact are unhappy

even about the relatively small amount the government presently spends on the bantustans. To stem the influx of blacks into the white areas, therefore, Pretoria began to apply tighter restrictions, but the black migration continued. Today most of South Africa's major cities have black majorities; in all, Africans outnumber whites in white areas by better than two to one.

Although the government would like to remove all blacks from white areas, it has recognized that it cannot. The white-run economy is too dependent on black labor. Moreover, for some time South Africa's economy has been suffering from an acute shortage of skilled labor. Last September the government's manpower survey indicated there was a total shortage of nearly 70,000 workers in all sectors, although industrial spokesmen claimed that there were 63,000 vacancies in industry alone. In any case, the government and white-controlled labor unions have agreed in some cases to "regrade" semiskilled and skilled jobs to permit Africans to hold them, although at a reduced wage. The government has also granted widespread exemptions to employers so that they can "temporarily" employ blacks in positions still legally relegated to whites.

Pretoria, however, considers only about half of the almost eight million blacks who live in white areas as "economically productive units." The others include workers' dependents, widows, and the aged, as well as black businessmen and professionals. The government plans to uproot these people and move them to the homelands, while converting the rest of the African urban population into a migratory labor force.

To accomplish its goal, the government has adopted a variety of tactics. One has been to impose even more stringent restrictions on the movement of blacks from the homelands to white, particularly urban, areas. Since 1967, every African male in the reserves has been required by law to register at a government labor bureau if he wishes outside work. Under the terms of his labor contract, he can spend in most cases no more



An African township near Johannesburg

than 11 months of the year in a white area. Then he must return home and re-register if he wants to work in a white area again.

The government has also by tax concessions and other incentives encouraged about 200 South African companies to move their factories closer to the bantustans or to expand their operations in border areas. Africans working in these plants are expected to leave their dependents in the reserves. This so-called "border industry program," however, has been only modestly successful because private industry has been unenthusiastic about moving to these areas except where there are already well-established industrial complexes and a developed infrastructure, such as in Rosslyn and Pietermaritzburg.



"Bachelors' " hostel

To speed up this "decentralization" of industry, therefore, the government has apparently decided to apply the stick as well as the carrot. Under the 1967 Physical Planning Act, it now has the power to prevent industries from building new factories or expanding old ones in urban areas if they require more black labor. Although Pretoria has not yet borne down heavily on white corporate businesses, it has put them on notice that more and more of their plants will have to go to border areas in the future.

At the same time the government has also begun to bear down more heavily on the black urban population. It has closed down some old-age homes for Africans, as well as clinics and hospitals, trade schools, juvenile reformatories, and other social services, and has moved these institutions to the reserves. It has also deliberately allowed urban African schools to run down and has encouraged parents to send their children to schools in the homelands. In already overcrowded African townships, the government has stopped building new family accommodations in favor of so-called "bachelors' quarters" for migrant workers, and it has ruled that Africans can no longer build their own homes in urban areas. As for those who already have homes, they will no longer be allowed to will them to their heirs or sell them to anyone but the government.

Conclusion

...there comes to the visitor a sudden vision of the government, like Sisyphus, striving forever to push uphill a stone that is forever toppling back upon it.

There is no end to such a process, and no permanent solution save surrender—and that is something the whites will never do. So the heart is saddened and the mind, ultimately, retreats: the problem is too big.

Allen Drury, A Very Strange Society

That the government is determined to pursue its bantustan policy is clear. Thus, one or perhaps two homelands will probably gain independence of a sort in the next few years instead of in decades, as has long been presumed by many political observers and Afrikaners as well. As long as these areas remain economically dependent on white South Africa, however, independence will mean little more than a paper transfer of sovereignty. No matter how sincerely many government officials believe that the bantustans are the answer to South Africa's racial problems, and many do, the homelands will remain no more than large labor pools for the white economy to draw on for the foreseeable future.

What is uncertain is whether the government can really succeed in turning its present plans into reality. Unless the present trend is radically altered, there will be almost 20 million blacks in white areas by the end of this century. By the government's own calculations, it must provide 44,000 jobs a year inside and near the bantustans in order to take care of all newcomers into the labor market from the homelands. To provide for this number, however, and to reduce the African urban population by five percent a year, one prominent South African economist estimated in 1968 that Pretoria would have to create approximately 181,000 new jobs annually in agriculture, commerce, and industry. During the last decade, the government and industry provided only about 160,000 jobs in total.

