

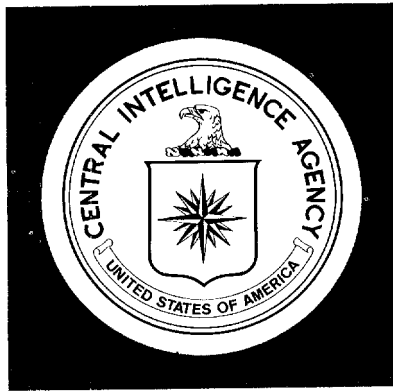
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Weekly Summary

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June 18, 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.

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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

LEBANON 1-2;4

Syrian President Asad this week still appeared determined to bring to heel his leftist and Palestinian adversaries in Lebanon despite mounting pressure against his policy from Iraq, the Arab League, and detractors at home. After meeting unexpectedly stiff resistance early in the week, Syrian intervention forces finally gained control of most of central Lebanon and of the major access routes to Beirut, Tripoli, and Sidon. Damascus continued to play along with separate Libyan and Arab League mediation efforts while effectively stalling both initiatives to gain time to resupply its forces and consolidate their positions.

The murder on June 16 of the US ambassador and economic counselor in Lebanon will be viewed by Asad as in large part an anti-Syrian act and will lead him to review carefully his next step in Lebanon. Any new Syrian initiatives appear unlikely until after the Syrian leader returns from a three-day visit to France that began on June 17. Asad's decision to undertake the scheduled trip—he did cut planned stops in Eastern Europe—was in part a gesture of confidence in his domestic position.

In Lebanon

Damascus continued to funnel additional troops into Lebanon over the past week as the Syrians moved to reinforce and improve their positions outside Tripoli, Beirut, and Sidon. They also extended their control over most of the Bekaa Valley. Over 17,000 regular Syrian troops have been committed to the Lebanon operation since early March. About 12,000 troops are in Lebanon, and 5,000 others are in support or reserve

roles in adjacent border areas.

Syrian units directly involved include virtually an entire armored division, an infantry brigade, two infantry battalions, seven commando battalions, an SA-6 surface-to-air missile brigade, plus combat and service support units. Most of this force is concentrated in the central part of the country

After initial heavy clashes with their adversaries, the Syrians established blockades of Sidon, Tripoli, and leftist-held territory in west Beirut. Syrian and Syrian-controlled Saiqa Palestinian units at Khaldah dominate the southwestern and eastern approaches to the capital—including the Beirut airport.

Concerned by the heavy losses suffered by Syrian troops trying to take Sidon last week, Damascus has since concentrated on sealing off major supply routes and establishing its control over the coun-

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Syrian army tanks in eastern Lebanon

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tryside. Syrian troops gained ground in the north as well as in the Bekaa Valley, where they managed to disarm, arrest, or co-opt many of their leftist and Palestinian opponents.

The Syrians continue to proceed cautiously in areas close to the Israeli border. So far they have advanced no farther south than Rashayya, where they apparently have captured a stronghold of the rebel Lebanese Arab Army.

The Israelis have apparently not been unduly alarmed by Syria's action in the south and seem to hold to their previous assessment that Israel's security is not threatened by the Syrian moves. Israeli leaders are watching the situation closely

[Redacted]

Tel Aviv for the moment is clearly deriving satisfaction over the predicament

of the beleaguered Palestinians and probably also over Syria's withdrawal of some of its forces along the Golan Heights to meet its military requirements in Lebanon and along the Iraqi border. Major elements from two divisions, several independent brigades, and two SA-6 missile brigades have been withdrawn from the Heights—leaving Syrian troop strength there at the lowest level since the October 1973 war.

On the diplomatic front, President Asad has managed so far to finesse the interference of other Arab states with his actions. Arab League Secretary General Riyad has been shuttling between Beirut and Damascus throughout the week trying to arrange the launching of a joint Arab security force, but so far has made little progress. Riyad has admitted that no action has yet been taken to define even the size of the peace-keeping force and

that it will not be deployed until a cease-fire is established and all parties agree on the composition of the forces.

This is tantamount to conceding that the Arab League can do nothing without Syrian approval.

[Redacted] no Libyan, Algerian, or Sudanese peace-keeping contingents have entered Lebanon.

