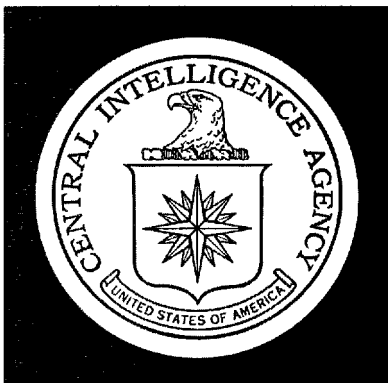


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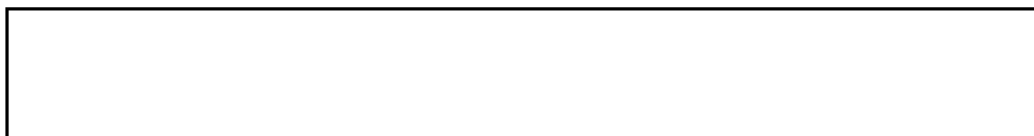
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South Vietnam: Communist-initiated military action remained at low levels on 8 April.

A few rockets fell on military bases south of the Demilitarized Zone and on the northeastern outskirts of Saigon, but damage was light. Some ground clashes resulted from Communist reaction to allied sweep operations near Da Nang and west of Saigon near the border between Hau Nghia and Tay Ninh provinces.

In the action west of Da Nang at least 35 enemy troops were killed while the Marines suffered no casualties. A US rifle company was responsible for the action in III Corps. Engaging an enemy force of battalion size, the US company was reinforced by three companies and killed at least 33 Communists before the battle ended. US losses were three killed and seven wounded.

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Peru: The deferral of US economic sanctions under the Hickenlooper Amendment has prolonged uncertainty in Peru.

Leaders of various Peruvian political parties have publicly castigated the US for deferring application of the sanctions pending an administrative appeal by the International Petroleum Company. Leaders of minor parties of the far left, who paid a visit to President Velasco on 7 April to express their support, called the deferral as prejudicial to Peru as actual application of sanctions would have been. Even the pro-US APRA, Peru's only grass-roots party, published a ringing call for "unified action in defense of national sovereignty...against the resurrection of the imperialist policy of the big stick." One Peruvian newspaper stated that six more months like the last six would bring about the paralysis of the greater part of prospective investment in Peru.

Reaction by several other Latin American leaders has been relief that the US has not applied the Hickenlooper Amendment.

A Peruvian Communist youth group is to join other "anti-imperialist" organizations in a protest march today, according to a Lima newspaper. Other such demonstrations had been planned in other Peruvian cities prior to the announcement that sanctions had been deferred, and there is no information that these have been canceled.

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Dominican Republic: The 1970 presidential election is already occupying political center stage, and early jockeying for the nominations points to an extended period of unrest.

The latest prospective nominee is Ambassador to the US Garcia-Godoy, provisional president in 1965 and probably the most popular candidate the left could put forward. He announced this weekend that he will head a grassroots Movement of National Conciliation (MNC) and by implication accept nomination for the presidency. The MNC's need for support from established political parties could prompt splits.

Garcia-Godoy at the same time will be seeking to undercut President Balaguer, who has also made a veiled appeal to the public to support a national movement for his own re-election. On the far right, Wessin y Wessin, leader of the regular military during the 1965 revolt, has also declared his candidacy.

Garcia-Godoy's task will be further complicated by his need for support from the major non-Communist party on the left, the Dominican Revolutionary Party (PRD). The PRD is anathema to many members of the military, who ousted its present leader, Juan Bosch, from the presidency in 1963.

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USSR - Nonproliferation Treaty: Moscow used its first contact with the new US ambassador to stress its displeasure at Bonn's delay on the non-proliferation treaty.

Foreign Minister Gromyko told Ambassador Beam that the USSR would face an "intolerable" situation if it ratified the treaty and West Germany did not. In response to the suggestion that Moscow and Washington synchronize the formal exchange of their instruments of ratification, as in the case of the limited test ban and outer space treaties, Gromyko said that the USSR was undecided on when to act. He seemed to see some merit in the argument that joint US-Soviet action would serve as a prod to the West Germans, but gave the impression that the Kremlin had taken a preliminary stand against ratifying before Bonn signs.

Gromyko complained that Bonn's position was "far from clear," and that its foot-dragging was responsible for Moscow's indecision. The Soviets probably hope their representation will hasten West German action on the treaty, but their expressions of concern seem also to reflect uneasiness about West German intentions.

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Pakistan: The new government appears to be taking steps to erase some causes of the anti-Ayub disturbances.

In an apparent switch from their earlier decision to allow cutbacks of excessive wage increases, the East Pakistani authorities on 5 April told businessmen they must honor wage agreements reached prior to the imposition of martial law. A government press release on 6 April reiterated the warning that all wage increases must be honored in full "until further notice," but excluded insurance and medical benefits. These payments are to be temporary pending recommendations by a committee on appropriate wage levels for various industrial sectors. An increase in minimum wage levels would help satisfy legitimate labor grievances.

In another attempt to placate elements which had forced the resignation of Ayub, the government announced on 7 April that seven management officials in Karachi had been arrested for violating regulations, in five of the seven cases by dismissing workers in retaliation for strikes.

On 8 April, Pakistan Radio announced that President Yahya Khan had ordered an investigation into causes of resentment against the "Basic Democracy" system, which had been a prominent target during the anti-Ayub campaign. Under this system 120,000 elected officials administer local affairs, plan and coordinate economic development, and act as the electoral college for the President and the national and provincial assemblies.

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South Korea: A political rebuff handed President Pak yesterday by the National Assembly could complicate regime efforts to remove the constitutional ban on a third term for the President.

Between 40 and 50 government party assemblymen broke ranks to vote in favor of an opposition-sponsored motion calling on Pak to fire his education minister. Although generally regarded as competent, the minister had offended virtually the entire assembly by his high-handed manner during recent interpellations.

The motion is not constitutionally binding on the President, but Pak is in a difficult position: he must either repudiate a minister whom he personally defended, or expose himself to charges of riding roughshod over the democratic process. This is the first time a member of Pak's cabinet has been censured.

How much political damage Pak may suffer will depend to a large extent on his adroitness in handling this problem. He may be able to deflect much of the political fallout onto his party's floor leaders who have announced their intention to resign and take public responsibility for not defeating the censure motion. The breach in party discipline may, however, portend trouble for the government when it moves to get the required two-thirds approval in the assembly for the constitutional amendment. [REDACTED]

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Jordan-Israel: The fedayeen rocket attack on the Israeli port town of Elat on 7 April suggests some breakdown of Jordan's control of the fedayeen in the area, perhaps because King Husayn is out of the country. The resulting retaliatory raid on the Jordanian port of Aqaba yesterday was Israel's first air strike against that target, indicating its intention to continue its aggressive policy of "active defense." Both countries are sensitive to the vulnerability of their adjacent ports in this area, and in the past have tried to exclude the area from the "war zone." [redacted]

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Chile: New financial guidelines for the purchase of military equipment may force the Chilean Air Force to buy in Europe rather than in the US. These guidelines require financing on credits of at least ten years with no down payment and low interest rates. [redacted]

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[redacted] European suppliers probably will be able to provide more liberal terms than Chile can get in the US. [redacted]

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