In the years ahead the South African economy will also suffer from a growing shortage of skilled labor. Although the government is encouraging white immigration to fill the gap, more Africans will probably have to be trained for skilled positions, particularly in border industries. Most of the African work force now is made up of illiterate and unskilled peasants. What will happen as more Africans become literate and more highly skilled is difficult to predict. They almost certainly will begin over time to expect

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their own governments inside the bantustans to do more to improve their lot in South Africa. These are aspects of the separate development policy that haunt many government leaders and

many other whites as well. Nevertheless, the Vorster government is determined to follow this course because it sees no alternative

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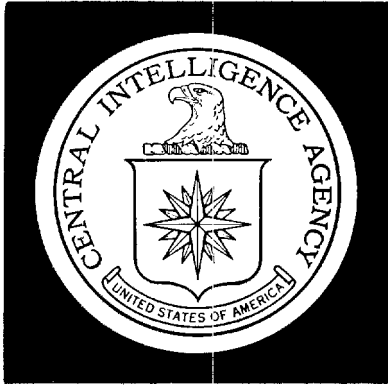
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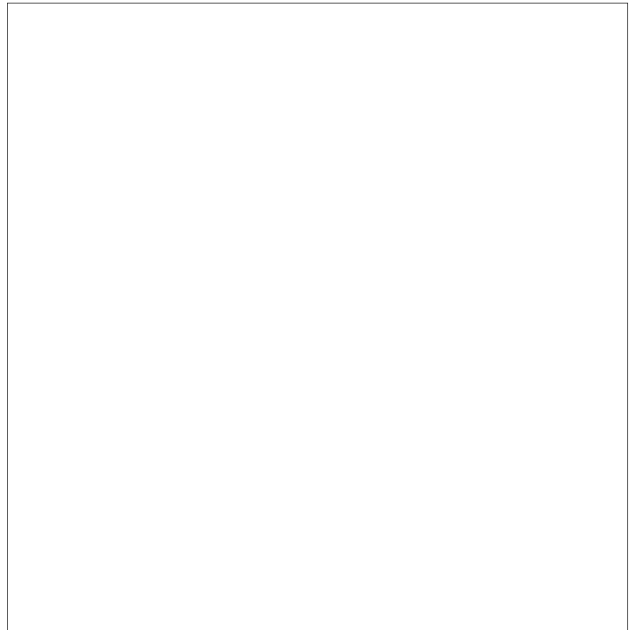
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DIRECTORATE OF
INTELLIGENCE



WEEKLY SUMMARY
Special Report

Brazil Under Medici

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5 March 1971
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BRAZIL UNDER MEDICI

The administration of President Emilio Medici has gained confidence and strength in its first year and has attempted to achieve a measure of public support. Its over-all goals remain the same as those of the governments of Castello Branco (April 1964 - March 1967) and Costa e Silva (March 1967 - October 1969): the elimination of self-interest and corruption in public life, the uprooting of subversion from the society, and rapid economic development. Because the predecessor "revolutionary" regimes made considerable progress toward accomplishing these objectives, Medici has had less need to use the extraordinary concentration of repressive powers that the chief executive holds and thus has been able to give priority attention to economic development. He clearly intends to make development the hallmark of his administration and has already announced some major projects that will form the core of his "Plan for National Integration." He hopes that a spirit of national pride and unity can be instilled by such programs and that this path eventually will make possible the development of a uniquely Brazilian political "democracy." Political liberalization will be slow, however, and the decision-making process during the rest of his administration will remain in the hands of a small elite group with the armed forces as its central component.

The Medici Administration

The Medici government, like its two predecessors, is a military one in the sense that ultimate authority rests with the military. Political decision-making has always remained in the hands of a small elite, and the 1964 "revolution" established the primacy of the military officer corps within that elite. It was the intention of those who sparked the revolution to remove certain groups from this cluster of leaders—particularly those professional politicians who were judged responsible for many of the nation's problems. The military, moreover, is increasing its strength somewhat within the Medici government by bringing a limited number of active-duty and retired military officers into the upper levels of several ministries and agencies at the federal and state levels.