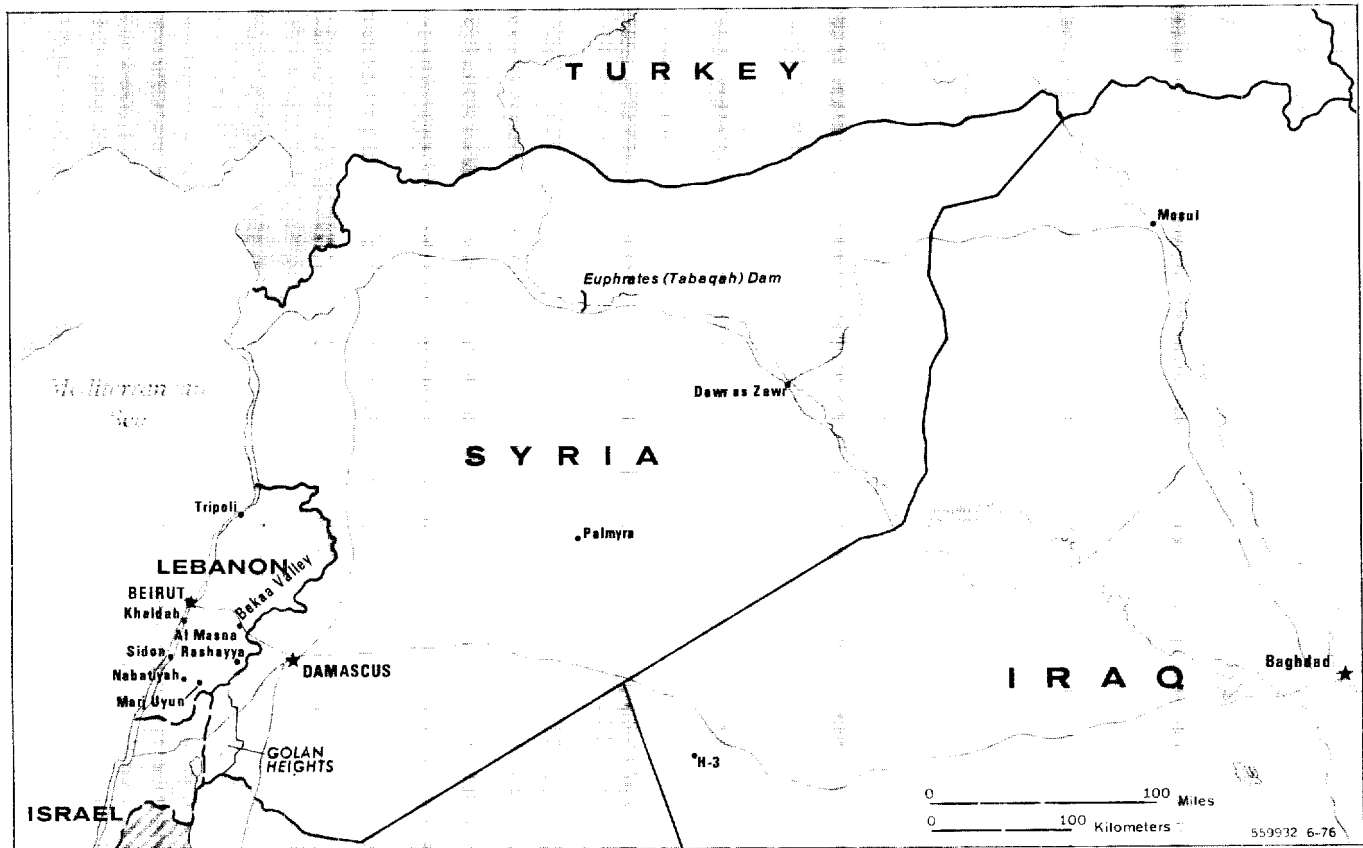
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Libyan Prime Minister Jallud's mission has fared only slightly better than Riyad's. Only loosely coordinating his effort with Riyad, Jallud has been trying to arrange terms for a cease-fire that are acceptable to the Syrians, Christians, and the Palestinian-leftist coalition.

