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Next 1 Page(s) In Document Denied

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Weekly Summary

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CONTENTS

April 16, 1976

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, the Office of Geographic and Cartographic Research, and the Directorate of Science and Technology.

1 Middle East - Africa

Lebanon; Angola; Israel

3 Europe

USSR-US; Italy; Cyprus;
Spain; West Germany; CIEC

5 Western Hemisphere

Argentina; Cuba

6 East Asia Pacific

China; Thailand

7 Syria: *Asad's Domestic Position*

9 Thailand: *New Foreign Policy Direction*

11 USSR-Somalia - Ethiopia: *FTAI Policy*

12 Nigeria: *Renewed Ethnic Tension*

14 Portugal: *More Modern Armed Forces*

Comments and queries on the contents of this publication are welcome. They may be directed to the editor of the Weekly Summary.

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Middle East-Africa

1-2; 70

LEBANON

Syria intervened openly in the Lebanese crisis last weekend by sending Syrian regular forces across the border into Lebanon. Since April 9, approximately 4,000 to 6,000 Syrian army troops have been moved into eastern Lebanon and an

area in Syria adjacent to the border along the Damascus-Beirut road.

This force consists of major elements of three armored and infantry brigades, most of them apparently from the 3rd Armored Division. One of Syria's four SA-6 anti-aircraft missile brigades, with about 500 men, also has been sent to the border area. The Syrian forces inside Lebanon are positioned primarily in the Al-Masna area along the road to Beirut; some have moved as far west as the Baydar Pass, approximately 15 miles from the capital.

Israeli public reaction to the Syrian troop movements has been low-keyed. The government-controlled press has noted the entry of large numbers of regular Syrian forces into Lebanon, but has suggested that Israeli forces will take action only if Syrian troops are sent into the area south of the Litani River on a scale that would alter the security situation along Israel's northern border.

Syria's move into Lebanon was intended initially to force parliament to follow through with its plans to amend the constitution to permit the early replacement of President Franjyah. In addition, it was designed to force the leftists to extend the truce, and to prevent any attempt by the leftist, Muslim, or Palestinian militias to launch a new round of heavy fighting.

Parliament on April 10 did approve the constitutional amendment, leading Lebanese leftist leader Kamal Jumblatt to announce on April 11 that the left had agreed to extend the truce until April 30. Jumblatt, however, added to his conciliatory statement demands that Syrian forces withdraw from Lebanon and that a new president be elected within 10 days.

Jumblatt and his major Palestinian backers appear for the moment to have been intimidated by the Syrian show of

force. They will work at least indirectly, however, to increase military pressure on the Christians if the current round of political negotiations stalls. (An analysis of the potential domestic fallout for President Asad from his Lebanese venture appears on Page 7.)

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ANGOLA

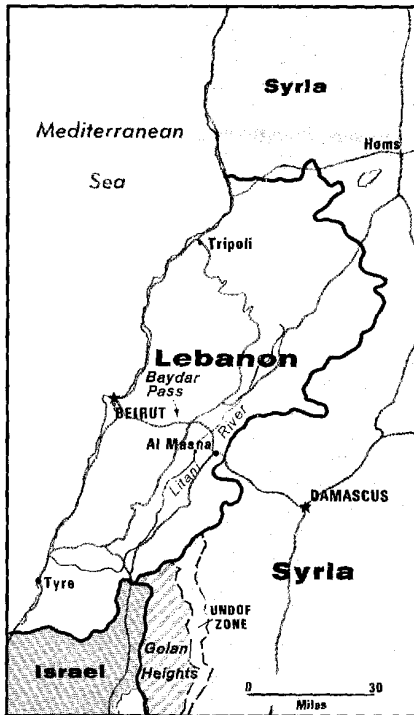
9-11

The expected resumption of oil production in Cabinda soon will give a shot in the arm to Angola's war-torn economy. Cabindan wells accounted for half of total exports and government revenues before they were shut down in December 1975.

Gulf Oil Company will probably initially only produce 30,000 to 40,000 barrels per day. Full production of 140,000 to 150,000 barrels per day will not be reached until at least midyear.

Luanda has promised to honor the contract Gulf had with the Portuguese for the first six months but will almost certainly seek majority ownership of the Cabindan fields soon after. Luanda may decide to achieve this in stages, while maintaining Gulf's role in production and sales.

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ISRAEL

3-8

Palestinian nationalist candidates scored impressively in the municipal council elections held on April 12 in the Israeli-occupied West Bank. Conservatives were also elected to many councils, however, and they will act as a restraining influence on supporters of the

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Residents of Bethlehem prepare to put up a banner for municipal elections in the West Bank

Palestine Liberation Organization.

Many of the victorious "nationalist" slates appear to be made up of politically diverse individuals ranging from members of traditionally conservative clan factions to radicals sympathetic to the PLO. These men appear to have little more in common than their recent agreement to run together and to try to attract the widest possible spectrum of votes.

Leftist-oriented slates won majorities on the councils of two of the West Bank's three most populous towns—Nabulus and Ram Allah—and in a number of smaller towns. In Hebron a mixed group of leftist sympathizers and conservatives gained control. Conservatives won in one major

town—Bethlehem—and appear to have gained majorities in several smaller communities.

The strong showing by candidates sympathetic to the PLO represents a protest against the continuing Israeli occupation and is a setback for Tel Aviv's policy of supporting traditionalist, pro-Jordanian council candidates.

The election results also represent a defeat for Jordan's King Husayn, who had privately backed pro-Hashemite candidates. The new nationalist councilors will be more inclined to look to the PLO and its allies rather than Husayn for support against the Israelis.

During the next two weeks, the new

councils will each convene to name one of their members, usually the highest vote-getter, as mayor. A large number of nationalists will probably be chosen. Israeli occupation officials can veto these selections and appoint mayors more to their liking, but Defense Minister Peres, responsible for administering the West Bank, has said that the decisions of the councils would be accepted unless there was a "legal reason" for doing otherwise.

Israeli intervention in the mayoral elections could ignite a new round of anti-Israeli demonstrations in the West Bank similar to those that occurred in February and March.

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Europe

USSR-US 22-23

Moscow is clearly concerned about the heated debate in the US over "detente," despite repeated professions of confidence in Soviet media that the US public overwhelmingly favors improved relations with the USSR. The Soviets are likely to show increasing caution on important bilateral issues until after the US election campaign is over and the direction of US policy is assessed.

Although the Soviets continue to profess optimism that bilateral relations will improve after the US elections, a note of caution was sounded early this month by Georgy Arbatov, Moscow's most influential academic expert on the US. Writing in *Pravda*, Arbatov warned that policy compromises made during the heat of a political campaign may persist beyond the elections and could "create serious difficulties." He joined other commentators in explicit criticism of President Ford and his administration.