The military's important role in the administration is in part due to its power as an institution and in part to Medici's personal preference for

having around him men whose capability and reliability are unquestioned. His closest advisers are military men, many of whom served under him earlier. The role played by these ever-present military colleagues—and the organizations they head—is extraordinarily important. The three pre-eminent military officials are generals Joao Figueiredo, chief of the Presidential Military Household, Carlos Fontoura, director of the National Intelligence Service (SNI), and Orlando Geisel, Minister of the Army. These men almost exclusively have daily access to Medici.

As director of the SNI from 1967 to 1969, Medici became thoroughly familiar with the agency's organization, functions, and personnel. He now relies heavily on it to carry out investigations and to keep him informed of developments in many areas. The expansion of the SNI's activities has created some friction with other institu-

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There is less solid information about the specific functions of and the personalities within the Military Household, but it unquestionably plays an important advisory role to policy-makers. Its chief formerly served as Medici's chief of staff in the Third Army, and he also has had intelligence experience.

Army Minister Geisel has maintained firm support for Medici within the service and has not sought public attention outside of that earned by the effective execution of his professional military duties.

A number of capable young colonels are largely responsible for the day-to-day operations of the executive branch; most of them work within the SNI, the Military Household, and the National Security Council staff. The colonels closest to the President are Miguel Manso Neto, special adviser for economic affairs and over-all coordination, and Octavio Costa, special assistant for public relations. Military officers also head important autonomous executive agencies such as Petrobras, the state petroleum enterprise, and the important Superintendency for the Development of the Northeast (SUDENE).



Education Minister Passarinho

Although these active-duty military men play an important role in the government, they do not dominate it to the exclusion of others. The cabinet includes some retired military men who, by and large, had already developed experience in civilian capacities at the time they were named to office. Generally, they have been delegated a large measure of responsibility and authority in their respective fields, and some of them—notably Transportation Minister Andreazza and Education Minister Passarinho—are prominent public figures in Brazil.

Medici has left the direction of economic affairs largely in the hands of civilian experts. Under Finance Minister Delfim Netto—probably the most influential civilian in the administration—there has been a continuation of the impressive economic growth combined with improved financial stability that was initiated by the Castello Branco and Costa e Silva regimes.

President Medici on Democracy

Full democracy is an ideal which, if it has been realized anywhere, certainly has not been realized in Brazil.... Among us one cannot, therefore, properly speak of return to full democracy.

—First press interview, 27 February 1970

♦ ♦ ♦

No one can, in good faith, join his voice to the chorus of those who, both within and outside our borders, have attacked the Brazilian political system under the pretext that there is no room in it for the free working of democracy.... I insist...that, not being an end in itself, democracy is simply a tool through which a predetermined end may be achieved. Being a purely technical process designed to promote collective well-being, democracy in our time will have to adjust itself to the demands of humanizing the social and political atmosphere in order to fulfill its functions properly.

*—Speech on first anniversary of his government
30 October 1970*

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Politics and "Democracy"

During his term Medici has consistently held that political liberalization will be realized only to the degree that it contributes to achieving the primary goals of economic and social development. He believes that the population must be educated to the point where it can handle democracy, and his actions underline his conviction that this will be a long process. In his first press conference, Medici stressed that the installation of democracy would demand "deep changes of mentality" by everyone involved in the political process. He concluded that he would never permit political strife to reach the point of subversion, nor allow the opposition to advocate a return to the "political, economic, and social chaos" of the pre-1964 era.

His first year in office has brought some limited progress in reactivating the political institutions that were closed down under military pressure by Costa e Silva. The most important steps were the reopening of the federal Congress and seven state legislatures that had been recessed and the holding of elections for Congress, all state governorships and legislatures, and over 1,000 municipal offices.

Medici's decision to use his position as chief of the progovernment National Renewal Alliance (ARENA) party to hand pick the men to be elected for four-year terms as governors by the state legislatures last October resulted from a recognition of political realities. He believes that, although the power of political decision rests almost exclusively at the federal level, the ultimate success or failure of his administration will depend heavily on the performance of the state governments and their chiefs. He was also determined to avoid a repetition of the situation that followed the 1965 elections, when victories by candidates unacceptable to key military officers generated a crisis that was resolved only by the abolition of the then-existing 13 political parties.