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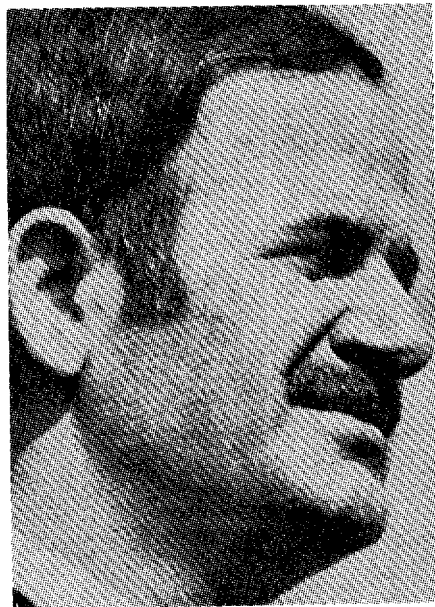
The Syrians have played along with Jallud's mission, hoping to win political credit for seeming to be conciliatory. They apparently have tentatively agreed to his plan for the phased withdrawal of Syrian forces, but may have imposed stiff conditions on the timing of the pullback.

The Syrians have probably encouraged the Christians—who only this week gave their approval for the joint Arab force—to impose similarly difficult conditions. The Christians said they would accept the force only if it merely cooperates with, rather than replaces, Syrian forces, does not include Palestinians, and takes on as its principal task the enforcement of the 1969 Cairo agreement restricting Palestinian activities in Lebanon.

All of these conditions are opposed strenuously by the Palestinians, led by Yasir Arafat's Fatah group, and Lebanese leftists. Both groups—despairing of any help from either Jallud or the Arab League—appealed directly this week to Egypt, Iraq, and several other Arab states for assistance.

Iraqi-Syrian Tensions

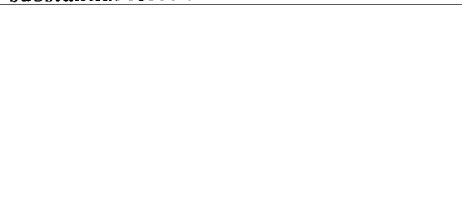
In an attempt to exploit Damascus' preoccupation with Lebanon, Baghdad



President Asad

OCI

since the middle of last week has amassed sizable new forces in the proximity of the Syrian border. The pressure on its eastern border has caused Damascus to send a substantial force to that area also.



Syrians have sent three armored brigades to the border area in addition to an SA-6 brigade—a total of some 12,000 men. Some Syrian forces probably have been sent to the Euphrates Dam and others to the Palmyra area in central Syria. These are the two most likely avenues of advance should Iraqi troops be ordered into action.

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Jordan has placed its armed forces on alert



The military moves, together with a marked increase in the stridency of Iraqi public statements against Syria significantly raised the level of tension between the two rival Baathist regimes. Baghdad gave public and private assurances, however, that its forces would not enter Syria without Damascus' permission—which almost certainly would not be granted. There will continue to be some danger that miscalculation by one side or the other may lead to a clash between the forces opposing each other along the border.

Iraqi leader Saddam Husayn realizes that an Iraqi invading force would come under immediate Syrian air attack despite Syria's heavy involvement in Lebanon. Baghdad may also be aware of Jordan's commitment to assist Syria in the event of an Iraqi attack, a factor that would further constrain Iraqi leaders.

Baghdad, nonetheless, still shows no sign that it is ready to return units



Prime Minister Jallud

deployed in western Iraq to their bases. The Iraqis may see advantages in keeping these forces in place for some time, hoping to relieve Syrian military pressure on the leftists and Palestinians in Lebanon and to encourage Asad's domestic opponents to move against him. The Iraqis make little effort to hide their determination to try to topple the Asad regime.

Asad's Problems

Syrian President Asad has canceled part of his visit to Europe late this week so that he can return more quickly to Damascus to deal with his pressing problems in Lebanon, with Iraq, and at home. His first move presumably will be to review Syrian policy toward Lebanon following the assassination of Ambassador Meloy and Counselor Waring on June 16. Asad may be tempted to use the killings as an excuse to push harder for a military solution to the crisis, particularly if he has become convinced that Libyan mediators will be unable to secure Palestinian agreement to Syria's terms for ending their confrontation.

