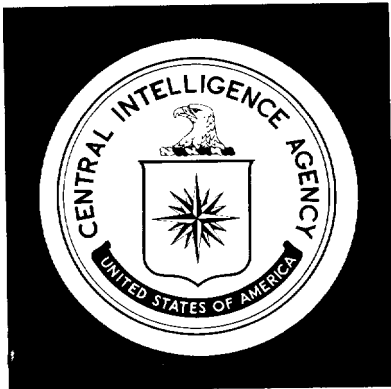


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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

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The WEEKLY SUMMARY, issued every Friday morning by the Office of Current Intelligence, reports and analyzes significant developments of the week through noon on Thursday. It frequently includes material coordinated with or prepared by the Office of Economic Research, the Office of Strategic Research, and the Directorate of Science and Technology. Topics requiring more comprehensive treatment and therefore published separately as Special Reports are listed in the contents pages.



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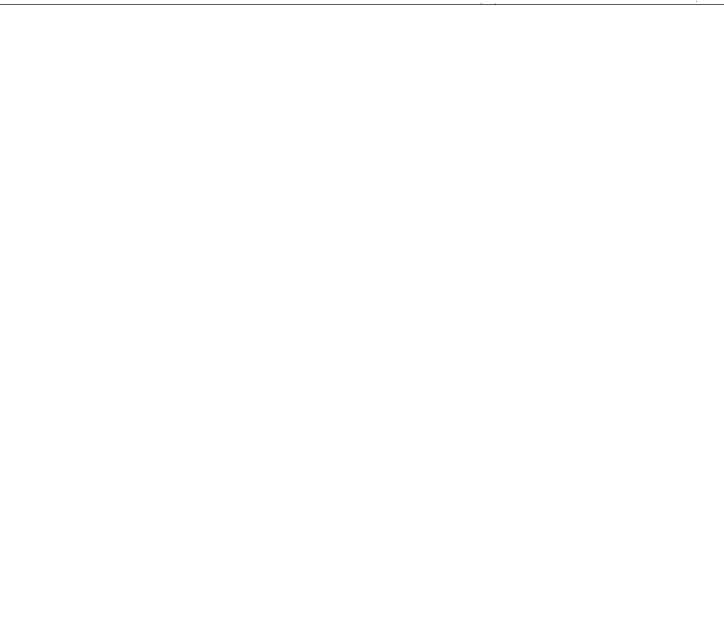
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WARNING

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SECRET**VIETNAM: THE LONG-AWAITED OFFENSIVE**

Recent Communist briefings and planning documents keyed to the current offensive in the South indicate that Hanoi is shelving, at least temporarily, its three-year-old policy of emphasizing guerrilla style "peoples war." The new look in Communist strategy stresses extensive use of conventional main forces to seize and hold large chunks of territory. Cadres in Military Region 3 were told in briefings in late March that "main force punches" would be employed initially to overextend the allies throughout South Vietnam. Later phases would include widespread use of political agitation, terrorism, and local force attacks to shake up government control in the countryside. The "city struggle," according to these briefings, would come only after the Communists' grip on the rural areas had been strengthened.

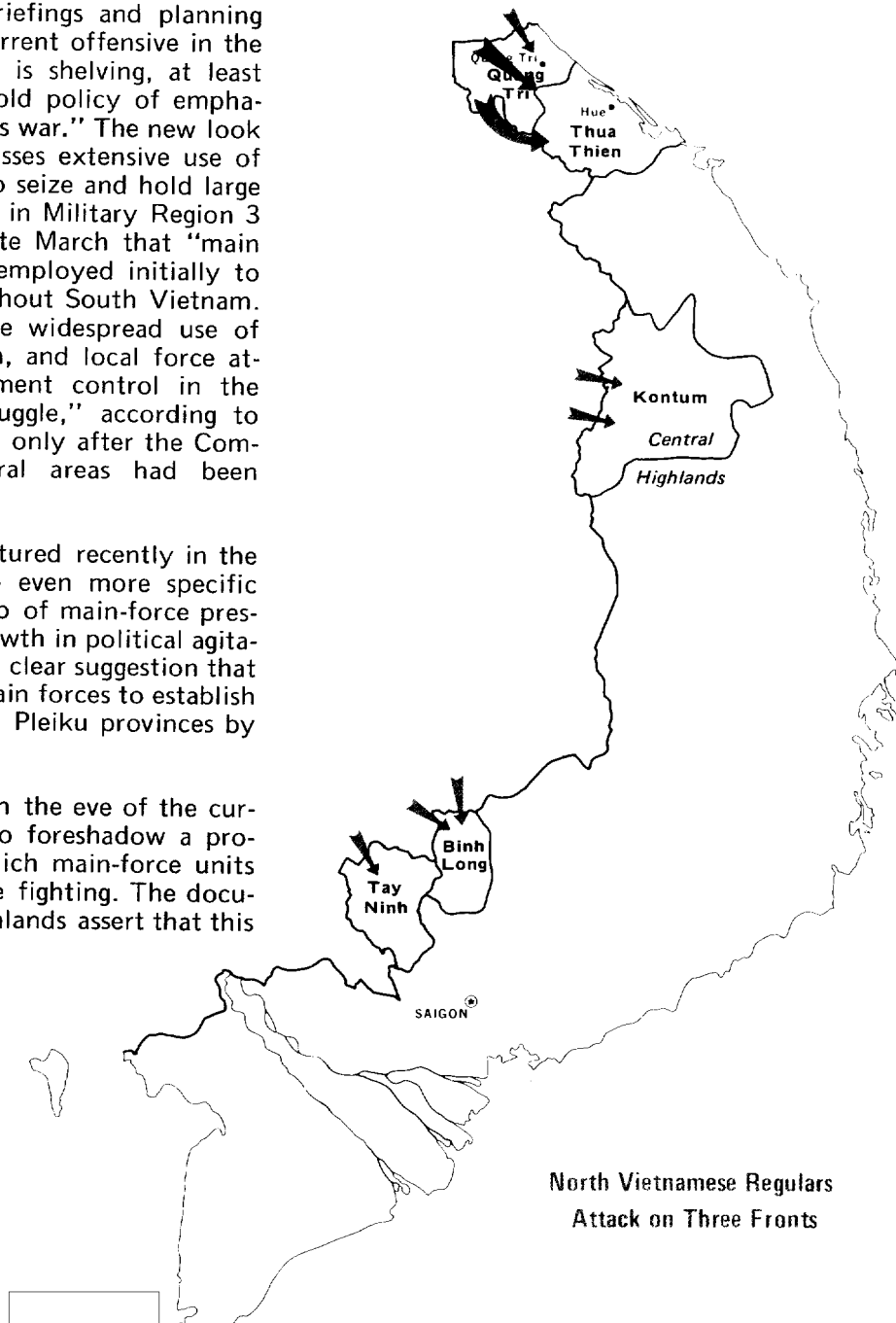
Enemy documents captured recently in the western highlands paint an even more specific picture of a phased build-up of main-force pressure to be followed by a growth in political agitation and terrorism. There is a clear suggestion that the enemy intends to use main forces to establish full control of Kontum and Pleiku provinces by the end of the year.