Political Renovation

Medici intended the men he selected to serve as models of the new political class that will form the keystone of his program of "political renovation," which is the replacement of politicians dominant before 1964 with new leaders who are dedicated to achieving the revolution's long-term goals and who have demonstrated their administrative or technical competence. Several of the new governors, including the three who are retired military officers, are characterized as "technocrats" and have held important posts closely connected with economic development. The "technocrats" were particularly evident in Medici's selections for the states of the underdeveloped Northeast; retired army colonel Cesar Cals, who will govern Ceara State is considered the leading example of this group.

The new governors who will take office on 15 March are men Medici believes loyal and responsive to him rather than to local political leaders and pressures; almost none could have been elected on the basis of his own political prestige. All but one are affiliated with Medici's ARENA Party; the lone designate from the opposition Brazilian Democratic Movement (MDB) will govern the state of Guanabara, which encompasses the city of Rio

de Janeiro.



Ceara Governor Cals

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He completely passed over the candidacies of active-duty military officers that were put forward in practically every state by ambitious politicians eager to win the favor of senior army men who generally had no capability—or possibly desire—to win political office.

Congressional Elections

Medici undoubtedly also hoped that the new political breed would prevail in the 15 November 1970 balloting for both houses of Congress and for state legislatures. This was the first nationwide popular election held during his administration, in which all 310 members of the Chamber of Deputies and 46 of the 66 members of the Senate were chosen. ARENA candidates won 223 seats for four-year terms in the Chamber, or 72 percent of the total, while the MDB prevailed in 87 contests. In 1966 ARENA had won 68 percent of the Chamber seats. In the November balloting for eight-year terms in the Senate, ARENA men swept 41 contests and the MDB took only 5; with holdovers, ARENA will control 59 seats to the MDB's 7, compared with a 47 to 19 ratio in the previous congress. ARENA also retained control of all state legislatures except for that in Guanabara, a traditional MDB stronghold.

Contrary to the government's hopes, most of the congressional victors appear to be traditional-style politicians who to get themselves elected rely on understandings with other influential politicians, on arrangements with urban "bosses" and rural landholders who control large blocs of votes, and on a liberal allocation of cash. These politicians have continued to participate in the political game under the rules set by the administration because they believe that ultimately events will turn to their advantage.

The election was marked by widespread voter apathy, as evidenced by the high rate of abstention that—combined with blank and voided ballots—reached 58 percent in the greater Sao Paulo area. Reasons for this include the generally low prestige of the legislative bodies, the lack of

popular appeal of the two parties, and the inability of the opposition to seize upon effective campaign issues. The few MDB candidates who did attempt to speak out on topics such as torture or the administration's continuing use of political controls through the 17 institutional acts reportedly were cut off the air or warned about possible prosecution for attacking the government. Efforts by some far-leftist groups to persuade voters not to go to the polls may have had a limited effect. The extreme complexity of the ballots also confused many voters and may account for some of the many voided ballots.

Terrorism and Torture

The Medici government has had considerable success in dealing with one of its most pressing problems, the urban terrorism that has plagued Brazil for the past three years. Incidents such as the abduction of foreign officials have received public attention and wide publicity abroad, but in fact the over-all level of terrorism has dropped sharply since Medici came to power.

The terrorists have never constituted more than a small fraction of the population, with their rank and file coming largely from former student activists, intellectuals, and radical members of the Catholic clergy. Tactical knowledge is often supplied by cashiered military and police and even by professional hoodlums. Many of the leaders of the terrorist organizations have been drawn from among those people who left the Moscow-oriented Brazilian Communist Party in late 1967 because the party leadership opposed their calls for the use of violence in combating the government. These terrorist leaders have been the principal targets of the security forces. Brazil's most effective terrorist chief, Carlos Marighella, was killed by Sao Paulo police in November 1969, and his successor, Joaquim Camara Ferreira, met a similar fate last October. The most dangerous terrorist still at large is former army captain Carlos Lamarca, whose desertion from the army in 1969 and entrance into the terrorist ranks has made him the number-one target of the military.