Iraq's military moves also demand close attention by Asad. The Syrians apparently still believe that Baghdad does not intend to attack Syria, but surely are

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War damage in Beirut

concerned that the necessity to protect against such a contingency has forced them to move several thousand troops to eastern Syria. Similarly, although Asad shows no signs of being concerned that his position is being undermined by the Iraqis' propaganda barrage, he almost certainly is apprehensive that his domestic critics will be encouraged by the possibility of more active Iraqi help to increase their dissident activities.

Syrian officials have attempted to seize on the external threat from Iraq to elicit greater popular support for Asad and his policies. They appear to have made little progress, however; there continue to be signs of dissatisfaction both among civilians and within the armed forces. A meeting of a Damascus area Baath Party unit last week reportedly "broke up in chaos" after party leaders were shouted

down by critics of Asad's policy in Lebanon. Bombs placed by unknown persons exploded at two locations in the capital on June 15.

At this time, Palestinian and leftist claims that a Syrian army unit protesting its assignment to Lebanon mutinied on June 14 cannot be confirmed.

The Syrian army's autonomous Defense Companies, which are primarily responsible for internal security, carried out "annual exercises" on June 14 also, but no evidence is available that this activity was in response to a perceived security threat.

Soviet Reaction

The USSR has responded to continued Syrian military activity in Lebanon by strengthening its ties to the Palestine Liberation Organization. It may also be

trying to put indirect pressure on the Syrians to disengage.

Last Friday the USSR announced that the long-awaited permanent representative of the PLO had been received in Moscow by officials of the Soviet Afro-Asian Solidarity Committee. The establishment of a PLO office in Moscow had been pending for almost two years, and the Soviet decision to permit its opening at this time seems to be a calculated nod toward the Palestinians.

Although the Soviets continue to avoid direct criticism of Damascus, they are now siding more openly with the PLO in their media coverage of the fighting in Lebanon. They have even repeated one comment by Libyan leader Qadhafi suggesting that the Palestinians are more important than the Syrians.

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Africa

ethnic Somalis—who constitute a majority of the population—will dominate the next elected government. Until now, Afars have held sway because of French favoritism and discriminatory laws.

Ali Aref Bourhan, the Afar president of the local assembly, bitterly opposed the agreement. He is almost certain to fall from power in the next few months. Members of Aref's party signed the agreement against his wishes.

France's willingness to cut its ties to Aref and to give in to Issa demands for a greater role in territorial politics will probably ease political unrest temporarily. It is unlikely to ensure a peaceful transition to independence, however. Somali President Siad will almost certainly continue trying to incorporate the territory into a "greater Somalia." Any government in Djibouti that is not clearly committed to that goal will be the target of a campaign of subversion backed by Mogadiscio.

Ethiopia views the new arrangement as a threat to its interests. Addis Ababa believes that France has paved the way for Somalia to gain control of Djibouti, the terminus of Ethiopia's principal rail link to the sea. The Ethiopians, who have close ties to Aref, will probably support Afar dissidents in order to try to prevent the Issas from turning the territory over to Somalia.

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FTAI

10-11

France has reached an agreement with the three principal political groups in the French Territory of the Afars and Issas that Paris—perhaps unrealistically—hopes will lead to the formation of a government better able to resist Somalia's ambitions to annex the territory when it becomes independent.

The new arrangements, which provide for a government of national unity, virtually assure that the Issas and other

ETHIOPIA

12-16

The ruling military council apparently has canceled plans to use armed peasants against Eritrean insurgents. Some peasant units may already have been withdrawn from the southern Eritrean border, where they began assembling several weeks ago. Others will probably remain in defensive positions as one source of pressure on the guerrillas to begin negotiations.

Addis Ababa backed down after encountering a host of practical difficulties in organizing the peasant forces and because of strong pressure from Arab and

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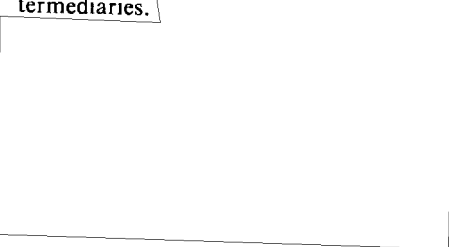
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Western countries to call off the campaign.