The current campaign of harassment against Soviet citizens and installations in the US is one vexing irritant that has produced concern at top levels in Moscow. Soviet leaders have been somewhat mollified by vigorous official condemnations of anti-Soviet violence, but they remain unconvinced that Washington is sufficiently serious about punishing culprits who "make no secret of their involvement."

The Soviets decided to retaliate against US officials in Moscow despite the possibility that this might further damage "detente." In the last few days Moscow has reduced the level of harassment, but Soviet officials have indicated the practice will continue as long as the situation in the US remains unresolved.

The generally gloomy cast of US-

Soviet relations was somewhat relieved last week with completion of a joint draft text governing the detonation of peaceful nuclear explosions under the previously negotiated threshold test ban treaty. Conclusion of these lengthy negotiations indicates Moscow remains committed, despite current difficulties, to stabilizing its relations with the US, especially on matters relating to the strategic balance.

On the other hand, the Soviets now appear to have less hope of early agreement on a new strategic arms limitations agreement or on other key issues such as the trade/emigration impasse. The latter is only infrequently mentioned in the Soviet media, while recent Soviet statements on SALT have avoided mention of a time frame or a possible summit.

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ITALY 24-25

Political maneuvering continues to point to an early parliamentary election, although all party leaders are trying to avoid responsibility for precipitating the contest.

The Socialists, whose abstention in parliamentary votes permits the Moro government to survive, reaffirmed this week their demand for either an election or the replacement of Moro by an emergency government with an economic program that would be negotiated with the Communists. Socialist leader De Martino has failed, however, to muster broad support for his proposals, and the Socialists are hesitating to topple Moro on their own.

The Communists, who have consistently opposed an early election, are proposing an emergency program that would be supported by all the parties except the neo-fascists. They claim this approach would permit the present parliament to remain in office until May 1977, when elections would normally be held. If the

contest takes place ahead of schedule, Communist chief Berlinguer will blame the Christian Democrats for failing to accept his offer to help solve the country's problems.

At this point, the decision rests with the Christian Democrats, who, as usual, are divided over what to do. Party conservatives, who appear to favor an election, want Moro to pave the way by resigning immediately. The Christian Democratic left, led by Moro and party chief Zaccagnini, prefers a parliamentary debate leading to a confidence vote on the government's economic program. This would force the Socialists either to abandon their threat or to accept responsibility for the government's fall.

The economy, meanwhile, continues to reflect the deteriorating political situation, with the lira plunging to record lows this week. It has since rebounded slightly, but the currency will remain weak as long as political uncertainty persists. Inflation is running at an annual rate of 30 percent, and additional price hikes can be expected as the costs of imports rise.

The austerity program that Moro proposed to deal with these problems has soured the government's relations with Italy's powerful labor unions. In an emergency meeting last week, the government was unable to persuade labor to exercise restraint in the current wage talks.

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CYPRUS 26-27

The search for a Cyprus settlement suffered a major setback last week with the resignation of Greek Cypriot negotiator Clerides. This in turn precipitated Turkish Cypriot negotiator Denktash's announcement that he would no longer participate in the talks.

The immediate cause of Clerides' resignation was his admission that he had secretly agreed to give Denktash advance notice of Greek Cypriot proposals for a settlement. A more fundamental reason

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for his forced departure was the growing dissatisfaction of more intransigent Greek Cypriot leaders with what they considered to be Clerides' willingness to make concessions without reciprocal gestures from the Turkish Cypriots. Clerides' successor will be Tassos Papadopoulos, who is ex-



Clerides OCI

pected to be more responsive to the hard liners.

Denktash contributed to Clerides' downfall by revealing the secret agreement and leaking the fact that Clerides had given him a preliminary version of the Greek Cypriot proposals. The Turks may have concluded that if the seemingly conciliatory Clerides could be disposed of, their own basic intransigence would not stand out so starkly. Furthermore, any successor to Clerides would probably, in their view, more accurately reflect President Makarios' basic lack of give on the issues, thus justifying a slower pace in the negotiations.

Following Clerides' resignation, Denktash rejected Greek Cypriot proposals dealing with the territorial question and said he would appoint a subordinate to represent Turkish Cypriots in future negotiations.

Clerides may yet retain his position as president of the Cypriot House of Representatives, but his public disgrace has made it easier for extremist leaders to

reassert themselves. The latter lost little time sponsoring a series of anti-American demonstrations to protest the new US military assistance agreement with Turkey. A large and potentially dangerous demonstration on April 12 was brought under control only by vigorous police action and after both Washington and Athens had warned the Makarios government of its responsibility for maintaining order.

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SPAIN 28-31

Efforts by Basque terrorists to bring pressure on the government by intensifying their campaign of violence appear to have backfired.

The murder last week of a kidnaped industrialist by Basque Fatherland and Liberty terrorists provoked a general outcry, particularly in the Basque country, where some 15,000 turned out for the funeral service. There are, in fact, indications that the terrorists have damaged the Robin Hood image that had won for them at least the passive support of a large number of Basques.

The Christian Democratic - oriented Basque Nationalist Party, which probably represents the majority of Basques, spoke out for the first time against the terrorists. The self-proclaimed Basque "government in exile"—composed of the Basque Nationalist Party and other regional groups—also condemned the murder and called off anti-government protest demonstrations scheduled for Easter Sunday.

The government, meanwhile, struck hard at the terrorists. In a week of intense police activity, nearly 100 suspected members and collaborators of the terrorist group have been arrested, including several who have been charged with the murder of the kidnaped industrialist. A dozen terrorist hideouts and large quantities of ammunition and propaganda have also been uncovered.

The government may have further undermined popular support for the

terrorists by exercising restraint in conducting its anti-terrorist campaign and avoiding the harsh repressive methods and arbitrary mass arrests of the Franco era. The presence in considerable strength of the national civil guard, however, is resented by the Basques, who regard it as a virtual "foreign army of occupation." Two apparently innocent persons have already been killed by nervous civil guards, and more deaths could easily wipe out the government's momentary advantage.

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WEST GERMANY 32-35

The West German cabinet has decided to go ahead with production of the multirole combat aircraft, now dubbed the Tornado. The cabinet's decision must be approved by the Bundestag, but passage is expected.

Of the two other participating countries, the UK announced its decision to produce the aircraft in late March, but there has been no formal announcement from Italy. The West German decision may speak for the Italians, however, since Bonn is already paying the relatively small Italian share of MRCA development costs.