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Lamarca's Popular Revolutionary Vanguard (VPR) has been in the forefront of the terrorist movement; it took part in the abduction of the Japanese consul general last March, the West German ambassador in June, and the Swiss ambassador in December. ~~The VPR recently refused to~~ join with nearly all the other terrorist groups in the formation of a Brazilian Revolutionary Front (FRB) because it opposed the FRB's plan to cut back terrorist activities until the various groups could recuperate from their defeats at the government's hands.

The military and civilian security forces have declared war on the terrorists and are determined to extirpate them. This explains the frequently ruthless treatment of anyone suspected of engaging in terrorism or having knowledge of persons involved in it.

On 29 January, however, two policemen in Rio de Janeiro State were convicted of murder and sentenced to long prison terms for their participation as members of a "death squad." These organizations, widely believed to be composed primarily of active-duty and retired military and civilian security officers who are impatient with the frequent inefficiency and leniency of the Brazilian judiciary system, since 1958 have eliminated over 1,000 persons suspected of engaging in dope smuggling, prostitution, book making, and related activities. But they generally have not operated against terrorists. The recent convictions are the first and, if upheld, could encourage prosecutors and judges in other states to persevere in their investigations against the vigilantes. If the sentences should be overturned on appeal, however, a general apathy would probably again prevail in the conduct of such investigations.

Church-State Friction

The most outspoken and potentially the most damaging criticism on the torture issue has come from the Catholic Church, one of the few national institutions outside the armed forces whose words have a significant impact on the government. Serious friction between the church and the administration on the issue first came to public attention following the arrests in late 1969 of several clergymen belonging to the Dominican order on charges of providing extensive assistance to Carlos Marighella and his terrorist organization. The direct involvement of clergymen in Marighella's operations convinced many zealous security officers of the correctness of their long-held belief that the church has a radical wing with a major responsibility for encouraging terrorism and subversion. There are in fact a considerable number of radical clerics—~~once~~ estimated as high as 1,000—who believe that the government has declared war on all effective opposition and who therefore have come to the conclusion that the only way to assist the poor, illiterate, and oppressed majority is through the use of force. There is also a much larger progressive sector of the church that neither engages in terrorism nor

Charges of torture that have received extensive coverage in the foreign press have attracted some public attention in Brazil, although this has been limited by heavy censorship of the domestic media. Speeches in Congress and inquiries by a government council for the Defense of Human Rights have brought little more than denials from the administration that torture is sanctioned in Brazil and a promise that persons found guilty of using it would be severely punished; no one has yet been indicted.

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has any ties with it, but holds some sympathy for the prelates who do.

The government and the church hierarchy, both as individuals and through the National Council of Brazilian Bishops (CNBB), have attempted to smooth over the problems between the two powerful institutions. Last May, the CNBB and the government reached a tacit understanding that the church would refrain from public criticism of the administration on the torture issue in return for an agreement that the government would not arrest clerics until it had consulted with the CNBB.

Late in August, however, 15 bishops in the Northeast charged that security officials had illegally arrested and tortured two priests they suspected of subversion. Later in the fall, police in Rio de Janeiro arrested several priests and youths connected with the Young Catholic Workers' Movement (JOC) and with a church-affiliated leadership training institute, both of which have a somewhat leftist orientation. The bishop who was the secretary general of the CNBB was detained for several hours by security officials when he went to investigate the arrests. The friction was compounded by a government-sponsored campaign to discredit Archbishop Helder Camara, Brazil's best-known liberal cleric, who has often expressed strong public criticism of the administration—particularly on the torture issue—during his frequent trips abroad. Several high-ranking prelates who previously had attempted to curb Dom Helder's outspokenness came to his defense on the ground that an attack on him was an attack on the church. President Medici adopted a conciliatory position in discussions with the church hierarchy despite opposition to this move from some military officers. He said he would make certain that priests and laymen were not further mistreated and that no more priests would be arrested without his personal approval. In return, he asked the church officials to try to moderate public criticism on the issue by outspoken liberal prelates.