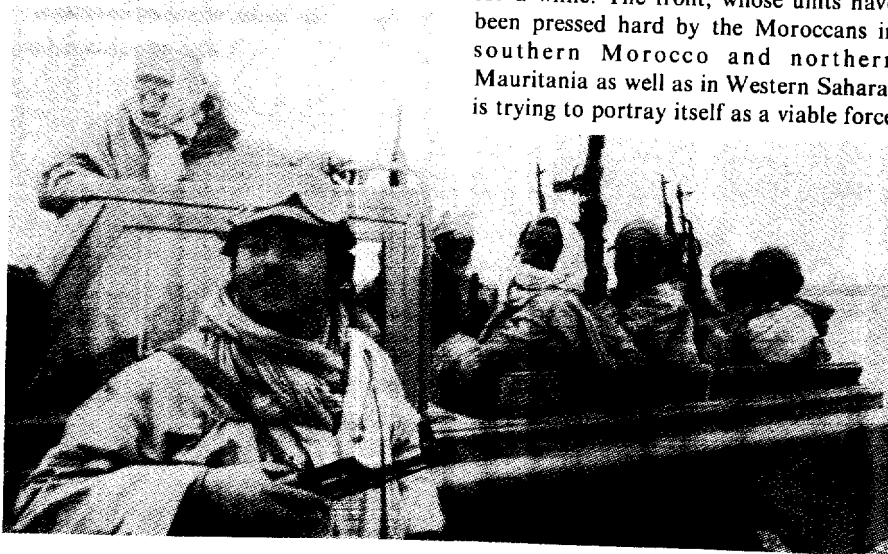
Many council members reportedly have blamed Major Mengistu and Lieutenant Colonel Atnafu, the ruling group's two vice chairmen, for the failure of the peasants' march. Mengistu also has been harshly criticized by some council members for failing to obtain arms from communist countries and for pushing policies that have caused food shortages and inflation, heightened Arab enmity, and alienated some of Ethiopia's traditional allies.

Last week, contact, albeit indirect, was apparently resumed between the government and insurgents for the first time in many months. Representatives of the military wing of the Popular Liberation Forces—one of the two major factions of the rebel movement—reportedly met with a group of traditional Eritrean leaders selected by Addis Ababa to act as intermediaries.

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Polisario guerrillas



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MAURITANIA 17-18

Guerrillas of the Polisario Front—the Algerian-backed Saharan group seeking independence for Western Sahara—attacked Nouakchott, the Mauritanian capital, twice on June 8, adding to earlier indications that the front is stepping up its efforts in Mauritania to undermine President Moktar Ould Daddah's agreement with the Moroccans partitioning the former Spanish colony.

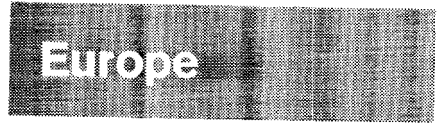
The principal target of the guerrillas was the presidential compound; it received several hits but suffered little damage. Mauritanian security forces quickly repulsed the main attack and reportedly killed or captured most of the raiders in skirmishes on June 9 and 10 some 100 kilometers (60 miles) north of the city. The leader, who was among those killed, was subsequently identified as the front's secretary general, Mohamed el Ouali.

Mauritanian officials are playing up the success of the security forces in an effort to offset any psychological gains the guerrillas may have won from their daring attacks. Both publicly and privately, the officials are denouncing Algiers, which continues to furnish essential material support to the front.

The guerrillas may well attack Nouakchott again—although perhaps not for a while. The front, whose units have been pressed hard by the Moroccans in southern Morocco and northern Mauritania as well as in Western Sahara, is trying to portray itself as a viable force

and to create pressure on Ould Daddah to consider some accommodation. The front's strategy is probably influenced in part by a belief that there is significant latent support for an independent Sahara among elements of Mauritania's population, especially Reguibat tribesmen whose kinsmen predominate in Western Sahara and within the Polisario Front. Large numbers of Reguibats were arrested in Nouakchott the day after the guerrilla attack.

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ITALY 19-21

Exchanges between Italy's political parties were increasingly blunt and bitter during the final days of the election campaign that closes officially today. The Communists appear to be making a major last-minute effort to convince wavering voters that the party would not radically alter Italian foreign policy.

The Christian Democrats are hammering harder than ever on their basic campaign theme that Communist accession to power would weaken Italy's Western ties and its democratic system. In doing so, the Christian Democrats have abandoned their past tendency to balance these charges by noting the Communists' "responsible" behavior in some areas of domestic policy.