Rising costs and engine problems over the last few years raised doubts that the MRCA would ever reach series production. The huge investment already made, however, weighed heavily in the final decision to produce.

Bonn's share of the MRCA program is \$6.2 billion out of a total cost of over \$13 billion. The unit cost of MRCA now is projected by the West Germans at \$10.6 million—more than double the original estimate in 1970 of \$4.6 million—but even the new price is probably understated. We believe it does not include spare parts, ground support equipment, and research and development costs; these would bring the cost to over \$19 million per airplane. The cost of the closest comparable US fighter, the F-111, is about \$15.6 million.

The MRCA program is about four

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years behind schedule. Although Bonn reportedly will begin preparations for series production in July, the air force and navy will not receive their first fighter-bombers until 1979.

Despite the uncertainty plaguing the project from its beginning, a successful debut by the MRCA could stimulate the growth of collaborative weapons projects and strengthen the principle of common procurement and standardization in Western Europe. Co-production is viewed as the only way for West European companies to remain competitive with the US in advanced weapons development and sales in the 1980s.

Western Hemisphere

ARGENTINA

36-37

Mounting political violence has emerged as a major headache for President Videla's government.

Dozens of people have died in clashes between forces of the left and the right since the military take-over on March 24. Urban guerrillas are attacking police and security officials, while rightists are beginning a campaign of reprisals that so far

has taken over 20 lives.

On April 13 and 14, terrorists set off a number of powerful bombs near the headquarters of the First Army Corps in Buenos Aires, killed one Argentine executive of a US-based firm, and fired on the home of another, killing his two security guards. In dealing with the renewed violence, the junta must walk a fine line between seeking to carry out Videla's pledge to keep the anti-terrorist effort within legal bounds and doing what is necessary to suppress the violence.

The activities of the right-wing vigilante groups are particularly troublesome for the junta. It was widely believed that such actions were condoned, or perhaps even inspired, by the Peron administration. There is in fact no indication that the new government condones the killings of leftists by off-duty police and security officials.

Even so, the exploits of vigilante groups could quickly dissipate the relative good will the public has shown the military government. The junta needs all the support it can muster at home and abroad to proceed successfully in critical areas like the economy.

Military advocates of harsh repression view the continuation of left-wing violence

CIEC: THIRD ROUND PREVIEW

38

The third round of the Conference on International Economic Cooperation that begins in Paris on April 21 will be the most difficult yet.

The February and March sessions of the four working commissions, participated in by 19 developing and 8 industrialized states, were largely procedural. Contentious issues were avoided. The **Energy Commission** will now examine the world-wide impact of oil prices, something OPEC states have resisted, while the **Development Commission** tackles the question of the debt burden of developing states.

The **Raw Materials Commission** will discuss a series of papers drafted by the developing countries that reiterate the demand for an integrated commodity program, involving a common fund to support markets for various products. The **Finance Commission** will continue its examination of investment by OPEC states.

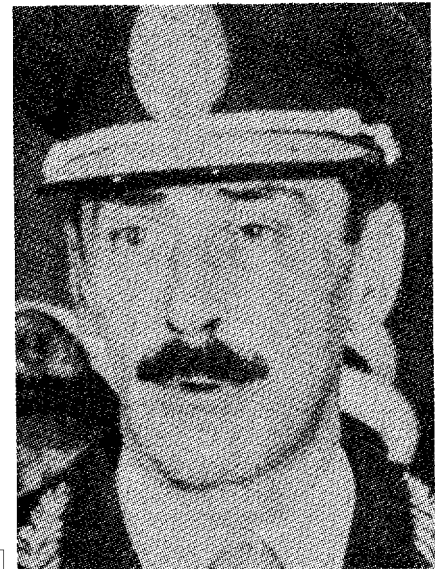
The approach of the UN Conference on Trade and Development, which opens May 5 in Nairobi, will be in the back of everyone's mind. Both the industrialized and developing countries want to make at least a show of progress in Paris, before

UNCTAD.

Most EC members and Japan believe that a modicum of success in Paris would decrease the chances of a row in Nairobi. They fear a collapse of the Nairobi talks for a number of reasons, most immediately because it might interrupt the talks between oil producers and importers in the Paris economic cooperation conference. Political and economic constraints, however, will limit these industrialized states' ability to make specific concessions.

Those among the 19 developing states in Paris that still feel there is some hope of eventually achieving developing country goals in Paris will want to convince the other developing states that the Paris forum, as well as UNCTAD, can be relevant to their interests.

Others believe there is little hope left for progress in the Paris meetings and want to increase the concentration on UNCTAD. In any case, even those states that favor the economic cooperation conference will want to avoid giving the appearance that the Paris sessions are "settling" issues that will be covered by UNCTAD.



President Videla

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as an argument in favor of the tough measures they have proposed all along. The left hopes to provoke precisely such repression, in the belief that the eventual result would be popular repudiation of the military government.

East Asia-Pacific

CHINA

43-46

Rallies marking the dismissal of Teng Hsiao-ping and the appointment of Hua Kuo-feng as premier and first vice chairman of the party over the past week seemed designed to convey an image of popular support for the change in leadership. The Chinese people have not reacted enthusiastically to the changes, however, and some Chinese diplomats have expressed uncertainty and concern.

Many provincial officials who had not previously lent their public support to the anti-Teng campaign, including some who themselves were under attack, took part in the rallies. These officials doubtless are now anxious to disassociate themselves from Teng, but their prominent role suggests that they are not currently under serious political pressure and that the campaign will not spread to other political moderates.

The military, which had earlier seemed to adopt a wait-and-see attitude, held its own rallies for the first time since 1971. The sudden emergence of the military in a political connection suggests that leading military figures may have played an important role in piecing together the apparent compromise decisions. It is likely that political pressure against the military, a prominent feature of Chinese politics in recent years, will now ease.

The failure, on the other hand, of China's leading leftists to appear publicly since the announcements suggests they are not entirely satisfied with the outcome of the anti-Teng campaign and points to continued disunity in the upper echelons of the party.

Hua Kuo-feng's ability to bring the divided leadership together and to head a coalition government effectively remains a question. He does not appear to have a power base of his own and lacks the ex-

perience and long-standing ties throughout the hierarchy that Chou En-lai and Teng Hsiao-ping had. Although Hua's political roots are in Hunan, Mao's home province, he does not seem to be personally close to the Chairman. Leading leftists, who may have hoped to win one or the other of Hua's new jobs, may now harbor some resentment toward him.

Hua will have to strike a balance between pursuing relatively moderate policies and giving sufficient weight to the left's interests, a delicate task for which Hua is as yet untried.