Communist planning on the eve of the current offensive thus seems to foreshadow a prolonged military push in which main-force units will initially do most of the fighting. The documents from the western highlands assert that this

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North Vietnamese Regulars
Attack on Three Fronts

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area will be the primary battlefield of the campaign, but the Communists give every indication that they will pursue the same strategy with equal vigor in northern South Vietnam. Communist siege tactics against selected urban targets are not ruled out, but there is nothing in the documents to suggest that the Communists accept their own current propaganda claims about the imminence of a popular uprising in the cities in support of military action in the countryside.

While Hanoi may return to guerrilla tactics and the political struggle, it does seem to have decided that now is the time to bring North Vietnamese main forces to bear and to engage the South Vietnamese Army in a conventional war with territorial control as an important objective.

If the thrust of the current offensive does turn a corner in terms of military tactics and strategy, Communist longer term objectives would seem to be much the same as those they have been pursuing for years. Hanoi clearly would like to induce a change in Washington's policy on Vietnam, either by persuading the present administration that continued support for Saigon is futile or by improving the prospects of presidential candidates opposed to the war. The Communists also certainly want to undermine the self-confidence of Saigon's army and erode the faith of the South Vietnamese populace in their government's ability to protect them. Any significant progress along these lines would do much to discredit Vietnamization, disrupt pacification in South Vietnam, and undermine the stability of the Saigon government.

Even if the Communists cannot hold territory and population, they probably believe they can make their recovery very costly for the South Vietnamese. The Communists doubtless believe that, as long as they do control new territory, their leverage in dealing with Saigon and Washington, whether in Paris or elsewhere, will increase

dramatically. The outcome of the current fighting will determine in large measure what action Hanoi takes in the political and diplomatic arenas.

The Situation on the Ground

The attacks that began late last week in the northern provinces are the strongest in South Vietnam since the large offensives of 1968. The initial thrusts have carried Hanoi's regular forces through South Vietnamese defenses along the Demilitarized Zone and to the outskirts of the northern cities of Quang Tri and Hue. Fighting in the central highlands is on the upswing and the North Vietnamese have opened a third front along the Cambodian border northwest of Saigon.

The most dramatic onslaught was just below the DMZ where the North Vietnamese staged a rare conventional infantry attack strongly supported by heavy artillery barrages and tanks. Communist forces quickly battered South Vietnam's green 3rd Division and drove it from more than a dozen strongpoints. By week's end the North Vietnamese drive had stalled momentarily outside the capital of Quang Tri Province, but sizable units were skirting the city to the west and building up the threat to Hue, a more important objective. Tens of thousands of refugees have fled south from the Quang Tri battlefield and there are rising fears of an attack on Hue, which was badly ravaged in the 1968 Tet Offensive.

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The South Vietnamese are rushing reinforcements to Quang Tri from the Saigon area, and they evidently intend to make a major effort to contain the North Vietnamese advances. The 1st Division, considered Saigon's best, is in Thua Thien Province defending the western approaches to Hue. The bad weather, which curtailed allied air support during the opening days of the

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offensive, finally broke toward the end of the week. Allied planes are encountering extremely heavy anti-aircraft fire, however.

In the central highlands, action is still confined largely to ground probes. The Communists

temporarily overran one South Vietnamese artillery base in Kontum Province, but Saigon's troops regained control of the position with the help of air strikes. North Vietnamese forces are capable of much heavier assaults in the highlands, and they could come at any time.

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OSTPOLITIK: NEW RATIFICATION MOVES

The Eastern treaties, which come up for their first vote in the Bundestag on 4 May, will be the focus of a rare conference between government and opposition leaders next week. Participating for the government will be Chancellor Brandt and Foreign Minister Scheel; the opposition will be represented by shadow-chancellor Barzel, Bundestag Foreign Affairs Committee Chairman Schroeder, and Christian Social Bundestag whip Stuecklen.

Brandt suggested the meeting in order to pass on what he termed sensitive information on

the Soviet and Polish treaties, including allied attitudes toward ratification. Barzel accepted and, not to be outdone, announced that he, too, had sensitive information for the chancellor.

Allied attitudes are an increasingly important element in the debate on the treaties. French leaders told Barzel, when he visited Paris in late March, that they favor ratification. London, like Washington, takes no official stand, but 20 English parliamentarians from all three parties shocked their Christian Democratic hosts by unanimously calling for ratification at a recent

Entering East Germany



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conference. The visit to Washington last week by Egon Bahr, Brandt's chief foreign policy adviser, will no doubt also be discussed at the unusual conference.

hapless victim of Ostpolitik and to assume a leading role in European affairs.

Relations with the East

Brandt will seek to impress Barzel with the concessions that the Soviets and East Germans have offered or hinted at in recent weeks in an effort to ease ratification. One is the Soviet decision to agree to a Berlin clause, permitting conclusion of a long-pending economic agreement and the operation of a bilateral economic commission, even though the Four Power agreement, which allows such clauses, is not yet in effect. Under the clause, Moscow will allow Bonn to represent West Berlin in negotiating the economic agreement and on the commission. A West German delegation arrived in Moscow on 3 April to wrap up the economic agreement, although formal signature is likely to await the ratification of the Eastern treaties.

The conference will take place following a successful opening of the Berlin Wall for Easter week. By foot and automobile, as many as 700,000 West Berliners and West Germans streamed into East Berlin and East Germany, many for the first time since 1952. Despite inevitable traffic jams, Pankow made every effort to expedite the flow, even opening special travel and shopping facilities. Visiting privileges will be repeated at Whitsuntide in late May.

The East Germans have touted the "good will" thus shown as an important contribution to European detente and as evidence of the need for Bonn to ratify the Eastern treaties. The implication is clear that the new relaxed regimen will not continue if the treaties fail. Pankow's action also accelerates its campaign to shed its image as a

SOUTH ASIA: TALK ABOUT PEACE TALKS

A flurry of diplomatic activity, press reports, and statements by government officials have combined to indicate that India and Pakistan are moving toward peace talks. Central to much of the speculation was Indian Foreign Minister Swaran Singh's announcement last week that he would visit Moscow on 3 April before returning home from a visit to Afghanistan. The Indians denied that Singh would contact Pakistani representatives while in Kabul.

The Soviets are acting as a go-between for New Delhi and Islamabad, and the Indians want to exchange views with them on pending developments and outstanding issues.

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The Soviets will be pressing the Indians to be more forthcoming with the Pakistanis, although Moscow is unlikely to push hard enough to endanger its own position in New Delhi. Moscow would prefer the Indians not force President Bhutto into concessions that would endanger his domestic political support and encourage his replacement by a military government which, in turn, might seek to regain national honor by reopening hostilities with India.