For their part, the Communists—who hope to draw the Christian Democrats into some form of collaboration after the vote—are stepping up their attacks on the Christian Democratic Party, and no longer tend to spare the party's left wing, which had been receiving gentler treatment because of its advocacy of a "dialogue" with the Communists.

Communist chief Berlinguer, in an interview with the country's leading newspaper this week, implied that he sees Italian membership in NATO as a way of protecting his party from Soviet in-

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terference. Berlinguer said he felt "more secure" in NATO than he would outside the Western alliance and suggested that his party would not be able to pursue an independent path if Italy were aligned with the Soviet bloc.

The Communists have previously explained their acceptance of Italian membership in NATO by saying that they favor the eventual dissolution of both NATO and the Warsaw Pact but do not want to upset the European balance of power in the meantime by pulling Italy out of NATO.

Berlinguer's decision to emphasize so explicitly his differences with Moscow appears to signal a concern on his part that the Christian Democrats may be making headway in their campaign to raise fears among Italians about the consequences of voting Communist. Berlinguer's statement is likely, however, to draw criticism from militants in his own party. (Fuller analysis of the Italian election campaign appears on page 11.)

25X1
SPAIN

22-25

Last week the government suffered its first setback in pushing its reform program through parliament. Rightist opposition to a bill amending the penal code led to its being sent back to committee for redrafting.

The code must be amended to remove penalties for political activities following earlier passage of a bill ending the 37-year-ban on political parties. The government is urging quick action so that the revisions can be debated in parliament by July 1.

The rightist attack on revisions to the penal code was followed by a further show of resistance in the National Council—the ruling body of the Francoist National Movement. The council rejected a subcommittee report favorable to the government's proposal to establish a bicameral legislature—the key to the entire reform program—because it contained a recommendation that 40 seats set

aside for National Council members in the proposed new senate be eliminated. The government's referendum proposal on royal succession was also amended to require future monarchs to swear loyalty to the principles of the National Movement.

The council may ultimately propose further changes in the referendum bill that would be unacceptable to the government. The council's opinion is not binding on the government, but a determined stand by these Francoist holdovers—who are also members of parliament—could seriously complicate the reform effort. A high government official has said that the government will have to resort to heavy pressure to get its program approved by parliament.

Rightist intrigue may also be responsible for the latest flareup of dissension in the cabinet. The reform-minded information minister has threatened to resign if the government gives in to demands to close down Spain's largest weekly newsmagazine, *Cambio 16*, which has criticized the slow pace of reform and published stories of alleged police torture of prisoners. Some cabinet ministers have reportedly recommended a four-month suspension of the magazine, ostensibly for publishing an unflattering cartoon of King Juan Carlos in white tie and tails dancing on the skyscrapers of New York.

25X1
MBFR

26-29

For the first time in the MBFR negotiations, the Soviets last week provided data—albeit incomplete—on the strength of the Warsaw Pact forces. The Soviet action can be expected to help give new life to the negotiations, but the figures themselves are tailored to support the Soviets' long-standing position that Warsaw Pact and NATO forces are roughly equal and that, therefore, any force reductions should be about equal.

The Soviet figures give the overall strength of the Warsaw Pact forces in the NATO Guidelines Area—which includes

East Germany, Poland, and Czechoslovakia—as 987,300 men, including 805,000 in the ground forces. This figure is 144,000 lower than the NATO estimate for Warsaw Pact ground forces. The Soviets appear to have excluded certain noncombat forces and used definitions of forces not accepted by the West.

The Soviets have not yet presented their estimate of NATO strength. According to NATO estimates, the Warsaw Pact ground forces in the NATO Guidelines Area outnumber Western troops by about 160,000. It is expected that the Soviet data will show a smaller disparity between Warsaw Pact and NATO ground forces than do Western figures. The West contends that, because Warsaw Pact forces in the NATO Guidelines Area are larger than NATO's, there should be an asymmetrical reduction leading to a common ceiling of about 700,000 for the ground forces of each side.

