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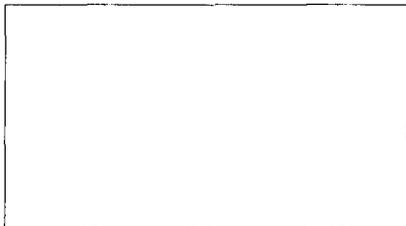


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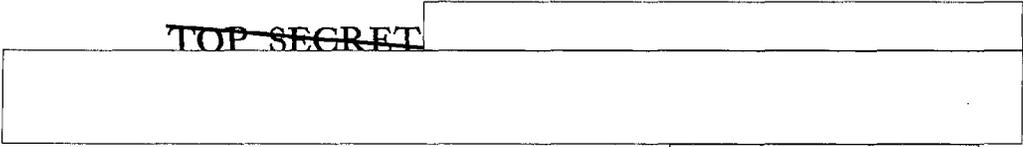
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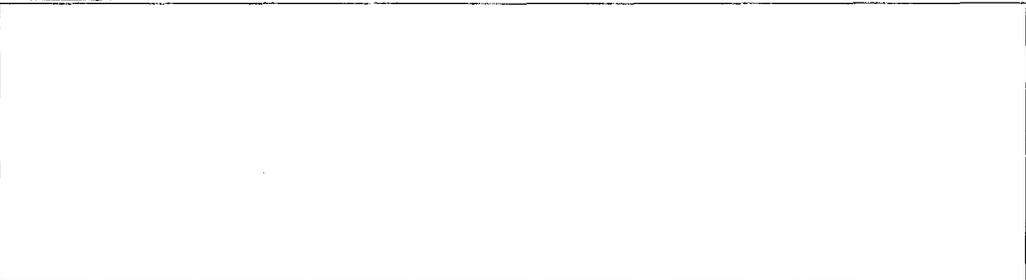
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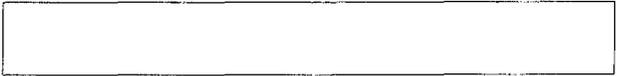
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\*VIETNAM: A recently available Communist article points toward heavier fighting in the year ahead.

The article, published in the January-February issue of an authoritative party journal, Tuyen Huan, sheds more light on two fundamental features of Hanoi's current military line: the relative priority to be attached to prosecuting the war and to developing the home front in North Vietnam; and the kinds of military tactics that now are suitable for Communist forces, especially in South Vietnam.

Discussion and policy decisions about both issues have surfaced periodically during the past decade. This article uses familiar formulations, however, that point in only one direction: it says categorically that the war is North Vietnam's first order of business and makes no attempt to argue that some balance should be struck in the allocation of resources and energies to the home front and the war.

In one remarkably candid passage that reflects stepped up manpower mobilization now under way in the North, the article says: "As the great rear area of the three theaters (Vietnam, Laos, and Cambodia), North Vietnam has the primary duty at the present time to seek to mobilize manpower and materials in order to meet fully and promptly all of the requirements of the front line...irrespective of the situation...."

Similarly, military tactics are addressed in terms the Vietnamese Communists often have used when they discuss and debate the relative merits of a long, drawn-out struggle as against intense, large-scale fighting. The article calls for heavier doses of large-scale fighting involving conventional forces. It acknowledges that so-called protracted war is basic Communist strategy, but it points out that "protracted fighting is not protracted guerrilla fighting." The article calls for "sudden leap-like developments" aimed at quickly changing the balance of forces and cites Communist offensives during Tet 1968 and the spring of 1965 as

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examples. To make certain that the examples are applicable to today's war, the article asserts "the total defeat of 'Vietnamization'...also involves large leaps to change the balance of forces to the point where the enemy will not be able to continue the war."

These ideas probably were formalized as policy at the party central committee's 19th plenary session held around the turn of the year. Their appearance in a party study journal indicates they are part of the present Communist line. More than any evidence now available, the article indicates that Hanoi means to raise the level of fighting in Indochina in the year ahead, and that it is prepared to put the troops and supplies into the war that it needs to do so. Indeed, mobilization in the North and recent events in the infiltration corridors suggest Hanoi has started to lay the groundwork for this kind of effort.