CUBA

40-41

An attack by Cuban exiles on two Cuban fishing boats last week has evoked a strong note of protest from Havana. It is likely to be the major theme of Cuban ceremonies on April 19, marking the anniversary of the Bay of Pigs invasion in 1961.

The incident, in which one fisherman was killed and several reportedly were wounded, gives the Castro regime a nationalistic issue to exploit at a time when much of the population remains unsettled about the costs of the Cuban intervention in Angola.

Castro, who has frequently taken advantage of the Bay of Pigs anniversary to launch verbal attacks on the US, is not likely to pass up this opportunity to justify Cuban support for "anti-imperialist" activities anywhere in the world.

He used a similar incident in May 1970 to belabor the US and divert public attention from his government's failure to meet an important economic goal.

Much of what is said by Castro or other speakers on April 19 will probably be intended primarily for the Cuban people. Havana's domestic radio broadcasts, for example, have charged the US with "evident complicity" in the exile raid, but the protest note to the US stopped well short of such an accusation.

Its language, instead, suggests that while Cuban officials at the policy level may have dismissed US threats as mere saber-rattling, they are concerned that the threats might be interpreted by exiles as a license to carry out paramilitary activities against Cuba unhampered by US law enforcement agencies.

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THAILAND

47-48

Intensive negotiations for a new parliamentary coalition government have dominated the Bangkok political scene this week. According to Democrat Party leader Seni Pramot, who is expected to head the new government, a tentative agreement has been reached between his center-based party and the rightist Thai Nation, Social Justice, and Social Nationalist parties. It is a coalition that would command a comfortable 74 percent of the seats in the lower house of the National Assembly.

The announcement of a new government could come as early as April 16, when the newly elected National Assembly meets, but a number of hurdles remained to be overcome at midweek. There are indications, for example, that younger members of the Democrat Party oppose including the Thai Nation Party in the coalition. If they, or rank-and-file members of other parties, block formal party ratification of the coalition, the process of putting together a new government could drag on for several more weeks. (A projection of what diplomatic course a new government might take is included in a more general analysis of Thai foreign policy which begins on Page 9).

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The stakes for Asad in his Lebanese venture are high. Should he get even more bogged down in his mediatory effort than he is now, his power position in Syria itself could come under serious challenge.

49-55

Syria: Asad's Domestic Position

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Syrian President Asad's prestige abroad and political strength at home appeared two months ago to have reached a new high as a result of his mediation in Lebanon. Now, having used Syrian regular forces to rein in Lebanese leftists, Asad finds himself more vulnerable domestically than perhaps at any time since he came to power five and a half years ago.

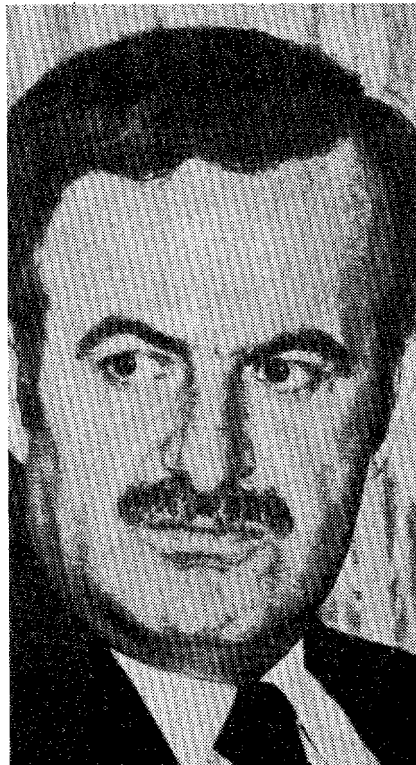
Ironically, Asad's Lebanese policy has drawn fire from both conservative Sunni Muslims and left-wing Baathists because he has been forced by circumstances to assume the role of protector of the Lebanese Christians. More importantly, his fairly evenhanded policy has encountered at least some resistance among Syrian military officers, the mainstay of his regime. Many of the officers strongly sympathize with the Lebanese leftists and also fear Israel's reaction to a larger-scale Syrian intervention.

Should Asad succeed in getting Syrian mediation back on track in Lebanon, much of the present opposition to him could quickly fade. By the same token, should he become mired down even more, his opposition would become correspondingly greater.

The Opposition

As Syria's first non-Sunni Muslim president, Asad has always had to con-

tend with opposition from the country's predominantly Sunni population as well as from disgruntled Baath Party ideologues and dissident members of his own Alawite Muslim sect. To placate the



President Asad

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Sunni commercial class, Asad has tempered some of his predecessor's doctrinaire economic policies and built a team of technicians and economic planners drawn from the educated Sunni elite.

Many Sunnis also hold highly visible and ostensibly important government posts. Prime Minister Ayyubi, Foreign Minister Khaddam, Minister of Defense Talas, and armed forces chief of staff Shihabi, for example, are all Sunnis.

In fact, however, the Sunnis remain effectively cut off from real power and are resentful of the domination of Asad's small Alawite sect.

It is not surprising that there is concern in the Asad government that the confessional strife in Lebanon might spill over into Syria.

Several weeks ago a regional security chief, an Alawite with close ties to the Asad family, was assassinated in Hamah, apparently by members of the Muslim Brotherhood. Since then, there have been reports of other attacks on Alawites, possibly also by the brotherhood. That group serves as the cutting edge of conservative Sunni opposition to the regime. We do not know how many members the Muslim Brotherhood has.

The government has moved quickly to avert the kind of serious civil unrest the brotherhood was able to touch off in

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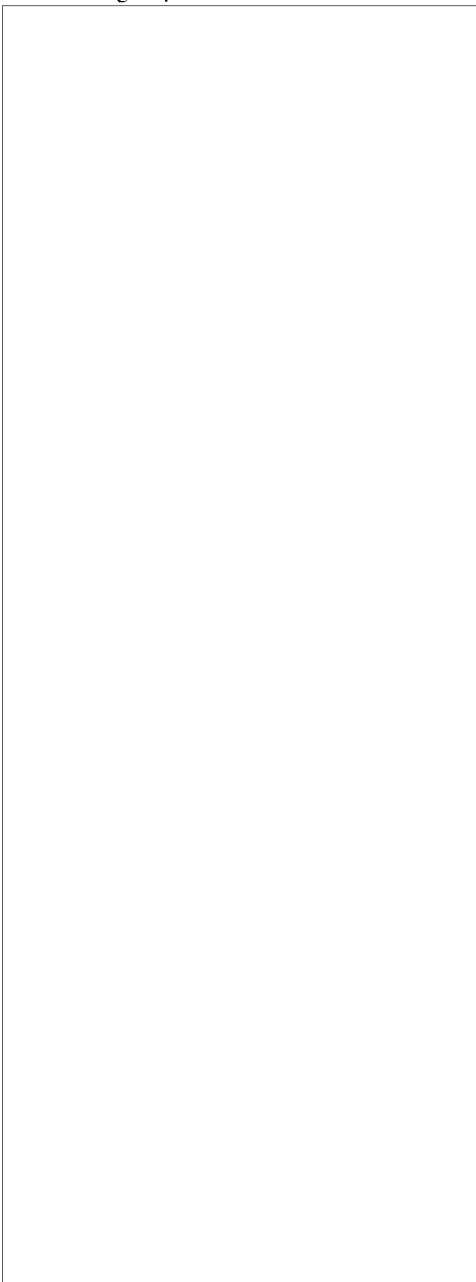
Foreign Minister Khaddam