Bhutto, with some 94,000 Pakistanis held as war prisoners by what India insists is a joint Indian-Bangladesh command, is under considerable domestic pressure. He is at a considerable disadvantage in dealing with the Indians. New Delhi has insisted that before formal talks begin, Pakistan must deal with Bangladesh as a sovereign nation, give an indication that it will end its

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policy of confrontation with India, and accept the cease-fire line in Kashmir as an international boundary. Bhutto could probably talk his countrymen into accepting the loss of former East Pakistan, even the recognition of Bangladesh, as part of a prisoner exchange. But he probably could sell only a gradual de-escalation of the 25-year-old Kashmir dispute. This could only come as the end result of peace negotiations, not as something agreed to before the talks begin.

Upon his return from Moscow on 6 April, Foreign Minister Singh announced that India desires a summit meeting with Pakistan after a preparatory meeting of special emissaries. Singh indicated that the timing of the meeting will depend upon the response from Islamabad. Just prior to his return, Indian Prime Minister Gandhi had asserted that India and Pakistan were in direct contact. Moreover, in a particularly conciliatory speech before the Indian Parliament on 4 April, she appeared to smooth the way for Bhutto's acceptance of preliminary talks by stating that she did not propose to negotiate in a "spirit of arrogance."

Because New Delhi appears to be adopting a more forthcoming attitude, Bhutto may shortly decide to accept Mrs. Gandhi's assurances. In the meantime, he is trying to improve his bargaining position, particularly on the important prisoner-of-war issue. Bhutto has insisted in public and private statements this week that alleged war criminals now held by the Indians can only be tried in Pakistan after their repatriation. Still in a recent *Newsweek* interview, he stated that he is not opposed to war crimes trials in Dacca for those "who went beserk" during the fighting in East Pakistan. Bhutto may be trying to confuse the issue. He probably reasons that under the worst alternative once Dacca gets possession of the alleged war criminals, its interest in the remaining Pakistani prisoners will lessen, giving him an opening to separate the prisoner issue from the Kashmir dispute and other bilateral India-Pakistan problems.

Politics In Pakistan

The agreement reached between Bhutto and the National Awami Party on 6 March is showing signs of breaking apart. Under the agreement, the National Assembly was to convene on 14 April to discuss the constitution and to extend martial law until August; Bhutto was to allow Wali Khan's National Awami Party to take over administration of the two frontier provinces where it is the leading party. Bhutto has chosen National Awami Party leaders to replace his own governors there, but has held off installing them. This has nettled Wali Khan. In recent days, he demanded the assembly convene immediately to discuss foreign affairs, said his party would not vote to extend martial law, implied that acts of the present governors of the two provinces might not be valid, and even accused Bhutto of leading the country to civil war.

Bhutto has enough votes from his own party to dictate national assembly actions, but the opposition could muster enough strength to embarrass the President. Continued opposition by the National Awami Party, moreover, could lead to civil disorder—especially on the frontier—and renewed opposition efforts to exploit labor and other problems throughout Pakistan.

...Aid in Bangladesh

Significant criticism of Mujib's government is also starting to surface. Inadequate food distribution, widespread unemployment, and struggles among competing labor groups have resulted in a number of violent clashes in various parts of the country. Some opposition leaders have begun to complain that the government is failing to maintain law and order and that there is too much corruption and favoritism among members of the ruling Awami League. Despite his mounting problems, Mujib remains widely revered, and no real challenge to him has yet developed.

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SECRET**INDOCHINA****DOVES IN HANOI?**

The decision to launch the Communist offensive in South Vietnam may have rekindled serious party dissension in North Vietnam. On the eve of the military push, Tran Quoc Hoan, the man who heads up Hanoi's secret police, directed a stinging diatribe against "counterrevolutionaries" both at home and abroad. Writing in the March issue of the authoritative party journal, he argued quite explicitly in favor of using "revolutionary violence" more liberally to "repress" and "exterminate" all those who oppose the party line. This could be read as an official rationale for a step-up in military activity and a wider use of terrorism in the South, but its more likely purpose seems to be to refute and intimidate those in the North who may favor a less costly military commitment or even a compromise approach to a solution of the war.

Hoan in fact leaves little to the imagination, pointing an accusing finger at those in the party guilty of "timidity and lack of firmness," and other dovish sentiments in the face of the US threat. "Generally speaking," he writes, "any person or organization that hates the revolution, sabotages socialist reform...or opposes the struggle for peace and national unification must be considered counterrevolutionaries." And he goes on to quote party First Secretary Le Duan to the effect that any effort to coddle such types while the country is struggling against US imperialism would be "a dangerous rightist deviation and a crime against the revolution."

Hoan is quite candid about how he would go about fulfilling Le Duan's mandate. In addition to "reindoctrination" as a cure for waywardness, Hoan emphasizes the need for "penal measures," and he notes pointedly that "when the use of violence is deemed necessary" to cleanse the home front "it must be used resolutely." As if to drive home his point, Hoan cites agrarian reform as one area of the economy which has benefited

from previous party efforts to stamp out "counterrevolutionaries." The allusion can only be to the agrarian reform program of the mid-1950s when the regime liquidated thousands of peasants who did not "agree" with the prevailing line. The article also refers approvingly to the Soviet suppression of the Hungarian revolt in 1956 and of the Czechoslovak uprising in 1968 as good examples of how best to handle counterrevolutionary elements.

There is no clear indication in Hoan's diatribe that a full scale party purge is already under way, but it seems unlikely that Hanoi's top security official would call for such extreme measures in the party's most prestigious journal if the regime were not actively considering them. Other recent propaganda suggests that the regime in fact became more sensitive to opposition and dissidence as final preparations were made for the military thrust in the South. An authoritative article in December, which spelled out Hanoi's new preoccupation with main-force warfare, spoke ominously of the problem of "subjective" attitudes in some quarters. More recently, the Hanoi press warned that the expulsion of some cadres might be necessary to ensure a proper party response to the regime's policies. The last time that North Vietnam is known to have carried out an extensive party purge was in the mid-1960s, when the regime moved decisively to rid itself of middle-echelon and senior cadres who opposed the decision to increase the level of North Vietnamese military involvement in the South.

LESS WOE IN CAMBODIA

A number of Communist main forces have moved to the South Vietnamese border region, making it less likely that they intend to launch major ground campaigns soon against important Cambodian targets. As long as the current offensive in South Vietnam lasts, the Communists probably will confine their operations in

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Cambodia to harassing attacks against scattered government positions in the countryside. They are also likely to maintain some pressure in and around Phnom Penh in the form of continuing sabotage and terrorism.

Enemy propaganda has been giving increasing attention to Khmer Communist military activities in the vicinity of Phnom Penh. The picture drawn is that the Khmer Communists are now in charge of enemy military as well as political actions in the capital region.

there are now some 5,000 Khmer Communist troops operating within a 25-mile radius of Phnom Penh. Despite their number, they probably still play a secondary role to the Vietnamese Communist sapper and artillery elements that have been primarily responsible for the enemy harassment of Phnom Penh during the past few weeks.

On the political side, Lon Nol has continued to push plans for an ostensible return to constitutional rule. A new constitution conforming to Lon Nol's requirements for a strong presidency was delivered to the cabinet early in the week, and some sort of limited referendum on that long-awaited document is expected to be held before the end of the month.