**Bishop Lorscheider,
President of the Bishops' Council**

The temporary resolution of the problem lasted until February, when the new archbishop of Sao Paulo publicly charged that a priest and a female social worker had been brutally tortured by the Sao Paulo police. Archbishop Paulo Arns' call for an investigation angered local security officials, who prepared an aggressive rebuttal including an allegation that the prelate had fallen under the influence of leftists in the church. Medici killed the rebuttal, however, and the state government promised to look into the charges. Arns took his accusations to the CNBB, which issued a pastoral letter affirming that "the phenomenon of tortures unfortunately exists in our country, and under certain circumstances, in an atrocious manner." Apparently in response to the bishops' declaration, the President called a meeting of the Human Rights Council to study the issue.

The Government's Social Programs

The administration has undertaken a number of projects aimed at gaining public support; it

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hopes to make development Brazil's central and unifying national objective. Its social programs have been catalogued in a document entitled "Goals and Bases for Government Action." Medici has designated education, health, agriculture, and science and technology as key target areas.

The massive shortcomings in the education area have received greatest attention thus far. Education Minister Passarinho has aggressively attacked what has traditionally been one of the most backward sectors in a country where over one half of the population is below the age of 20. Estimates of illiteracy differ, but probably 40 to 45 percent of the population over the age of ten cannot read or write. Of some 90 percent of all children who now enter primary school only about one third complete the fourth grade and only about 11 percent of those of secondary school age are attending. University facilities, moreover, are inadequate to accommodate even those who pass the stiff entrance requirements, leaving each year a large crop of alienated young people who are turned away.

Among the measures initiated or planned by Passarinho are increasing investment in education—federal expenditures in education are scheduled to reach 15 percent of total federal expenditures by 1973 as compared with 5.6 percent in 1963; improving the organization and management of the notoriously inefficient Ministry of Education; improving the structure and quality of the entire educational system; and specifying concrete goals and methods of achieving them in a sector priority plan for 1970-73. A Brazilian Literacy Movement (MOBRAL) was founded last year to attack this major problem. Passarinho has been less successful in involving students in working toward the educational improvements; most politically involved students have been strong opponents of post-1964 administrations, although government crackdowns since 1967 have reduced their opportunities to demonstrate their hostility to almost nil.

A start has also been made at attacking the health problems that kill many and sharply reduce the productivity of a large percentage of those who survive. Much of the responsibility for backwardness in this field has stemmed from the inability of the public health officials to plan and coordinate their own activities. Primary goals are to control and eventually to eradicate communicable diseases, to improve the productivity of health protection and treatment facilities, and to expand the network of local health units.

Medici's most ambitious project—which has been compared in scope to former President Juscelino Kubitschek's construction of Brasilia—is the building of major highways to link the vast interior with the rest of Brazil as the keystone of a "Plan for National Integration."