several Syrian cities a few years ago. Several hundred people, including members of locally prominent Sunni families, have reportedly been detained for interrogation. Sunni religious leaders have been warned not to stir up trouble with the Alawite community.

Asad's handling of the Lebanese problem appears to have raised the hopes of some of his staunchest opponents that he will give them an opening they can exploit to bring him down. Doctrinaire Baathists, both within the Syrian party and in exile, for example, oppose Asad for deviating from Baathist ideology and for relegating the party to a secondary role in policy making.

Asad also has enemies among the Alawites, a result of his manipulating rivalries among various Alawite factions in the army and Baath party to take

power. He and his brother Rifaat are widely believed responsible for the assassination in 1972 of Muhammad Umran, an influential leader of a rival Alawite group.



External Subversion

Another potentially serious threat to Asad comes from Iraq. The two rival

Baath regimes have long been at odds, and the dispute between them has become more open over the past year.

Some members of the Syrian Baath party, and doubtless some military officers as well, would be willing to support an Iraqi-sponsored coup attempt against Asad. Syrian authorities reportedly arrested several hundred pro-Iraqi Baathists and some military officers a year ago, allegedly for plotting against the regime.

Baghdad also maintains ties with exiled Syrian Baathists in Beirut, including Salah Bitar, one of the founders of the Baath party. The exiles in turn maintain their own contacts inside Syria.

We know little about either the Iraqis' or the Syrian exiles' activities inside Syria, but we believe they could not succeed in a coup against Asad without the support of powerful elements of the Syrian military.

Asad's Strength

Balanced against his opposition are the still formidable forces Asad can count on to protect his government. Foremost among these are his brother Rifaat's Defense Companies, with 20,000 men and several hundred tanks. Asad's nephew also commands a militia of about 10,000 men.

Asad is a skilled political operator who would be difficult for even the most determined opponents to outmaneuver. By obtaining prior Baath party approval for last week's Syrian statement on Lebanon, Asad adeptly maneuvered the party into publicly supporting his policies in Lebanon and implicitly condemning the Lebanese leftists for perpetuating the fighting and undermining Syrian mediation efforts.

The continued incremental introduction of Syrian regulars into Lebanon and the recent Syrian naval blockade of Tripoli also seem carefully calculated to tighten Asad's grip on the leftists and Palestinians in Lebanon without provoking the kind of opposition from his senior military commanders that a much larger, open intervention might trigger.

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With communist regimes now established in the three Indochina states, Thailand is slowly reverting to its traditional policy of balance of power diplomacy.

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Thailand: New Foreign Policy Directions

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With the withdrawal of US forces from Vietnam and the communist victories in Indochina, the Thai have concluded that the new power alignments emerging in Southeast Asia make it imperative that Thailand put its own foreign policy on a new footing. For much of the last two decades, Bangkok has relied almost exclusively on its close relationship with the US to protect its interests. Now, it is returning by fits and starts to something more like its traditionally neutral posture.

Not all members of the Thai political, intellectual, and military elites are of like mind on how to proceed. Many civilian politicians, journalists, and intellectuals believe that, given domestic opinion in the US, Bangkok can no longer expect much assistance from the US if Thai security is seriously threatened. Relatively few among the military, on the other hand, seem to have seriously addressed the question yet, and many seem to cling instinctively to the hope that the US would come to Thailand's aid should the need arise.

Different Perspectives

Thai Foreign Ministry officials and military officers agree that Thai foreign policy must be reshaped to deal with a more powerful and assertive Vietnam. Where they part company is over the residual value of a continued military relationship with the US and over the speed with which Thailand should move to a more evenly balanced and neutral policy.

To the civilians who inherited political power following the collapse of the

military regime in October 1973, the US military presence not only served as a symbol of a policy that had outlived its usefulness, but also as an uncomfortable reminder of the extremely close US working relationship with Thai military regimes during the 1960s. It was a relationship that effectively barred the Foreign Ministry from all important Thai-US security negotiations and in general relegated it to a back seat role in the foreign policy decision-making process.

These bureaucratic jealousies apart, the Foreign Ministry does appear genuinely to believe that the continued presence of US security installations in Thailand severely undermines Thailand's ability to come to terms with Laos, Cambodia, and Vietnam. By asking all US military personnel to leave Thailand, the Khukrit government was signaling Thailand's intention to accommodate, rather than confront, the new communist regimes on its borders. At the same time, the Foreign Ministry—most notably Under Secretary Anan Panyarachun, who until recently was Thailand's ambassador to the US—has been recommending that Thailand begin hedging its bets by placing greater emphasis on its relationship with Peking.

Anan and others in the Foreign Ministry argue that Peking is the only major power in a position to limit North Vietnam's influence and believe that Thailand can effectively exploit the animosity that has long characterized Peking-Hanoi relations. Anan came away

from the talks in Peking last July convinced that the Chinese are prepared to try to limit Hanoi's influence in Southeast Asia. Indeed, Bangkok's improved relationship with Peking has already paid a diplomatic dividend in the form of a generally improved atmosphere between Thailand and Cambodia, a development in which the Chinese played an important behind-the-scenes role.

Even though military and civilian officials share the belief that relations with China ought to be improved, few, if any, are willing to rely on China to protect Thai security. The military agree on the need to move Thai foreign policy away from its close identification with the US, but they balk over attempts to eradicate the security relationship entirely. In fact, the present US withdrawal has been a wrenching experience for the Thai military. Thailand will soon be without a major US military presence for the first time since 1961.

The Thai military is concerned that with American troops gone, US interest in Thai security will fade, along with the US military assistance program. The military does not believe that China or any other major power is a practical alternative source of arms supply. Aside from this primary consideration, senior military leaders also maintain that a military relationship with the US, even if the US has ruled out further direct military involvement in Southeast Asia, gives Thailand important diplomatic leverage in dealing with essentially hostile Indochinese regimes.