[Redacted]

Lon Nol's uncharacteristically fast action on the constitution and his conciliatory handling of other student demands evidently helped to dissipate much of the three-week-old student unrest in Phnom Penh—even though some student leaders appear to be properly skeptical about Lon Nol's attachment to a truly republican form of government. Increasing signs of factionalism within student ranks also contributed to the students' decision to halt their antigovernment protests.

STILL BATTLING AT LONG TIENG

Almost four weeks have passed since the Communists renewed their drive against Long Tieng, and the outcome is still in doubt. Several positions atop Skyline Ridge changed hands during the week, but neither side has been able to gain a decisive advantage.

Time is beginning to run out for the North Vietnamese. Under normal circumstances they could anticipate having between four to six weeks of good weather remaining, but there are signs that the rainy season may begin somewhat earlier this year. The North Vietnamese have already extended their offensive longer than they have in the past, and all signs point to another concerted push against Long Tieng in the coming week or so.

If the North Vietnamese are readying another push before bad weather settles in, they could find the prospects somewhat better now that much of the US tactical air support for north Laos has been allocated to priority targets in South Vietnam.

SAIGON DEFENSE MINISTER RELIEVED

President Thieu has granted Defense Minister Vy's request to be placed on leave to facilitate the investigation of charges of mismanagement of a military savings fund. The scandal over the fund has become a political liability for the government, and it seems doubtful that Vy will return. Several of his aides already have been relieved, but Vy's departure will lend greater credibility to the government's seriousness in backing the anti-corruption campaign of Vice President Huong, who is overseeing the investigation. Prime Minister Khiem has been appointed acting defense minister.

[Redacted]

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SECRET**CHINA: MORE PERSONNEL PROBLEMS**

The death of Hsieh Fu-chih on 26 March opens an obvious and gaping hole in the hierarchy. Hsieh was a high-ranking politburo member, vice premier of the State Council, minister of public security, member of the party's Military Affairs Committee, first political commissar of the Peking Military Region and of the Peking Garrison, party boss of Peking city, and chairman of the Peking city revolutionary committee. He had been out of the public eye for two years.

The announcement last week of his death attributed it to stomach cancer contracted two years ago. During those two years, however, the regime never acknowledged Hsieh's illness, and no replacement was ever named to any of the sensitive positions he held. The regime's curious reticence about Hsieh, persistent rumors that he was wounded in an assassination attempt, and indications in early 1970 that he was involved in the bitter wrangling over an investigation of ranking ultra-leftists on the politburo all suggest that his illness was as political as it was physical. In any case, political jockeying between ultra-leftists and conservatives probably explains the regime's reluctance to name replacements for Hsieh in any of his security or military posts.

Wu Te, veteran conservative on the central committee, has been the de facto head of the Peking city party apparatus. He was formally designated on 2 April as acting head of the Peking municipal government, making him a likely candidate for the first party post as well. But whether Wu Te will inherit Hsieh's politburo status and his concurrent military titles is far from certain. His sensitive public security portfolio is even more of a problem. The ministry itself was heavily attacked by ultra-leftists during the Cultural Revolution, and the naming of a new chief is intertwined with the larger question of the political rehabilitation of public security forces themselves. This appointment may be complicated by controversy over whether Hsieh's

replacement should be civilian or military, and whether he should be elevated to the politburo.

Personnel problems like these are unlikely to be resolved until there is some easing of the conflict between contending forces, both civilian and military. That such a resolution is not at hand is suggested by the curious turn taken in the



25X1 Hsieh Fu-chih

campaign to discredit Lin Piao in recent weeks. [redacted] local authorities in some areas are studying a secret document attributed to Lin in which he denounces Mao, favors negotiations with both the US and USSR, and emerges as a proponent of pragmatic economic policies. The circulation of the Lin document has caused further confusion at lower levels, and the party theoretical journal implied in March that the decision to publicize the document has been criticized. (CONFIDENTIAL NO FOREIGN DISSEM)

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SOVIETS SET COOPERATIVE THEME

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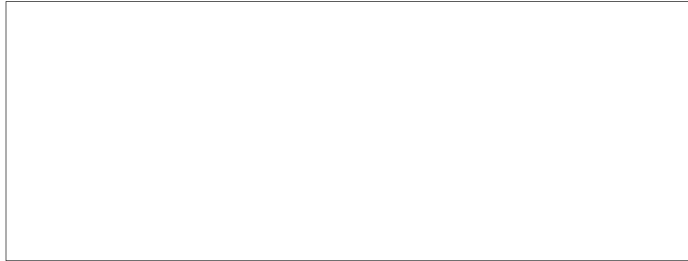
The speed with which the Soviets negotiated a new cultural exchange agreement with the US, together with their cooperative and businesslike attitude in other matters, underlines the Kremlin's interest in promoting cordial bilateral relations prior to the summit meeting in May.

The US and USSR completed work this week on a new two-year cultural exchange agreement. The Soviets, prompted by instructions to reach early agreement, were particularly forthcoming. Soviet Ambassador Dobrynin had told a US official on 21 March that "instructions are already given; we want a quick agreement."

Other contacts have been harmonious. Recent discussions in Moscow on bilateral cooperation in the fields of medicine and environmental health were productive. At these talks the same conciliatory atmosphere prevailed as in the negotiations on incidents at sea last October. Secretary of Agriculture Butz goes to Moscow next week. He will open talks on the sale of US grain and feedstuffs; he will probably be extended the same hospitality accorded former secretary of commerce Stans last November.

The exchange negotiations and a host of other bilateral discussions provide clear evidence that the Soviets want sweetness and light in their relations with the US prior to the summit. Moscow probably calculates that a cooperative attitude now on issues of secondary importance will improve the chances of achieving its objectives at the summit talks on more important issues such as trade, the Middle East, European matters, and perhaps SALT. To a limited extent, the Soviets may be wooing the US in an attempt to offset Chinese propaganda gains growing out of the President's visit to Peking and to affirm that the US and USSR stand in a league apart. Finally, the Soviets hope to derive concrete economic, technical, and other benefits from agreements with the US. [redacted]

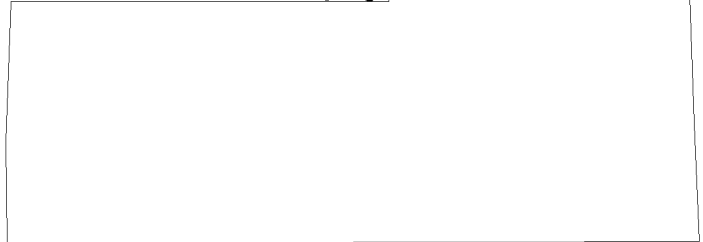
the stalemated Sino-Soviet border talks after a four-month absence. The announcement of his return coincided with Brezhnev's major speech on 20 March in which he restated Moscow's willingness to improve relations but stressed that it was up to the Chinese to respond to earlier Soviet proposals.



Ilichev's return may have been in part related to President Nixon's trips to Peking and Moscow. The Soviets probably wanted to feel out Peking's position following the Nixon visit. They also would like to put the best face possible on their dealings with the Chinese to improve the Soviet bargaining position in May when the President comes to Moscow. The Soviets doubtless also had an eye on world opinion, particularly that of foreign Communists such as the North Vietnamese and Italians who have long urged that the two Communist giants resolve their differences.

