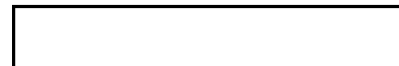


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DIRECTORATE OF
INTELLIGENCE

Central Intelligence Bulletin

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6 December 1969

State Department review completed

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Approved For Release 2004/03/17 : CIA-RDP79T00975A015100060001-7

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No. 0292/69
6 December 1969

Central Intelligence Bulletin

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*North Vietnam: The regime is taking new security measures in Hanoi.

A recent session of North Vietnam's National Assembly Standing Committee, chaired by top-level politburo figure Truong Chinh, dealt entirely with maintaining order and public security in Hanoi, according to a blunt communiqué [redacted]

[redacted] The committee heard a report from the public security minister, approved an assessment of the "great tasks" ahead in safeguarding order and public security in Hanoi, and directed that "criminals" be "resolutely" punished. New trial procedures were established to carry out the directive.

The communiqué goes well beyond the almost ritualistic appeals for tighter law and order which the regime issues from time to time. The last big security crackdown in North Vietnam occurred in late 1967 and probably was directed against dissident elements that might have hampered preparations for the extraordinary military effort launched in the Tet offensive of early 1968. That crackdown was a country-wide effort, however, while this one seems to be limited to Hanoi city.

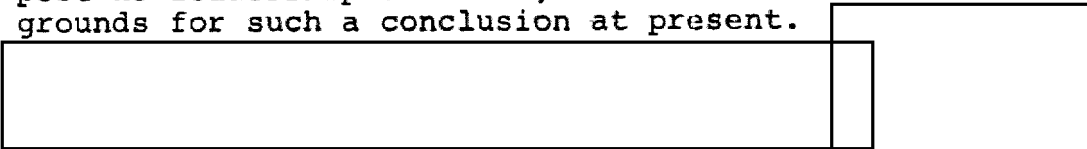
No details of the latest drive's dimensions or precisely what triggered it were revealed. It may be caused by resistance to such regime programs as manpower conscription and labor mobilization, or failure to comply with earlier directives for correcting such abuses as black-marketeering, hooliganism, and pilfering of state property. Such problems have long plagued the regime.

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The crackdown also could be part of a house-cleaning of officials considered unresponsive to the post-Ho leadership in Hanoi, but there are no solid grounds for such a conclusion at present.



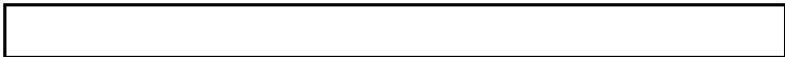
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**The Director, Bureau of Intelligence and Research of the Department of State, believes that the communiqué's primary focus is on criminal and "hooligan" behavior, especially among youthful elements, of which there is ample evidence. As such, it does not go beyond other efforts this year to impose tighter law and order.*

Unlike the "counterrevolutionary activities" decree of November 1967, this communiqué does not mention such political offenses as "crimes against the fatherland." There is no evidence that the measures are directed at politically unresponsive officials.



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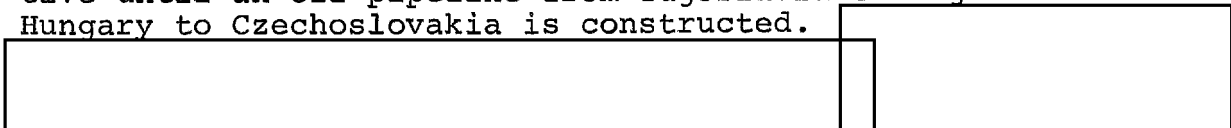
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Eastern Europe: Czechoslovakia and Hungary are becoming more active in Middle East oil developments.

Prague has announced in a broadcast that it will build an oil refinery at Basra. Czechoslovakia and Iraq also agreed in the future to discuss the export of Czechoslovak plants and equipment to Iraq in exchange for oil.

The expanding Czechoslovak role follows a Hungarian agreement in October to drill four wells in the Iraqi oil field at North Rumaila. Work is scheduled to begin in early 1970 and should be completed in one year.

Both Communist countries also recently reaffirmed their agreements with Iran to exchange industrial goods for oil. The arrangements to import oil from Iran, however, probably will not be implemented until a suitable method of delivery is found. Even if the East Europeans acquire large tankers to make the haul around Africa, the oil may not be economically attractive until an oil pipeline from Yugoslavia through Hungary to Czechoslovakia is constructed.



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European Communities: Most European officials, without discounting the tough problems remaining, believe that the Hague summit meeting provided European integration with a new opportunity to advance.

Chancellor Brandt--whose contribution to the meeting has been widely praised, even by the opposition Christian Democrats in Bonn--has commented that the summit justified modest and realistic expectations for moving from stagnation to greater cooperation in Europe. Brandt mentioned as the summit's primary achievement the informal agreement, not embodied in the official communiqué, that negotiations with membership applicants could begin "at the latest" by the middle of 1970. He also emphasized the importance of the acceptance of the concept that the enlargement of the Communities and their strengthening are linked.