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Implications of the Election

The results of the national elections on April 4 suggest that the Khukrit government's policy of pushing for the withdrawal of all US military forces and installations will, at a minimum, be re-examined. The political climate in Thailand would probably not allow any government, civilian or military, to seek a return to the days of a large US military presence, but there does seem to be growing support for preserving at least vestiges of the US-Thai security relationship.

A Seni Pramot - led coalition government would probably not turn Thai policy on a US military presence completely around—it was Seni who first called for their removal over a year ago. He has, however, indicated a willingness to reconsider the military's position before reaching any conclusions. Mindful that the military's estrangement from Khukrit over the US military presence issue cost

Khukrit his seat in the parliament, Seni may at least keep the door open for a small US [redacted] presence if it proves politically feasible in Thailand's nationalistic political climate.

Such a policy would not rule out continued efforts to improve relations with Hanoi, although Thai leaders probably realize that any apparent backtracking by Bangkok on the question of a US security presence would diminish the prospects of any early accommodation with Vietnam.

Whether or not the new Seni government chooses to take a different tack on the question of a US security presence, the long-term direction of Thai policy seems reasonably clear. Thailand is moving step by step to put more distance between itself and the US, although there is considerable disagreement at each stage on how wide the distance should be, on the

speed of the change, and on how it should be handled.

The Thai will probably continue to move toward a closer relationship with China. There is little objection to this even from military conservatives, particularly when Peking is offering some support to Bangkok as it copes with pressures from Hanoi. The Chinese already have made it clear that a scaled down residual US security presence in Thailand would not stand in the way of further progress in developing relations between Bangkok and Peking.

Finally, any new government in Thailand will continue to put its lines out in as many directions as practical, developing contacts with Europe, the USSR, Japan, and its ASEAN neighbors, hoping that the multiplicity of relationships will provide the necessary underpinning for a more balanced and neutral position. [redacted]



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Thai leaders during trip to China last summer

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As the dispute over the future status of FTAI intensifies, Moscow is caught between protecting its substantial stake in Somalia and trying to improve its standing with Ethiopia.

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USSR-Somalia-Ethiopia: FTAI Policy

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The dispute between Somalia and Ethiopia over the French Territory of the Afars and Issas confronts Moscow with a policy dilemma. Moscow for long has been Somalia's principal military benefactor. At the same time, it has tried to get closer to Ethiopia, particularly since the late Emperor Haile Selassie's overthrow. Should war between Mogadiscio and Addis Ababa over the FTAI break out, the Soviets would be faced with some difficult policy choices. In order to preserve their significant strategic stake in Somalia, they would probably have little choice but to support, albeit reluctantly, their clients in Mogadiscio.

In the meantime, Moscow is attempting to balance its relations with Somalia and Ethiopia by steering a careful middle course on the FTAI. In recent conversations with US embassy officials in Mogadiscio, Soviet Ambassador Samsonov reaffirmed Moscow's desire for a peaceful resolution of the dispute. He said the Soviets favor self-determination for the territory and oppose outside interference by anyone, including Somalia.

Moscow is said to have conveyed these views privately to Mogadiscio. The Soviets are cautioning the Somalis to limit their activities in the territory to insurgency and political subversion, urging them to avoid rash actions that almost certainly would lead to war with Ethiopia. The Soviets have promised to work behind the scenes with Addis Ababa and Paris to fashion a satisfactory political

settlement that would satisfy both Somali and Ethiopian interests.

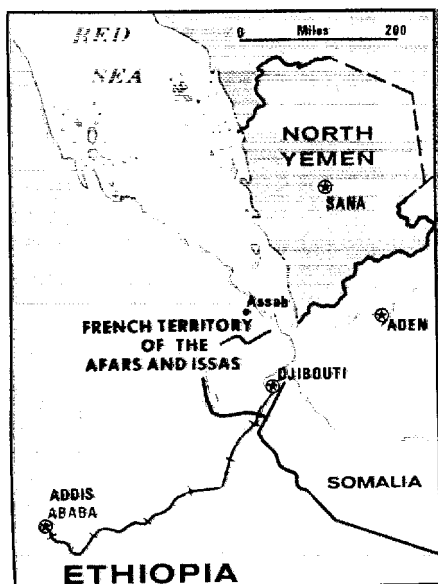
Such a peaceful settlement will be hard to achieve. Earlier this month, President Siad refused to give Paris a formal guarantee that Somalia would respect the sovereignty of the territory after it becomes independent. Mogadiscio has subsequently lambasted France for refusing to allow "genuine self-determination" in Djibouti and warned that Paris will be responsible for any deterioration of the situation in the territory, which is currently quiet. Anti-French forces might stage incidents to coincide with the visit to Djibouti of an OAU fact-finding committee later this month. We expect Somali-backed terrorist activity to in-

crease as the decolonization process moves ahead.

Siad attempted to use his recent month-long visit to the USSR to drum up Soviet diplomatic and military support for a more aggressive Somali policy toward the territory. Siad and his armed forces chiefs met with a number of senior Soviet military and political leaders in Moscow. The Soviets may have agreed to provide Mogadiscio with some additional military equipment, but the absence of a joint communique at the close of Siad's visit suggests that the Somalis may have received less than they wanted.

Somalia's ambassador to France, said to be close to Siad, recently told US embassy officials in Mogadiscio that the FTAI issue had indeed been discussed with Soviet officials during Siad's Moscow visit. While shedding no light on the substance of the discussions, the ambassador claimed that Somalia expects little diplomatic or military help from the Soviets because of Moscow's desire not to jeopardize its present good relations with either Ethiopia or France. The failure last week of Soviet Deputy Defense Minister Kulikov to visit Mogadiscio, after winding up a six-day visit to neighboring Sudan, may have been another manifestation of Moscow's displeasure with Siad's adventurism in the FTAI.

The Soviets have apparently been more successful in convincing Ethiopia of their good intentions toward the FTAI than in restraining Somali designs on the territory. Ethiopia's ambassador in Moscow recently remarked that the



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Soviets seemed to share Addis Ababa's desire for an independent FTAI and did not appear sympathetic to Somalia's ambition to annex the territory.

The ambassador also appeared convinced of the sincerity of Moscow's desire for better relations with Ethiopia. He cited a major *Pravda* commentary highly favorable to Ethiopia, which appeared while Siad was in Moscow. He interpreted it as a signal that the Kremlin did not

want Siad's unusual month-long stay or his saber-rattling speech at the Soviet party congress to damage Soviet-Ethiopian relations.