*\*The Director, Defense Intelligence Agency, does not agree with the analysis that the article appearing in Tuyen Huan necessarily points to heavier fighting. It is in essence an exhortation to propagandists. As is the case in many North Vietnamese journals, its meaning is ambiguous. The same article can be utilized to support the contention that the Communists intend to continue their strategy of protracted warfare. The enemy's most probable course of action through the balance of 1971 will be to pursue the strategy of protracted warfare with some increase in military action in northern Military Region 1 and western Military Region 2.*

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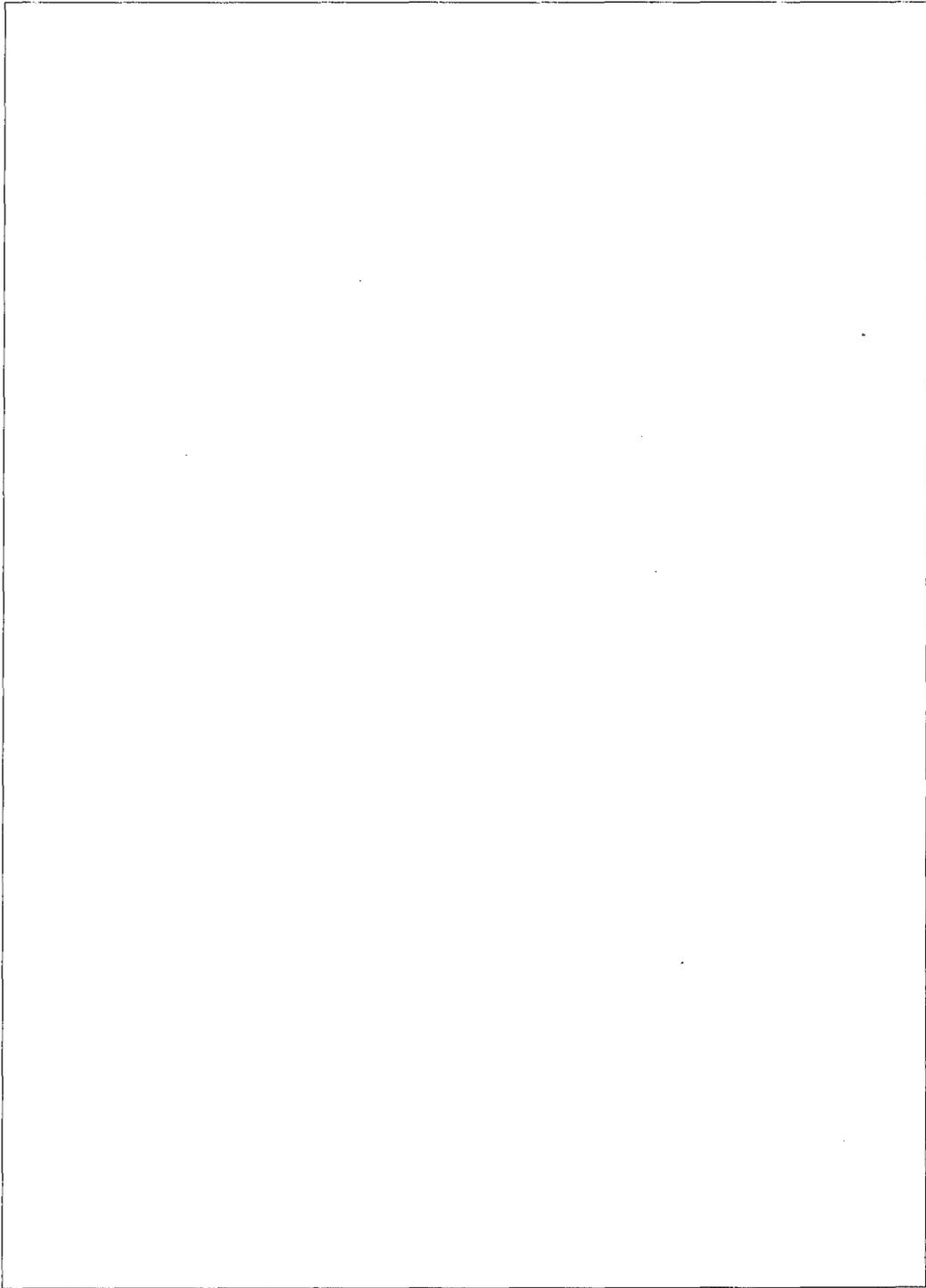
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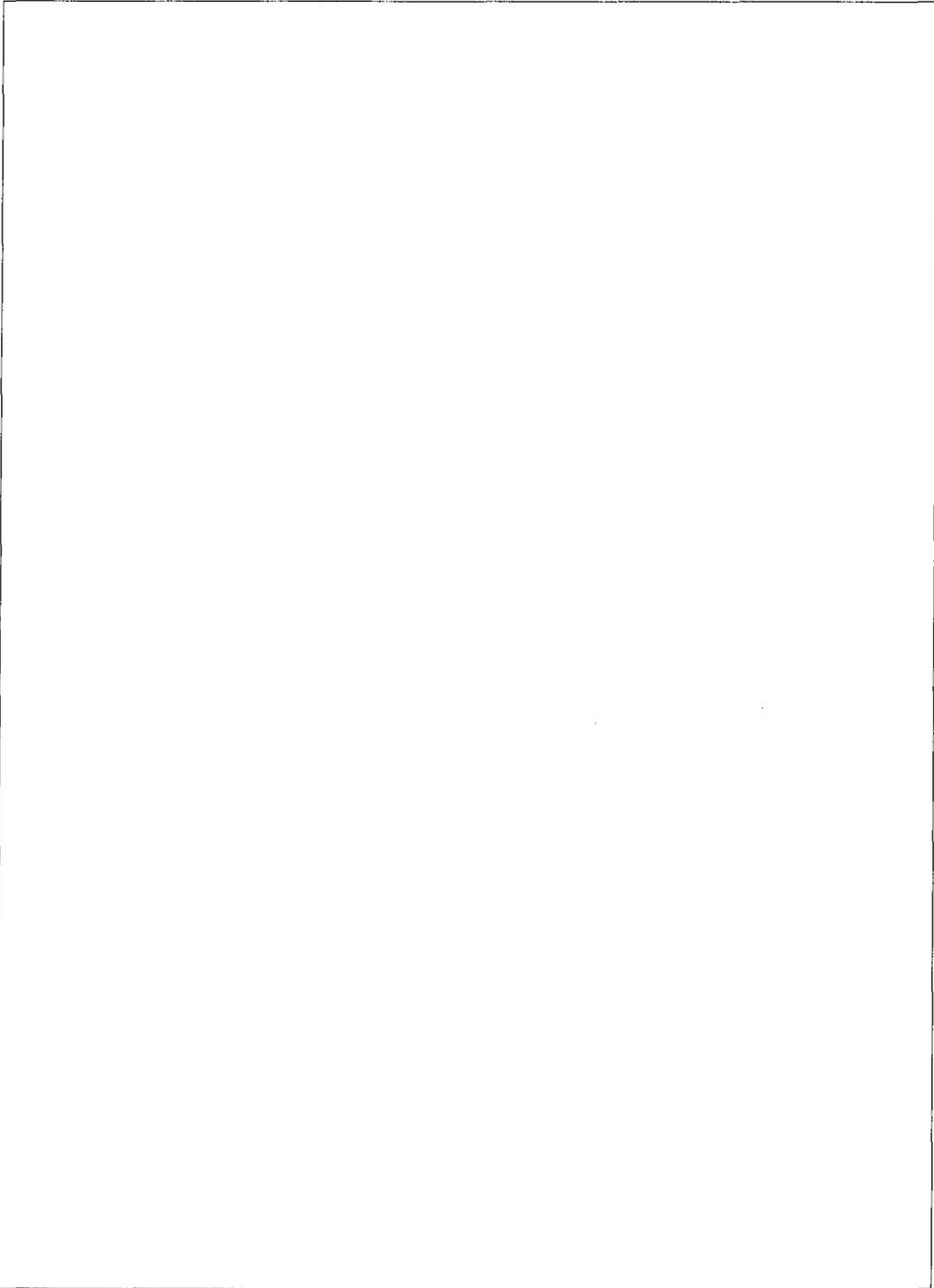
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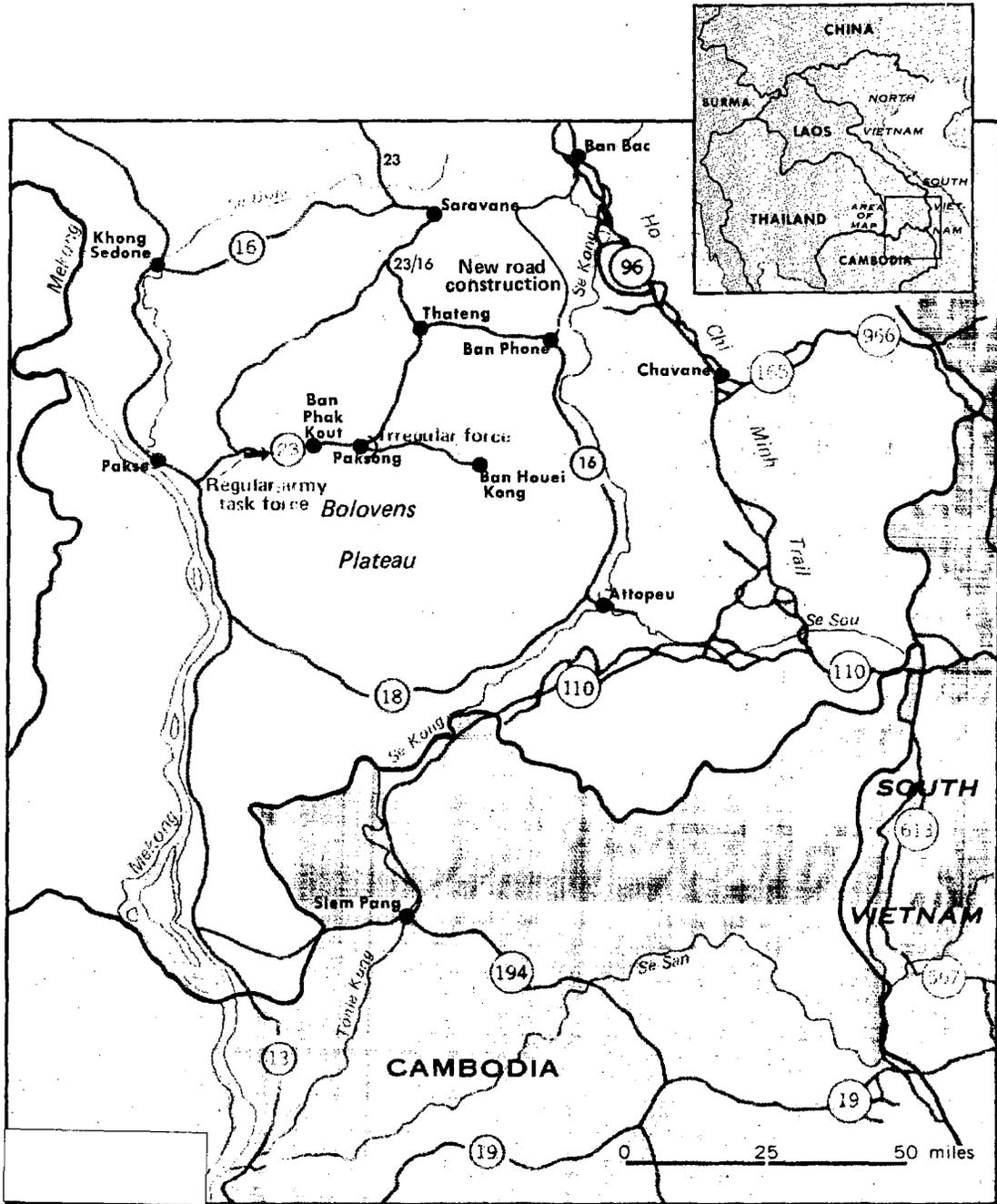
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- Communist-held location
- Government held location