Moscow, however, probably does not anticipate a positive Chinese response to these overtures. The Chinese have rejected similar Soviet offers in the past, and even failed to make the gesture of acknowledging Ilichev's reappearance in Peking. Furthermore, Peking announced the day after Ilichev returned that the annual talks with the USSR on navigation in the border rivers had failed. Peking may have intended that announcement to be a low-key but negative reply to Brezhnev's initiative.

Soviet frustration with the stalemate in Peking appears to be intensifying. [redacted]



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MOSCOW AND PEKING

TALKING AGAIN

Moscow has sent its chief negotiator, Deputy Foreign Minister Ilichev, back to Peking to resume

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FOCK GOES TO MOSCOW

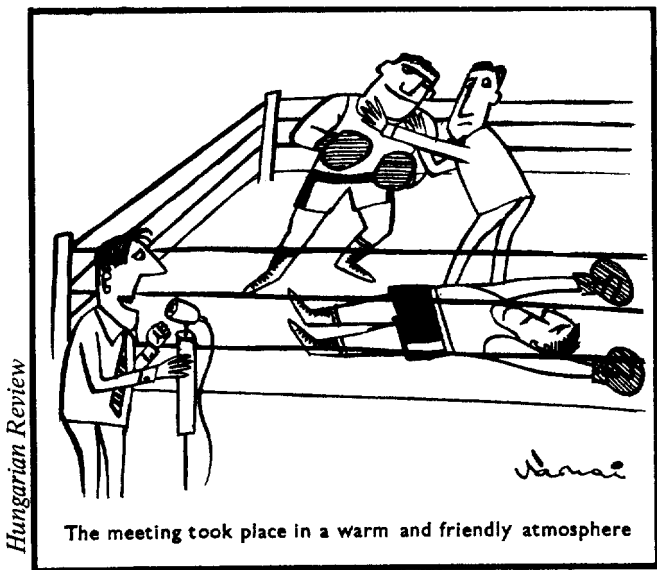
Differences over long-range economic issues dominated Hungarian Premier Jeno Fock's two days of talks in Moscow with Soviet Premier Kosygin last week. The discussions will be continued later this year, when several longer range economic agreements will be extended.

described the talks as "easier than I had imagined." They could not have been very satisfactory to either party.

The central issue evidently was Moscow's refusal to commit itself to specifics on long-term raw material deliveries (especially fuel, oil, and gas) to any of her resource-poor Eastern European allies. On the other hand, Budapest has been reluctant to commit its resources for processing Soviet raw materials in the USSR, hoping instead to pay for such imports with machinery.

Although little was said publicly about Hungary's current economic performance, the Fock-Kosygin talks were part of Soviet monitoring of Budapest's economic reforms. Moscow's hard bargaining on long-term agreements, though unrelated to its skepticism about Budapest's new economic mechanism, doubtless affected the atmosphere of the talks.

Fock's almost unprecedented frankness on Soviet-Hungarian differences is a marked contrast to Budapest's normal reticence on its dealings with Moscow. His tacit suggestion that Budapest is successfully negotiating its economic differences with Moscow carries undertones of reassurance that the Hungarian Government is not caving in. On the other hand, knowledgeable Hungarians will conclude that the Soviet terms for long-range agreements have not changed. Given Hungarian dependence on Soviet raw materials, this suggests that negotiations will be long and difficult.



Back in Budapest, Fock issued an unusually candid statement on his "exchange of opinions" with Kosygin over longer term Soviet raw material deliveries and Hungarian industrial development. Fock said that the two sides had been unable to reach final agreement on Hungarian industrialization proposals over which "we had to rack our brains." He added the Soviets were unable to give a definite answer on long-range raw material deliveries to Hungary. Nevertheless, Fock

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SMALLPOX

Epidemic in Yugoslavia

Although a great deal of foreign medical assistance has arrived, the smallpox epidemic may not be brought under control until May. It has already begun to upset the economy in Kosovo, where the disease has taken its greatest toll.

Ten new fatalities were reported during the past week, bringing to 25 the total number of deaths. The disease has spread to Montenegro, but Slovenia, Croatia, and Bosnia-Herzegovina, where organized vaccination programs are under way, have thus far not been infected.

Besides the 3.25 million doses of vaccine supplied by the US, the Yugoslavs have received another three million doses from the Soviet Union, and unspecified quantities from Romania, Switzerland, and the UK. Communist China has promised 3.5 million doses and Albania another quarter of a million.

At least one instance of criticism of the Yugoslav health service for not isolating and containing the epidemic to Kosovo has appeared in the Croatian press. Moreover, Belgrade's worst fear—that the epidemic would have serious consequence on the nation's tourist industry—may be coming true. Resorts along the Dalmatian coast report a number of cancellations. Exports from Kosovo to neighboring Macedonia are being returned, and produce raised in the region is not selling, even on local markets, reflecting a fear of contamination.

Outbreaks Elsewhere

In addition to Yugoslavia, outbreaks of smallpox have been confirmed in Bangladesh,

Albania, India, Iraq, Syria, and West Germany. There are a number of suspect cases under surveillance in Hungary. Saudi Arabia still has not commented on Yugoslav charges that their epidemic was traced from Mecca.

The contagion is most widespread in Bangladesh, where at least 417 have succumbed, and there may be more than 12,000 ill in the districts of Jessore, Khulna, Faridpur and Barisal. Local health officials blame refugees returning from Indian camps for the spread of the disease.

The World Health Organization reports 15 cases in border villages along the Syrian-Iraqi frontier. There were known cases in Iraq six weeks ago. The Syrian Government has undertaken an immunization program, as have the Jordanians. This effort may impede spread of the disease locally but a greater danger exists of its reaching Turkey from Syria.

In Europe, Hungary, Czechoslovakia, Romania, Austria, West Germany, Greece, and Bulgaria are quarantining foreigners without valid smallpox certificates.

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CZECHOSLOVAKIA: EXCHANGE ON DRUGS

Czechoslovakia, while maintaining that it does not have a hard drug problem, has agreed to exchange information with the US on drug seizures and suspected traffickers transiting Czech territory.

This about-face contrasts sharply with the reception given former US Customs commissioner Ambrose last summer when he sought to enlist Czechoslovak cooperation in curtailing illegal trafficking. No one in Prague bothered to tell Ambrose that customs officials from the socialist countries were meeting in Slovakia to discuss narcotics at the time.

Prague's more cooperative attitude is not entirely unexpected. Although the authorities maintain that their concern is with the possible use of Czechoslovakia as a route for smuggling drugs to western and northern Europe from the Middle East, recent articles in Czech and Slovak newspapers indicate a less altruistic motive.

The press laments the growing use of drugs, not only by the *manicky* (Czechoslovakia's hippies), but by school-age children. Hallucinogens and barbiturates evidently are involved; the most commonly used agent is an anti-asthmatic drug containing ephedrine produced only in Czechoslovakia. Hard drugs still are relatively rare, but recent reports indicate that they are becoming increasingly available.

caused the Republicans to withdraw from the government in January.