Despite the USSR's close military, economic, and strategic ties with Somalia, the Soviets realize that Ethiopia is potentially the strongest power in the Horn. Moscow has avoided following a policy line that would deny to the Kremlin the possibility of making substantial inroads

in Ethiopia.

Political developments in Addis Ababa over the past year, particularly the ruling military council's recent sharp tilt to the left, have only served to give the Soviets more interest in not foreclosing options. Moscow clearly regards the military regime in Addis Ababa as being on a "progressive" course and as holding promise for increased Soviet influence there.

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Two months after the abortive coup by minority tribesmen, Nigeria's national leadership is virtually paralyzed by mutual suspicions and renewed ethnic and regional tensions. There is a danger of a repetition of the bloody upheavals of the 1960s.

57; 60; 62-63

Nigeria: Renewed Ethnic Tension

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Two months after the abortive coup that resulted in the death of the head of state, Nigeria's national leadership appears more fragile and in greater disarray than at any time since 1966. Mutual suspicions among members—based largely on a resurgence of ethnic and regional sentiment—have almost paralyzed the ruling Supreme Military Council. The new chief of state, Lieutenant General Olusegun Obasanjo, is said to be concerned about his personal safety.

The immediate cause of the preoccupation with security is the recent coup attempt, but its origins lie in the bloodless coup last July that toppled the nine-year-old regime of Yakubu Gowon, who ran the government by consensus. Gowon and other minority tribesmen from central Nigeria became arbiters between the large and powerful ethnic groups of northern and southern Nigeria that had

vied for control of the country since independence.

The second half of the Gowon era—after the end of the civil war in 1970—was a period of ethnic peace. It was also a time of unfulfilled promises and increasingly blatant corruption at all levels of government. The country was burdened with a bloated and expensive army—some 250,000 strong—that had little headroom for ambitious and increasingly restive young officers.

The group of younger, middle-grade, mostly staff-level officers that ousted Gowon in July 1975 promised to get Nigeria moving again. They acted firmly against corruption and adopted a nationalist foreign policy. Led by Murtala Mohammed, they gave Nigeria its most active government since independence.

The Mohammed regime ousted almost all military and government officials who had extensive political experience and

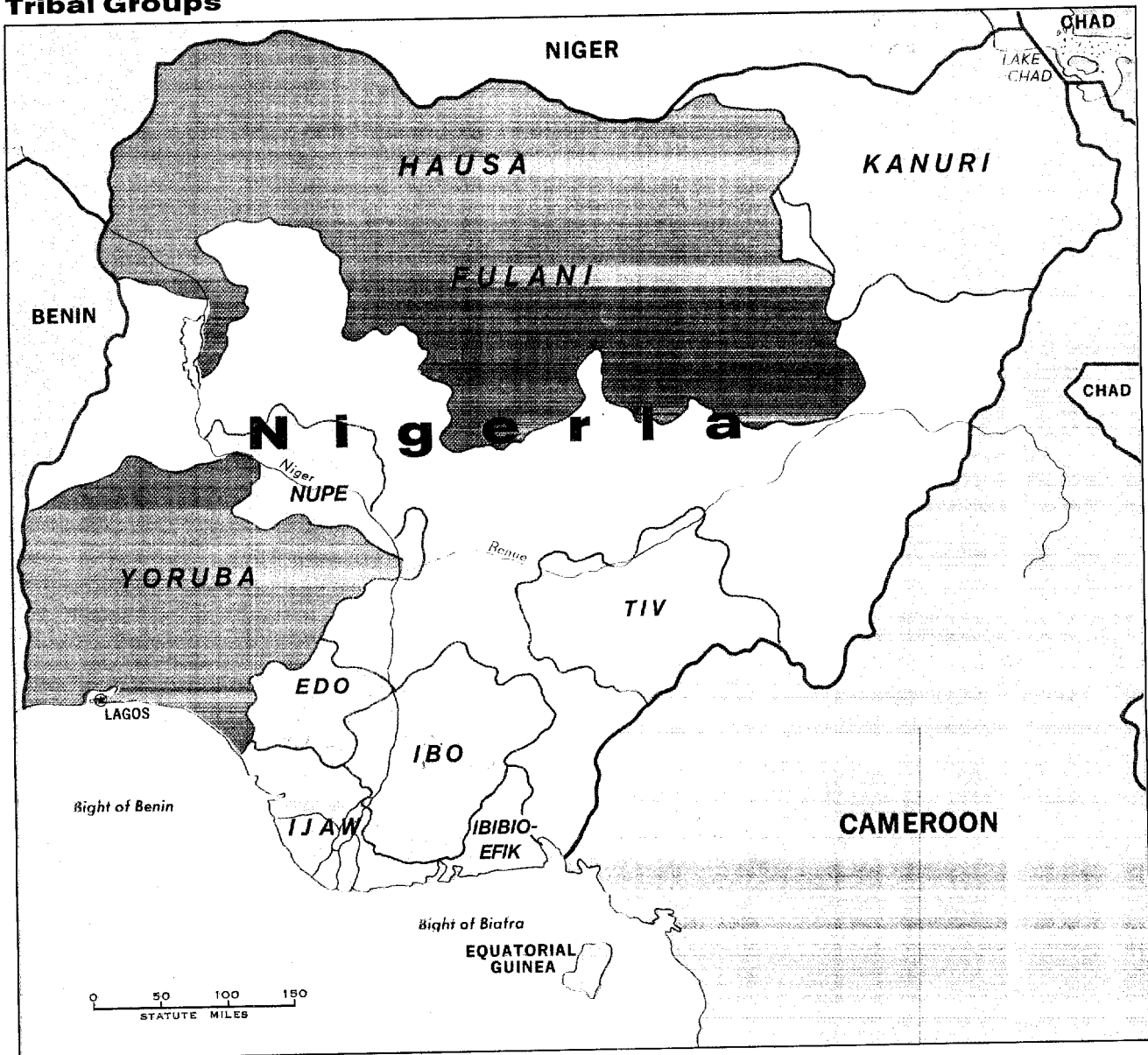
sacked some 12,000 corrupt or incompetent civil servants. The government eased Nigeria's serious port congestion, created a number of new states, and set in motion a program aimed at returning the country to civilian rule.

Most Nigerians applauded this activism; they had shown growing impatience with the endless palaver of the Gowon regime and with Gowon's inability to take action on difficult problems. The new leaders could not have acted so forcefully without ignoring Gowon's carefully nurtured system of consensus and, in effect, ending the predominant role of the minority tribesmen.