Allied discussions of the significance of the Soviet move and of future Western negotiating strategy are to take place in Brussels this week. There is general agreement that the West should concentrate now on probing Eastern methods of counting their forces. It is expected that this approach will provide an avenue for determining whether the Soviets now intend to begin serious bargaining, since the forces included or excluded from the totals for each side will determine how much of a disparity the two sides have to deal with in reaching an agreement.

Some European representatives will be seeking new assurances that the US will protect their interests. The Germans in recent months have been seeking to meet with US representatives to ensure that Washington remains firm in its opposition to an agreement with the East specifying the level and composition of West European armed forces remaining after the reductions. A meeting of representatives from Bonn, London, and Washington is scheduled for early July, but the Soviet move means the allies may now raise these matters in Brussels.

OC 1



Edward Gierek

34-37
POLAND - WEST GERMANY

Polish party leader Gierek's successful visit to West Germany last week was another step toward normalization of relations between historic adversaries. Gierek did, however, refuse to state, as the Germans had urged, that the visit symbolized a final and full reconciliation.

The two sides signed a variety of cultural and political agreements, including a joint declaration calling for annual consultations between the foreign ministers. The primary interest, however, was in economic matters. An economic cooperation agreement and 14 commercial agreements—valued at \$1.2 billion—were signed. Projects included provision of certain raw materials and the building of a coal gasification plant in Poland.

Gierek was genuinely moved at the warm reception he received from the German

people.

How successful the Gierek visit was will become more apparent as the agreements are implemented. Bonn has complained in the past that Warsaw is more interested in signing agreements than in bringing them to fruition.

The Schmidt government hopes it has finally broken the "psychological barrier" to progress in bilateral relations. Chancellor Schmidt also clearly hopes

that the visit will boost the prospects of his coalition government in the October national elections. The visit, however, would never have taken place had the opposition Christian Democrats not cooperated in ratifying the controversial bilateral accord on the repatriation of ethnic Germans. Gierek made a point of publicly thanking Christian Democratic leader Helmut Kohl for his party's support.

PORTUGAL 59-62; 69-70

Army chief Eanes' presidential campaign in Portugal picked up steam last week when he gave a strong performance in a televised debate among the four candidates still in the field.

Eanes, as the front-runner, was the center of the debate, and he was a more aggressive and articulate adversary than the other candidates expected. Prime Minister Azevedo, whose poorly financed campaign has barely gotten off the ground, will suffer the most from Eanes' performance. Azevedo was counting on the contrast between the two personalities to put him on top.

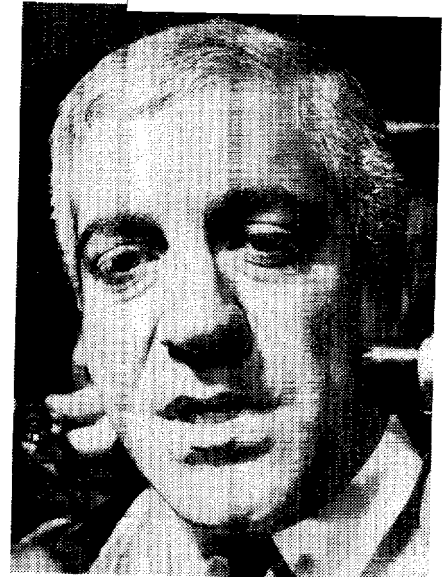
Eanes still cannot be sure that he will win a majority in the first round on June 27. A poll taken two weeks ago by a respected weekly newspaper showed that Eanes was favored by 33 percent of the respondents, but nearly 40 percent were undecided or declined to answer. Although Azevedo and far left candidate Otelo de Carvalho trailed far behind the front-runner, the poll showed they both were still slightly better known than Eanes.

Some of Eanes' more conservative supporters are concerned that his political views are being dictated by the Socialists. The centrist Popular Democrats—who will tacitly support a Socialist minority government as long as they are given the opportunity to exercise some influence on policy—were alarmed by Eanes' recent assertion that a minority government

ceases to be a minority when backed by a popularly elected president.

The Popular Democrats and the center-right Social Democratic Center still prefer Eanes because of his reputation as a strong leader. Neither party is likely to withdraw its endorsement of Eanes.

The popularity of former security chief Otelo de Carvalho is the most surprising development in the campaign to date. In a recent poll, Carvalho had more support among those who voted for the Communists in the April legislative election than did Octavio Pato, the Communist candidate.