Meanwhile, the Social Democrats claim it was the leftward drift of the Socialists that disrupted center-left unity and blocked reforms. Undeterred, the Socialists are calling for still more reforms aimed to win the support of "all the left in parliament, Communists included." It is precisely this latter point that the Christian Democrats, the fourth and largest member of the former center-left coalition, have repeatedly rejected. Christian Democrat Party secretary, Arnaldo Forlani, said it again last week. He flatly excluded any role in the government for the Communists or neo-fascists. Forlani publicly invited the Socialists to make a hard, critical re-examination of such "futuristic theories."

While abusing each other, the Communists and the neo-fascists are posing as respectable, responsible parties capable of bringing order to the stalled machinery of government. This theme appeals to many Italians who are disillusioned with the failures of the center-left. The neo-fascists are capitalizing on this disenchantment and are conducting their campaign with vigor and with an air of self-assurance. They hope their confidence will convince the voters that they have the solution to the country's problems. They are trying to build on the electorate's moderate shift to the right over the past year.

The Communists are worried about this shift and concerned that they will be hurt at the polls by the dissident far-left Manifesto Party, which is running on a separate ballot for the first time. Losses in these quarters may be offset, however, by voters who abandon the Proletarian Socialists. This party, a third and far left brand of Italian socialism, is having trouble establishing an ideological identity.

The elections are not likely to provide a neat solution to the paralysis of government caused by the fractionalization and proliferation of parties. What the elections will determine is whether the Christian Democrats, the key to any future government, look left or right to begin the bargaining for a new coalition.

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CROPS THREATENED IN EAST EUROPE

Most of Eastern Europe is in the grip of a drought that has diminished prospects for the 1972 harvest and could jeopardize the goal, given high priority in most East European countries, of boosting livestock production. The drought comes on top of above-average damage to winter barley and rapeseed plantings from winterkill.

Because there has been little rain since September, soil moisture reserves as of mid-March were considerably below those of a year ago and no better than 70 percent of normal, except in Czechoslovakia and Romania. By the end of March, Yugoslav agriculture experts described soil moisture conditions in that country as below the "withering point." Even in Czechoslovakia and Romania, moisture reserves were slightly below normal, although Czechoslovak officials claimed that the warm, dry weather has so far been beneficial to spring planting operations.

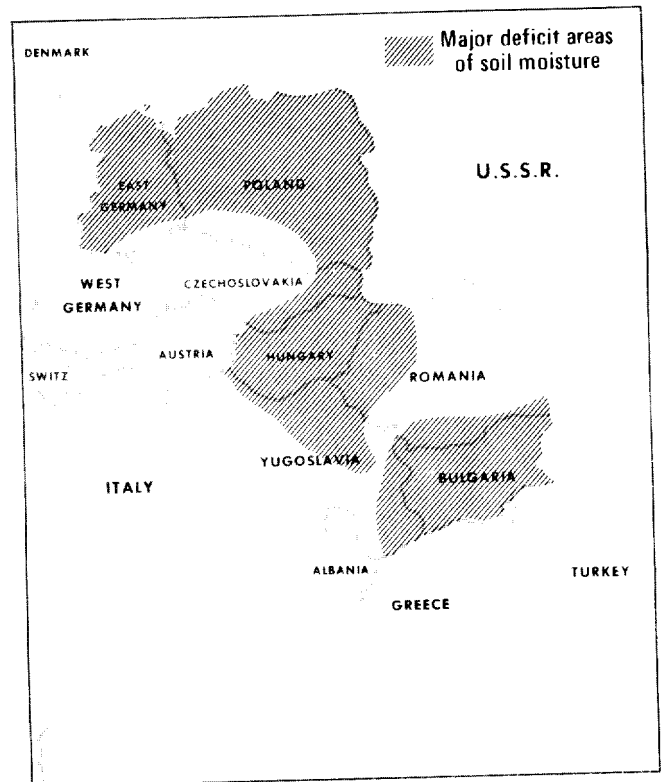
Unless the drought is broken by mid-April, yields of winter grain, now at a critical stage of development, and of newly planted spring crops, will be sharply reduced. Yugoslav agronomists have expressed concern over a possible winter wheat crop failure, claiming that yields may be down as much as 30 percent in the Vojvodina, the nation's major wheat-growing area. Bulgarian officials have warned collective farms that new irrigation projects must be operative ahead of schedule in order to minimize drought damage. Because some East European farmers traditionally delay spring planting until there is sufficient moisture, the area seeded to early spring crops may be reduced.

The lack of moisture for good growth of spring pastures and hay crops will put additional pressure on already short supplies of fodder from the 1971 harvest in East Germany, Hungary, and Poland. This could reduce output of dairy products and beef this spring. Both Hungary and East Germany have indicated that larger imports of butter will be needed. Farmers also may start to slaughter livestock prematurely because of the

poor outlook and possibly higher prices for feed crops. This would negate gains made in 1971 livestock numbers and productivity.

Unless crop prospects improve substantially during the coming weeks, Eastern Europe will be forced to import larger than planned amounts of feed grain and high-protein fodder in 1972—for the third successive year—to support their livestock programs. Import requirements for milling wheat may be the highest in several years. Larger imports would worsen balance-of-payments difficulties with the West. The US, a major exporter of these commodities, is likely to be able to increase its exports to these markets.

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SECRET**LEBANON: NEW FEDAYEEN FRONT**

A confrontation between the government and the fedayeen may be building up, and there are doubts that the government will be able to cope with an all-out fedayeen effort. Fedayeen officials reportedly regard a clash as inevitable, and some believe it could develop as early as May following this month's parliamentary elections. The fedayeen are known to be stocking arms, ammunition, and supplies throughout the country, particularly in refugee camps. They have paid extra attention to the urban areas, where any such confrontation ultimately would be decided. Beirut itself could be paralyzed by relatively small groups of dedicated, well-organized commandos.

The US Embassy in Beirut believes the Lebanese security apparatus, which consists of Beirut city and riot police, detectives, and the national gendarmerie, would be unable to control the fedayeen. The army would, therefore, have to be called in almost immediately. The army could handle the fedayeen in set battles in the countryside, but its resources would be severely strained in urban conflict. The army has no experience in urban fighting and would probably bring its heavy firepower to bear. This, in a high-rise battlefield of glass and plaster, would sorely test Lebanon's urban population and political leaders.



The fedayeen movement in Lebanon has always drawn its greatest support from the Muslim half of the population; the fedayeen's most outspoken opponents are Christians. Protracted army action would exacerbate the differences between the two groups and, in time, the army, which has the same divisions as the civilian population, would itself be threatened by confessional strife. This alone could prevent the army from pressing a campaign against the fedayeen to a decisive conclusion.

Lebanon is vulnerable to pressure from the Arab states. Libya already has commandos stationed with the fedayeen in Lebanon. The other states would be unlikely to use armed intervention to protect the fedayeen, but they do have other weapons. There would be loud outcries from Cairo and Baghdad condemning the "repression" of the fedayeen. Syria could close the border, and agents in Beirut could stir up the Muslims against the government.