Under Mohammed, a small group of officers—mainly from the large Hausa and Yoruba ethnic groups—made the decisions. The new prominence of the Hausas awakened bitter memories among the minority tribesmen of how they were dominated by the Hausa aristocracy prior

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Tribal Groups



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to 1966, when the Hausas controlled the northern three fourths of Nigeria.

By early 1976, coup rumors were common. At the root of the discontent was the disgruntlement of the minorities and the fears of junior army officers caused by the regime's frequently stated intention to reduce the army by 100,000 men.

The coup that came on February 13 was poorly planned and easily crushed, but it eliminated Mohammed, the regime's most forceful and effective leader. The Supreme Military Council has since backed away publicly from the explosive army-reduction issue, but it has been unable to quell ethnic fears.

The council's actions since the coup have, in fact, worsened ethnic tensions within the leadership and the army as a whole, particularly between the minorities and the Hausas. Officers from the minority tribes are embittered by their loss of influence and angry over the executions last month of a number of their fellow

tribesmen for alleged involvement in the coup. They have also seen the predominantly minority-manned brigade of guards—formerly the chief military security unit in the capital—virtually disbanded and replaced by largely Hausa army units.

For the moment, the sullen and angry minority officers are so cowed by the feelings against them aroused by the assassination of Mohammed that they are staying in the background. With a third of the army's total manpower, they cannot be ignored indefinitely.

The new prominence of the Hausas holds the danger of a resurgence of the kind of violent competition between the major ethnic groups that led to the bloody upheavals of the 1960s.

The new number two man in the regime, Brigadier Shehu Yar Adua—who was promoted two ranks and selected over a minority officer who seemed in line for the slot—is from a prominent Hausa

family. Some Nigerians believe he is already calling the shots in the Supreme Military Council.

Should Obasanjo—a popular wartime commander and Yoruba but essentially a Nigerian nationalist—leave voluntarily or be removed, the council would be hard put to find a replacement of equal stature. Some reports suggest Yar Adua would replace Obasanjo, which would confirm the worst suspicions of the minority tribes and might convince the important Yoruba group that a Hausa attempt to take over is under way.

In the meantime, the regime is floundering. The military leadership apparently has not yet decided on the fate of the hundred or so persons still in custody on charges of involvement in the coup attempt. Some additional executions seem likely, despite a recommendation from important northern religious and ethnic leaders against further bloodletting.

Portugal is substantially reducing and reorganizing its armed forces. How far it can go in developing a small, modern military establishment will depend in large measure on the availability of aid from the US and Portugal's other NATO allies.

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Portugal: More Modern Armed Forces

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Although Portugal is planning to make more reductions in its armed forces, it wants in the process to create a modern force capable of dealing with the country's changed defense and security needs.

Portugal's military leaders have indicated in recent statements that they have worked out a clearer conception of the military's new mission. Now that Portugal's involvement in colonial wars is

over, the armed forces will be oriented primarily to domestic missions. They will, however, continue to make a small but politically significant contribution to NATO.

Budgetary constraints and a shortage of foreign exchange will hamper Portugal's efforts to modernize and reorganize. Lisbon will almost certainly need financial and technical assistance from the US or Western Europe to carry out its plans.

Portuguese military spokesmen already have begun a campaign to convince the allies of the importance of such assistance in bringing Portugal back into full participation in NATO, both politically and militarily.

The Army

Army Chief of Staff General Eanes announced earlier this year that the army would be organized into two major groups of forces having a combined strength of

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only about 26,000. Two years ago the army had over 200,000 men.

One of the two groups, consisting of 10,000 highly trained men, would defend Portugal's territorial borders and protect the country's interests abroad. The remainder would handle domestic training and internal security matters. They would be available for combat operations if needed.

Lisbon plans to designate a brigade-sized airmobile unit to replace the infantry division that had been committed to NATO. Although a smaller contribution, the designated brigade should be able to react more quickly and more effectively to a threat than the widely scattered division.

The military apparently has no plans to maintain more than a tiny elite force for other operations outside the country. Portugal will presumably rely on its NATO allies to help counter any major external threat.

The Navy

Portuguese naval officers reportedly see the navy's role to be primarily coastal defense and patrol of the sea lanes between the mainland and Portugal's island possessions in the Atlantic. The navy's ability to carry out this mission is seriously hampered by the advanced age and poor condition of many ships in the fleet.

Naval officers are especially interested in replacing the fleet's obsolete minesweepers with 12 new ones. The navy is also interested in acquiring new British- or US-built guided-missile frigates as replacements for six of its seven aging destroyer escorts. For the near term at least, the navy plans to use its three French-built submarines for Atlantic patrol duty and its ten corvettes for coastal operations.

Because of a shortage of foreign exchange, the Portuguese may be forced to overhaul some of their older ships or refit them with more modern weapons rather than purchase new ones. Their decision will depend largely on the response of other NATO members to their calls for assistance.



Army Chief of Staff General Eanes (r) with President Costa Gomes

Lisbon reportedly does not plan to reduce the size of the navy below 12,000 men, but will concentrate on making the force more efficient.

The future of the small marine corps is uncertain. Even if it survives efforts by some officers to disband it because of its alleged political unreliability, it will probably be reduced in size and importance. It could be relegated to an internal security role in the Azores or the Madeira Islands.

The Air Force

The Portuguese air force is making preliminary plans to modernize its equipment and set procurement priorities. Lisbon also plans to cut the manpower level of the air force from an estimated 12,000 men to about 9,000.

One of the most urgent needs of the air force is modern medium-range transport aircraft to support the army's NATO-committed airmobile unit. The air force reportedly would like to purchase three US-made C-130s. It hopes to raise cash for the purchase by selling its two Boeing 707 transports.

According to Air Force Chief General Morais Da Silva, Portugal considers the

acquisition of fighter aircraft to be another priority item. Morais Da Silva has mentioned the F-4 or F-5 as a possible replacement for Portugal's old F-86 fighters.

Morais Da Silva says that he hopes eventually to replace Portugal's P-2E patrol aircraft—designated for antisubmarine warfare—with newer P-3s. Three of the P-2E planes are committed to NATO and are the only Portuguese force actually carrying out a NATO mission. These aging aircraft can no longer be relied on, however, to carry out their maritime patrol mission for the alliance.

Although Lisbon's leaders recognize the need to modernize the armed forces and are seeking to do so, Portugal's military arsenal is years behind those of most other NATO members and has little prospect of catching up in the near term.

Because of internal political problems and continuing financial restraints, Portuguese military leaders will probably have to accept only modest progress for the next several years unless they receive large-scale assistance from other NATO members.

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