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LAOS: [A multibattalion government operation launched on 9 June to retake key portions of the western Bolovens Plateau has encountered serious problems.]

On Wednesday the lead elements of a regular army task force moved eastward along Route 23 toward their first objective, Ban Phak Kout. Their progress was stopped, however, when two key battalion commanders were killed--one by a short round from his supporting artillery. [Government forces again tried to move toward Ban Phak Kout on 10 June, but were hit hard by a North Vietnamese shelling attack followed by a ground assault reportedly led by two tanks. The Lao Army units were dispersed, and are still trying to regroup around their command post on Route 23.] Bad weather so far has limited air support. Several battalions of irregulars, many of which are already in position northeast, east, and southeast of Paksong, will support the operation if it achieves its initial goals and moves on toward Paksong.

Enemy resistance to this operation is likely to continue to be stiff. The Communists are dug in at many points along Route 23 and hold most of the key high ground positions. [REDACTED]

Moreover, the North Vietnamese have given every indication that they intend to hold the Bolovens, at least in part to protect their infiltration corridors into Cambodia and South Vietnam. They have continued to push supplies and personnel southward despite the onset of the rainy season. There is some evidence suggesting that--probably during the next dry season--they plan to increase the use of the western infiltration corridor--Routes 23/16. Recent aerial photography indicates that they have begun improvements on the long-unused section of Route 16 between Ban Phone and Attopeu and are building a new road to link the staging areas at Ban Bac with Route 16.

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In northern Laos, elements of Vang Pao's irregular task forces operating on the southern and western edges of the Plaine des Jarres have met little enemy resistance. They have discovered several enemy supply caches and claim to have destroyed or captured some mortars and recoilless rifles and substantial amounts of ammunition, food, and sundry supplies. [REDACTED]

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JAPAN: Tokyo last year moved closer to fulfilling its pledge to devote one percent of its gross national product (GNP) for aid to developing countries.

According to figures recently released by the Ministry of Finance, outlays increased 44 percent to reach \$1.8 billion. This represents .93 percent of GNP. Under the Japanese concept of aid, however, export credits and private capital flows are included as well as conventional foreign aid. The latter rose only five percent and accounted for only one fourth of the total outlay; grants did not increase at all. The remaining capital movements, aimed principally at promoting Japanese exports, increased 66 percent and included loans totaling \$200 million to the World Bank.

Although Tokyo has responded positively to international pressure for an increase in aid, demand for a qualitative improvement is likely to intensify, mainly because of the continued preponderance of commercially oriented capital flows. Moreover, Japan has been criticized because the terms of its conventional aid are still relatively harder than those of other major aid-giving countries, and the grant portion is relatively smaller. Tokyo has promised to increase efforts to ease aid terms and raise the level of grants, but progress in the near future is likely to be gradual and moderate. [REDACTED]

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**EGYPT:** President Sadat's speech to the nation yesterday re-emphasized the firm line he has been taking toward a Middle East peace settlement.

Sadat again stressed that Egypt's basic terms are the withdrawal of Israeli forces from all occupied Arab territories and the restoration of the rights of the Palestinian people. Indicting the US as "Israel's partner in aggression," he implicitly laid the blame for the continued impasse in the peace negotiations on Washington's economic and military support of Tel Aviv. In sharp contrast to his commentary on the US, the President expressed his appreciation for Soviet military aid and characterized Cairo's relationship with Moscow as a "permanent friendship."

In speaking of current internal developments, Sadat sought to cloak his own domestic policies with a measure of legitimacy. By choosing 10 June, the anniversary of a national show of solidarity for Nasir in 1967, and by often referring to the actions of his predecessor in discussing his own decisions, Sadat implied that he was merely continuing the policies of the late president. Sadat also noted that he owed his recent success in purging the government of his opponents to the support of the Egyptian masses. He recalled this support was responsible for all of Nasir's successes, beginning with the revolution of July 1952.

In a major foreign policy speech to the Knesset on 9 June, Prime Minister Golda Meir had said that the prospects for achieving an interim agreement on the reopening of the Suez Canal have suffered as a result of the Soviet-Egyptian treaty and Sadat's recent pronouncements. The Israelis will almost certainly interpret yesterday's speech by Sadat as additional evidence of a hardening of the Egyptian line and as another argument for the supply of additional US military aid to Israel. [REDACTED]

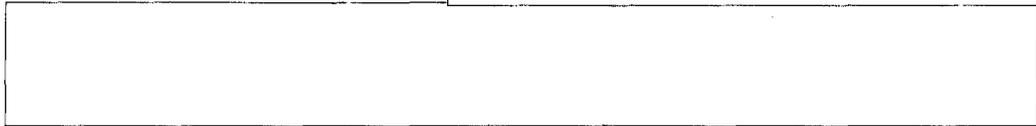
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**BRAZIL:** The Medici government is upset over what it believes to be a deliberate attempt by the US Congress to link Brazil's enforcement of its fishing restrictions to the continued participation of the US in the International Coffee Agreement.