Most of the fedayeen leaders, after their experience in Jordan, are not eager for another all-out fight. They have been careful so far not to provoke the army or goad the government into action, and the fact that they have not raised the threat of urban warfare indicates they are not on the point of using it. Their fatalistic statements and contingency preparations cannot be ignored, however, and the Lebanese Government is acutely aware of the dangers that increased desperation among the fedayeen, especially the extremist elements, presents.

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TURKEY: PRESSURE FROM THE MILITARY

The military leaders have moved once again to focus public attention on their demands for

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broad political, economic, and social reforms. They have renewed their threat to take direct charge of the government. They still appear reluctant to take over, but pressures for such action may be mounting from within the military establishment.

President Sunay, speaking for the military-dominated National Security Council, has called for suspension of partisan politics and asked for a constitutional amendment to enable the government to rule temporarily by decree. He has also asked for new, as yet undefined, measures to strengthen the government's hand in countering political extremism and terrorism. Sunay's proposals came against a background of factional struggles within at least one of the major political parties and another warning by Prime Minister Erim that he might resign.

Sunay's call for increased executive authority has drawn a mixed reaction. Even the Justice Party, which has generally supported the military-sponsored Erim government, is reluctant to agree to the demands and may seek a national referendum on the subject. It is doubtful that the military leaders would impose the measures Sunay requested if they believe such action would provoke strong popular opposition.

As the political trouble deepens, added measures are being taken to protect foreign representatives in Turkey against possible terrorist action. The terrorists lost several key leaders during the clash with security forces last week that climaxed the kidnaping and murder of three foreign technicians in north-central Turkey. The

guerrillas still have a considerable potential for hit-and-run attacks. Although considerable quantities of arms and explosives have been seized in recent months, the terrorists almost certainly have sufficient sources of supply to support selected terrorist activity. [redacted]

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THE YEMENS: ADEN FINESSES SANA

The radical government in Yemen (Aden) presented a proposal on 3 April to reduce strains with Yemen (Sana). Tension between the two has been at a high level since a border incident in late February. Describing the situation as an artificial crisis resulting from the acts of "enemies and imperialists"—read Saudi Arabia and the US—Aden proposed urgent talks and a willingness to discuss any proposals set forth by Sana. In addition, Aden called for reopening the border and the removal of all troops and tribal concentrations from the frontier region. Aden also asked Sana to prohibit mercenaries from crossing into Adeni territory.

By holding out the olive branch, Aden has tried to put the onus for what it describes as a potential civil war on Yemen (Sana). This proposal may have been encouraged by the Soviet Union, which has been trying to temper Arab disputes [redacted]

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[redacted] Already badly split over the level of support it should provide the tribes, the Sana government will be hard pressed to come up with a response to the plan satisfactory to its discordant factions or to the war hawks in Saudi Arabia. [redacted]

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**MOROCCO
SEARCHING FOR A GOVERNMENT**

Mohamed Karim-Lamrani has been tapped to form another transitional government. The main task of this one, when the prime minister and the King complete their selection of ministers, will be to oversee local, regional, professional, and national elections. The delay in designating a prime minister—nearly five weeks after the last Karim-Lamrani government was relieved—reflects the dilemma of both the King and the opposition National Front coalition, which he has been consulting since last fall.

The opposition press, in reporting the appointment of a prime minister, stated that no agreement concerning front participation was reached and that the front would not take part. Reportedly, the front had demanded all cabinet positions except the ministries of defense and posts, telephone and telegraph. These portfolios are held by Morocco's only major generals, the controversial Mohamed Oufkir and the able Driss ben Omar Alami.

The front is reported also to have insisted that the new government pursue radical reforms in the economy and in education as well as in other domestic and foreign policies. The King allegedly refused to give the front the lion's share of ministries because he wanted to include representatives from other parties and movements. He also would not endorse initiation of a reform program before parliamentary elections are held, probably this fall.

In light of the front's announcement that it will not participate in the new government, Karim-Lamrani may end up with another government of technicians. Because of substantive differences within the front, however, it cannot be ruled out that one or more of the opposition politicians may participate as individuals.

[Redacted box]

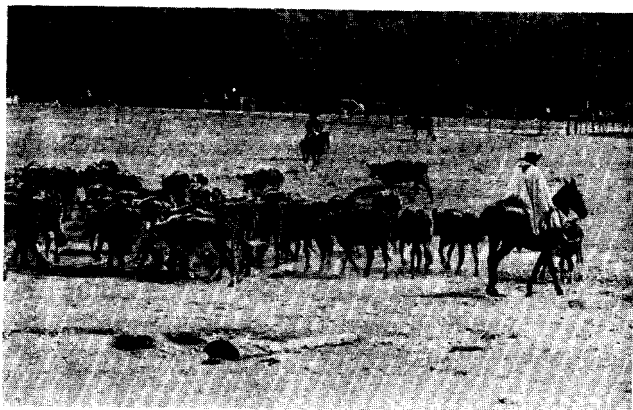
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SECRET**URUGUAY: A BEEF ABOUT BEEF**

President Bordaberry's moves to curb illegal exports and domestic consumption of beef probably will antagonize both rural and urban inhabitants. His failure to provide price incentives for legal beef exports is likely to reduce his chances of producing any major economic improvement.

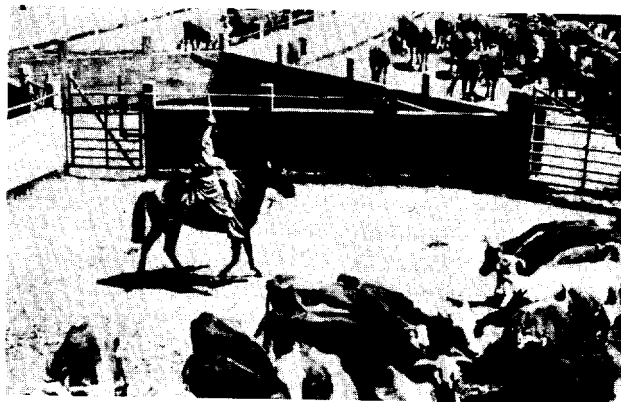


Late last month, Bordaberry publicly threatened severe penalties for cattle smugglers and revealed that he has asked for Brazilian help in eliminating the illegal trade. Since official prices paid producers will not be raised to match those in Brazil, ranchers are not likely to turn to legal Uruguayan outlets. During the last eight months, legal beef exports have earned only about \$15 million, while cattle smuggling has amounted to an estimated \$50 million, much of which is held outside the country.

Bordaberry also announced a plan to curtail domestic consumption further. Effective immediately, the slaughtering of steers for the domestic market will be prohibited, and, from mid-July through mid-November, no slaughter of

cattle of any kind for local sale will be allowed. These restrictions will probably be more effective in Montevideo than in the rural areas, where cattle frequently are killed on farms rather than in slaughter houses. Moreover, the restrictions will probably also result in expansion of the urban black market, already the major source of beef for Montevideo consumers because of the pricing policies of the previous administration. Nevertheless, Uruguayans, who until recently led the world in per capita beef consumption, can be expected to oppose the new policy since they have protested against more moderate bans on slaughtering.