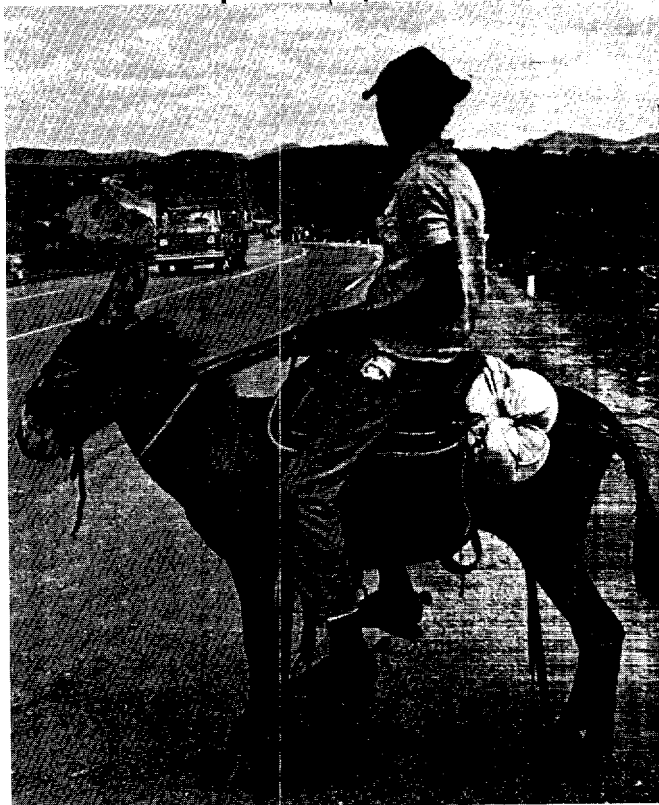
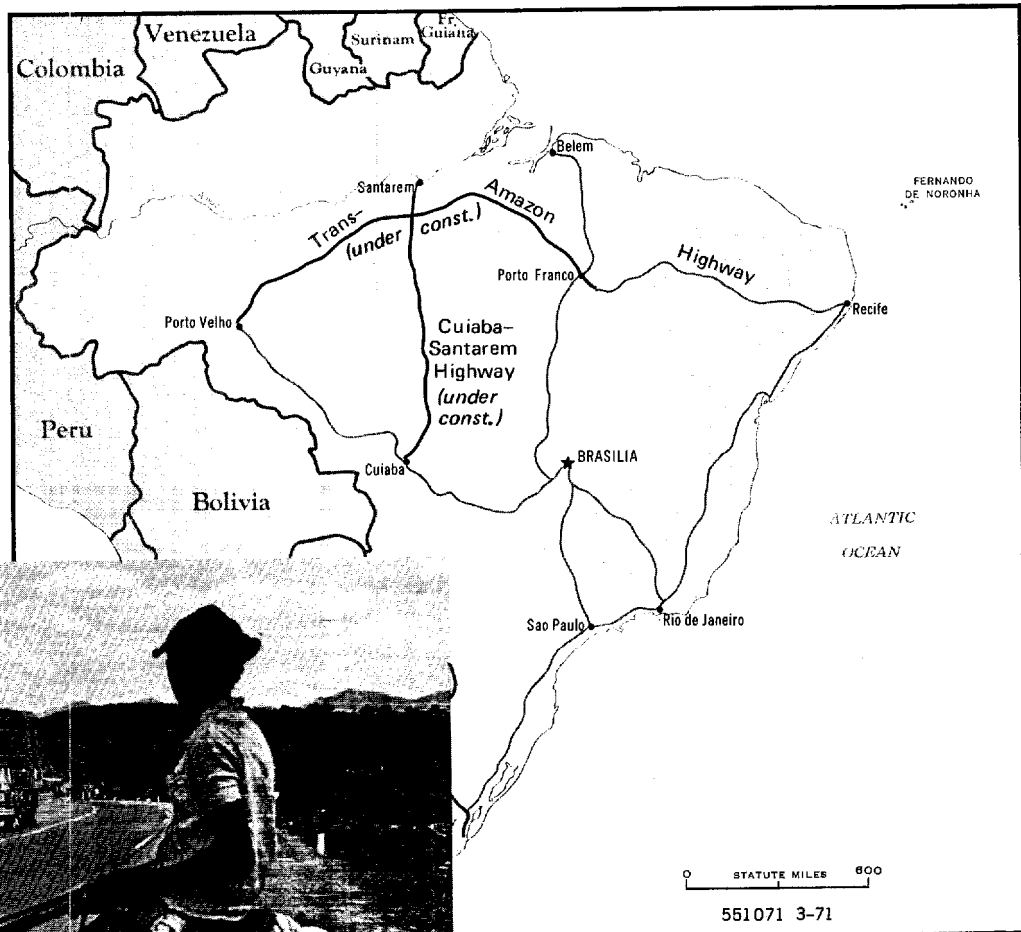
In June, the President announced a plan to build major roads to open up the Amazon basin to economic development. Work has already begun on construction of the 1,800-mile, east-west Trans-Amazon Highway and the 900-mile, north-south Cuiaba-Santarem Highway. The actual construction will involve only a relatively small part of the \$500 million allocated to the first stage of the project; the bulk of the funds will finance the development of seven cities along the route. These cities are expected to serve as nuclei for the anticipated immigration of thousands of people from the overpopulated and drought-prone Northeast to the Amazon area, which has only three million inhabitants and in fact has been a net exporter of population to other regions. The funds will also be used by the National Institute of Colonization and Agrarian Reform to settle homesteaders on plats in a six-mile wide area on each side of the highways. An additional justification for the roads is the government's desire to provide access to several untapped mineral deposits in the area.

Some opposition to the massive undertaking has come from northeasterners who claim it will divert attention and funds from their region.

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BRAZIL

*New Highways Are Bringing
Change to the Northeast
and Amazon Areas*

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