President Pompidou reportedly told the cabinet that the summit's results were "positive," that negotiations with the British could start "quickly," and that the French desire their success. In the judgment of the US Embassy, Pompidou has successfully managed a major change in French European policy without the appearance of an open break with Gaullist doctrine. His performance at the summit was hailed by nearly all French media as a triumph. The leaders of Belgium and Luxembourg also reacted favorably to the meeting, but Dutch Foreign Minister Luns termed the results "just acceptable."

The British reaction has been sober. One official said that London was "reasonably pleased." He added that though the British had hoped for an earlier date, they are convinced that the informal agreement to open negotiations by next July is a "solemn commitment."

Whether this "commitment" can be honored remains to be seen. Brussels will be the scene of almost

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continual hard bargaining between now and the end of the year, and the Communities may have to stop the official clock to meet the 31 December deadline for agreement on the financial regulations. Protracted and difficult negotiations will also be required to achieve agreement on a common negotiating position by next July.



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Mauritius: The three major political parties have formed a coalition government.

After months of haggling over the apportionment of cabinet posts and other issues, Prime Minister Ramgoolam this week finally announced a new cabinet. It contains 12 ministers from his predominantly Hindu Labor Party, seven from the predominantly Creole Mauritius Social Democratic Party, and two from the Moslem Action Committee. As a part of the deal, the next parliamentary elections will be postponed until 1976.

If this alliance of ethnic groups survives, it could ease tensions on the island. Judging from the past performances of the politicians in the new cabinet, it seems unlikely, however, that the coalition will move ahead to deal with the difficult problems of poverty, unemployment, and an economy dependent on sugar.

Groups outside parliament will attempt to exploit the dissatisfaction with economic conditions and discontent among those who view as undemocratic both the formation of the coalition and the postponement of elections until 1976. The government has been particularly worried about the Militant Mauritian Movement, a group led by radical former students who have studied abroad. They have been unexpectedly successful in penetrating village councils, trade unions, and youth clubs.



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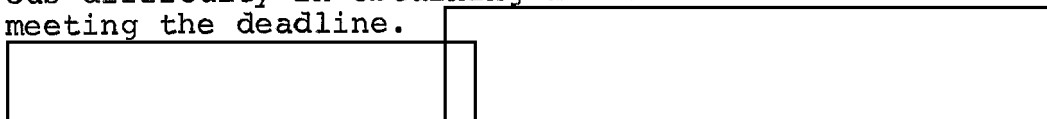
Peru: President Velasco is taking a tougher stand on contract negotiations with US mining companies.

Last month the government presented the US-owned Southern Peru Copper Company (SPCC) with a list of seven changes in its proposed contract. The most significant involves the timing of the initial investment. The government will still allow SPCC until October 1971 to find financing for the \$355 million it will need to develop its Cuajone concession, but it now insists that the company invest \$25 million before that time.

The company has been trying to get the government to modify its demands, but in a press conference last Thursday President Velasco said that his government had taken its "final position" and that SPCC could "take it or leave it." The government's harder position is primarily in response to the allegations of leftists and nationalists that the Cuajone contract is another "sell-out" to the US.

Velasco has left himself some room for maneuvering, however, by avoiding a public statement on the government's "final position." He has also reminded the public that Peru does not have the means to develop the concessions itself, but assured the audience that a new "revolutionary mining code" is being drawn up to give better protection to Peruvian natural resources in future contract negotiations.

Peruvian law provides that mining contracts must be signed by 31 December or the concessions revert to the state. Even if the SPCC contract is signed by then, other US mining companies that had hoped to use the Cuajone contract as a model may experience serious difficulty in obtaining a favorable contract and meeting the deadline.



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USSR: A J-class diesel submarine is transferring to the Pacific Fleet via the Indian Ocean. It was seen in the Malacca Straits near Singapore on 4 December, marking the first time a Soviet cruise-missile unit has been detected in this area. The submarine is believed to have left the Northern Fleet in late summer and was escorted by a submarine tender to the Indian Ocean where it spent about two months. The Soviets may have taken precautions to avoid detection in order to forestall adverse publicity in South Asian and African countries. [redacted] (Map/Photo)

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Brazil: The foreign minister has urged early US approval of Brazil's requests to purchase US military equipment, particularly aircraft. He declared that his country is determined to establish a strong air force, and that it will soon have to decide where to obtain the new aircraft. The air force apparently has contracted for Italian jet trainers and has carried on extensive negotiations for British MK55 Lightning jet fighters. This contract may soon be signed whether or not US aircraft are available. The minister added that US-Brazilian relations would definitely be strained if the US applied sanctions under provisions of the Conte or Symington legislation. [redacted]

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[redacted]

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Cuba: A four-member agricultural team is expected to arrive soon in Trinidad-Tobago. The visit is the first of its type to an English-speaking Caribbean nation in several years, and undoubtedly is in response to recent statements by Prime Minister Williams urging consideration of closer trade ties with Cuba. Trinidad-Tobago, whose major agricultural export is sugar, probably hopes to learn of Cuban advances in sugar mechanization and the use of sugar by-products. The Cubans probably want to test the seriousness of Williams' proposals for closer commercial ties.



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