The government claims that any official US attempt to link the coffee legislation with the territorial seas issue would constitute "intolerable economic pressure" over a matter affecting Brazil's sovereignty. Foreign Minister Gibson privately told the US ambassador that he hoped the issue would not become serious, but that local public opinion forced him to set forth clearly his government's position. He said that if the coffee agreement was not approved, the recent successful completion of negotiations between the two countries over the soluble (instant) coffee would be in serious jeopardy.

The Brazilian Government continues to maintain that while it desires to reach an agreement with other countries to permit their boats to continue to operate in specified areas of the 200-mile zone, it cannot retreat at all on the validity of the claim itself. Within the past few days Brazilian naval ships have warned foreign fishing boats several times to leave the 200-mile zone, and thus far they have complied. [REDACTED]

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USSR-BERLIN: The Berlin advisers' meeting scheduled for yesterday was put off until 22 June because of the retrogressive behavior of Soviet representative Kvitsinsky at Wednesday's session.

Kvitsinsky discarded large segments of the common language on which the advisers had agreed last month in favor of returning to language taken from the Soviet draft of 26 March. He also took an unyielding position on other contentious issues. At the conclusion of Wednesday's meeting when the French adviser suggested that the discussions be continued the next day as scheduled, Kvitsinsky sided with the US and British representatives in declaring that there was no point in doing so.

Allied representatives charged that the Soviets were deliberately moving backward after earlier signs that Moscow was prepared to move in a more constructive way. This led them to claim that Soviet tactics of moderation late last month were meant primarily for their effect on last week's NATO ministerial in Lisbon.

Soviet zigzagging is not new to the negotiations on Berlin, and obstructionism has on occasion been followed by conciliatory gestures. At Wednesday's session, however, Kvitsinsky was particularly obstinate, and in informal conversation he reverted to the earlier Soviet theme that the Berlin negotiations would take a long time.

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ITALY: The outcome of this weekend's off-year elections will provide some insight into the prospects of the present center-left coalition.

Only about one fourth of the electorate will be involved in the contests for the regional assembly of Sicily, the provincial councils of Rome and of Foggia to the east, and 158 municipal councils. Nevertheless, the elections will have countrywide significance because much of the campaigning is on national issues and national political figures are leading a number of the party tickets in Rome.

The Christian Democrats are on the defensive in the campaigns, particularly in Sicily, in Rome, and to the north in Genoa. In these areas, they face voter reaction against poor administration, unsatisfactory economic conditions, and several recent spectacular crimes. They are, however, maintaining their usual electoral unity and are warning against the extremists of both left and right. Both the Socialists and the Social Democrats are emphasizing the need for social and economic reforms, but the latter are strongly opposed to legislative cooperation with the Communists for this purpose.

The neo-Fascists are putting on an aggressive, well-financed campaign. They are appealing to fear of a leftward drift and to growing popular nostalgia for a more ordered society. Their small party is expected to improve its position.

New tensions will undoubtedly develop in the national coalition after the elections but there would have to be a pronounced trend for or against one of the coalition parties for the government to fall.