Increasing beef exports is a key requirement for Uruguayan economic recovery, and Bordaberry has personally committed himself to this difficult task. His public commitment to the new policies, however, could make it more difficult for him to try some different approach in the



months ahead should the new program fail to bring the desired improvements in export earnings.

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DOMINICAN REPUBLIC: AGRARIAN REFORM

President Balaguer's agrarian reform proposals and speculation on his motives have dominated the political scene for the past four weeks.

His reform package has made rapid progress through the legislature. Bills have been passed placing unused lands and certain rice lands under the administration of the Dominican Agrarian Institute. Only the bill to regulate the size of land holdings has not yet been acted on.

The most vigorous objection has come from the rice growers. Juan Bosch of the Dominican Revolutionary Party and the Marxist-Leninist Dominican Popular Movement see the President's proposals as mere tricks to expand and consolidate government control to the ultimate detriment of the poor. On the other hand, the Dominican Communist Party and the Revolutionary Social Christian Party support what they regard as the program's potential for social reform. Although responses for and against have been reported from the military, the President seems to have fairly solid support from this important group. The press and the church are wary, reluctant to commit themselves until the President's intentions become clearer.

So far, the reform program has not generated serious unrest.

The National Police chief has warned that neither land seizures nor eviction of tenants by landowners would be tolerated. More government-sponsored mass rallies are planned, despite the risk that extremists may try to exploit them or that the rhetoric employed by some government spokesmen may rouse unrealistic expectations among the peasants.

President Balaguer is determined to establish his reformist credentials. The development of specific proposals will probably be a long-range undertaking, heavily influenced by considerations

of political advantage. The government bureaucracy's incompetence may prove the most intractable obstacle to needed reform.

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ARGENTINA: RIOTS IN THE PROVINCES

The Lanusse government is worried over the possible spread of the labor demonstrations and violence that have paralyzed the provincial city of Mendoza. The national labor confederation has issued a strong denunciation of the government, and hard-line unions are pressing for a protest strike. As a warning against further labor agitation, the government has temporarily frozen the confederation's bank accounts.

The normally placid city of Mendoza was first struck by violence on 4 April. When the smoke cleared, at least one person had been killed and several more wounded, the streets were littered with burned automobiles and buses, and the army was in control of the city. The riot was touched off by police trying to disperse a crowd of some 15,000 gathered to protest an increase in utility rates. Police reportedly lost control of the situation, and order was not restored until reinforcements were rushed in. Similar trouble was experienced in the neighboring city of San Juan.

The governor of Mendoza Province has been replaced by an army commander, and an early curfew was imposed on 5 April. The curfew was broken, however, when demonstrators marched toward the center of the city Wednesday night following the funeral of a protester killed the day before. Police also reported encountering sniper fire following the funeral.

The events in Mendoza and San Juan, together with the fear that the trouble could spread, will undoubtedly bring heavy pressure on President Lanusse to take stronger action to spur the sagging economy and curb soaring inflation, which has hit the provinces particularly hard.

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Large-scale labor demonstrations and rioting contributed to the downfall of Lanusse's two predecessors, and that lesson is not likely to be lost on the current administration. The national labor confederation has so far been unable to agree on tactics to oppose Lanusse's economic policies, but a confrontation between government and labor cannot be stalled much longer unless the President is willing to make some major concessions on the wage issue.

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UNCTAD MEETS

The third meeting of the UN Conference on Trade and Development, scheduled to begin next week in Chile, will continue the dialogue between rich and poor nations. Instead of a direct focus on development assistance and trade-related problems, representatives from 135 nations will give priority this time to international monetary problems. Although the conference probably will achieve few results, it again will serve to dramatize the problems of the poor nations.

As at the other two conferences, representatives will be divided roughly into three major camps—the developed nations of the West, the Communist nations, and the developing countries—reflecting their own political and economic interests. In addition, there are differences among the countries within each grouping, particularly among the developing countries. The Communist countries, split between developed and developing countries, will unite on most major issues, but the developed Communist nations will occasionally find themselves on the defensive along with the West. China, attending its first meeting, probably will align itself with the developing countries.

The developing countries will press for increased participation in international monetary decisions, a satisfactory exchange-rate structure, and a mechanism to create greater liquidity. They also want a one-time issue of special drawing rights by the International Monetary Fund, to adjust for the depreciation of the reserves of developing countries resulting from the increased price of gold. In addition, the developing countries will ask the conference to recommend that the International Monetary Fund link the allocation of special drawing rights to development aid. While Communist nations will support most of these requests, the USSR will not accede to the demand for the one-time issue of special drawing rights.

Trade and aid issues that were of primary concern at the other meetings will be on the agenda at Santiago. Although the previous conference made some progress toward increasing development aid on more concessionary terms, the time frame of such aid and its composition remains to be settled. The identification of the least developed countries and special measures to help them will come up for debate. The developing countries will renew their pressure on the West for new commodity agreements to reduce price fluctuations, for funds to diversify single-crop economies, and for a liberalization of non-tariff barriers that restrict trade.

The sheer size of the meeting, the unwieldy nature of its agenda, the West's resistance to demands it considers unreasonable, the disarray within major interest groups all militate against a successful resolution of major issues. The developing countries will use the conference to pressure the West to accede to their demands. The US will be a special target because of dissatisfaction over recent cuts in US aid and US failure to implement a generalized system of tariff preferences.

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OAS GENERAL ASSEMBLY TO MEET

On 11 April, most Latin American countries will send their foreign ministers to Washington for the opening of the annual meeting of the General Assembly of the Organization of American States. Some of the delegates may also be traveling to Chile for the third ministerial-level meeting of the UN Conference on Trade and Development which opens on 13 April, so that any fireworks at the General Assembly are likely to come early.

The issue that had attracted the most attention was the possibility that Peru would formally request that the sanctions against Cuba be re-examined. Convinced that there are not sufficient votes to place the issue on the agenda, Peruvian Foreign Minister de la Flor now says that he will mention it only in his opening speech. Nevertheless, Peru may decide to take unilateral action in establishing formal trade and diplomatic relations with Cuba, following the OAS meeting.

There are several other points of tension in Latin America that—while not on the agenda—could be raised at the General Assembly. Among

these are Guatemala's dispute with Great Britain over British Honduras, Panama's dissatisfaction with the canal negotiations, and Ecuador's displeasure over the US ban on foreign military sales to that country as a result of its seizure of US fishing boats. In addition, Chile is likely to bring up the Jack Anderson - ITT matter.

None of the regular agenda items should be troublesome for the US, although the Uruguayan-sponsored item, "strengthening the principles of non-intervention and the self-determination of peoples," could open a Pandora's box. The item arose out of Uruguayan concern over Castro's call for renewed violence in Uruguay following that country's general elections last November, but it conceivably could be turned around by countries claiming that the sanctions against Cuba constituted "intervention." Other items that could arouse interest are the elections to fill four vacancies on the Inter-American Juridical Committee and the Colombian initiative on arms limitation. The latter stands little chance of achieving any useful end.

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