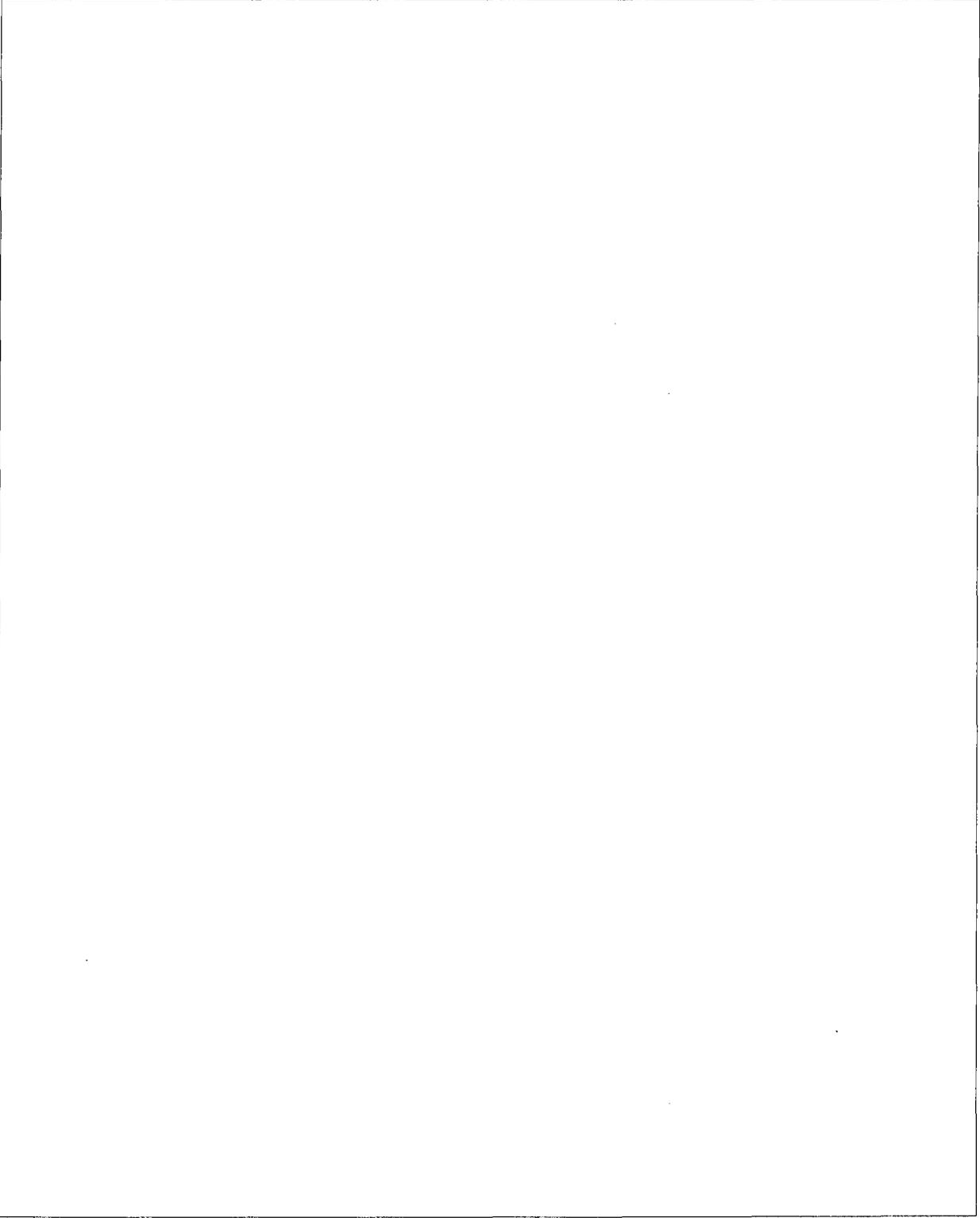
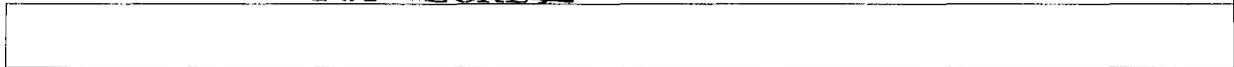
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USSR-CUBA: The Soviets on 7 June concluded their sixth naval call to Cuba with the departure of the visiting submarine tender. The ship is now some 500 miles northeast of Puerto Rico and appears headed for Northern Fleet waters. An E-II class cruise missile nuclear submarine that was in Antilla with the tender left Cuba on 4 June and has not been seen since then, although it could be accompanying the tender on the homeward voyage. In addition, the Soviet rescue tug that has been in Cuban waters since last September is now returning to Cienfuegos after joining the submarine and the tender during their visit to Antilla. [REDACTED]

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BOLIVIA: The developing campaign to expel the US Military Assistance Advisory Group is likely to succeed. Leftist government officials, determined to eliminate US influence in Bolivia, reportedly plan to achieve the ouster of the US advisers by the same tactics they employed to get the Peace Corps expelled. President Torres has already informed the US ambassador that Bolivia will have little use for a US military mission when the military assistance program is phased out. Army commander Reque-Teran's recent equivocal public statement about the advisory group suggests that the military does not consider the issue vital enough to warrant a confrontation with the left. [REDACTED]

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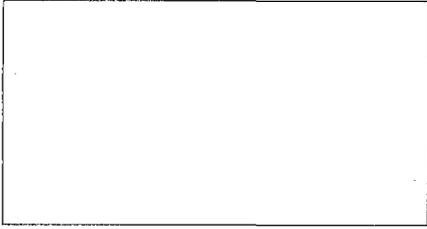
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