Otelo de Carvalho

Keystone

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Asia

CHINA 38-39; 41

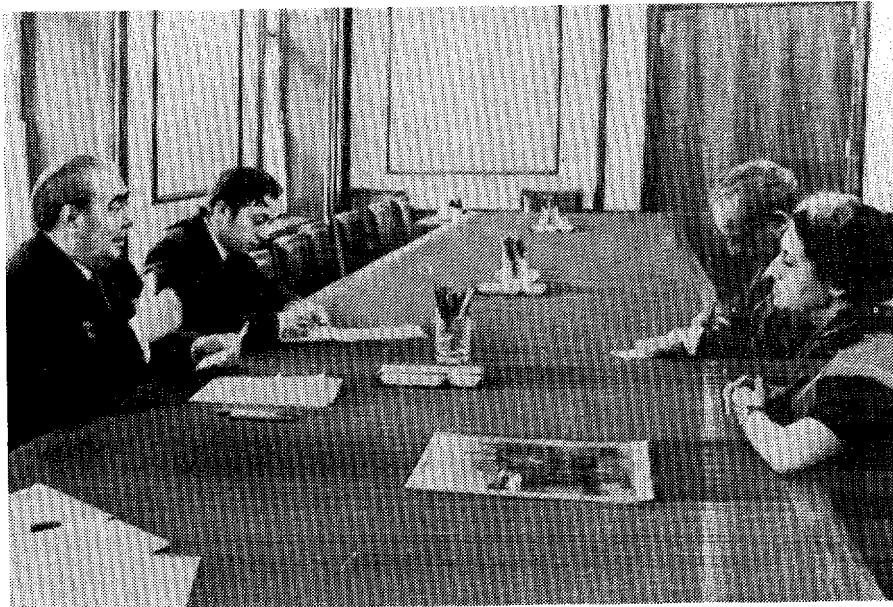
The health of Chairman Mao Tse-tung has apparently deteriorated to the point where he will no longer see foreign visitors. In an attempt to spread the word abroad, a Chinese official told Western news agencies of a central committee decision to stop arranging audiences with Mao because of his advanced age and alleged workload. The President of Madagascar left China earlier this week without seeing the Chairman, the first head of state to be denied such a meeting in over a year.

Mao's health has seemed to decline rapidly in recent months. His meetings with foreigners were limited to about fifteen minutes.

Mao's condition is probably such that he could die before the end of the year, and Chinese leaders seem keenly aware of this possibility. A member of the central committee reportedly said in this connection that "anything could happen" at any time and remarked in another context that there would be a drastic change in the Chinese leadership this autumn. It is possible that he was linking a major leadership change to the Chairman's failing health.

Political maneuvering and infighting within the sharply divided leadership seem likely to intensify in the coming months, especially if—as could well be the case—Mao himself cannot function in a decision-making role. Both sides in the current political campaign, which has been idling in recent weeks, will probably try to claim Mao's support.

In this competition, physical access to the Chairman becomes increasingly important. Two women who appeared regularly with Mao at his meetings with foreigners since early 1972 have been excluded from more recent meetings. Their place has been taken by a new interpreter



Brezhnev-Gandhi meeting

who lacks party stature and may not enjoy the almost unlimited access to Mao that his predecessors seemed to possess. Access to Mao is already a sensitive issue: the new interpreter was not mentioned in Chinese accounts of the meetings he took part in with Mao.

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INDIA-USSR 42-43; 47

Indian Prime Minister Gandhi's state visit to the USSR last week seems to have been a huge public relations success, but it remains to be seen just how much progress was made in ironing out some of the problems that have recently been troubling bilateral relations.

The Soviets gave Gandhi a reception matched only by that accorded former President Nixon in 1972; Gandhi's warm response about the value of India's ties with the USSR must have been especially gratifying to leaders still shaken by the latest Soviet setbacks in the Middle East.

In the joint declaration issued at the end of the visit, the language echoed recent Soviet calls for the abolition of foreign bases in the Indian Ocean, but on

the Asian collective security idea, the Indians did not go beyond the position they had taken in 1973. There was no specific reference in the communique to China or Bangladesh, an indication of Moscow's displeasure over India's recent gestures toward Peking.

The communique suggests that Moscow was at least partially responsive to Indian suggestions for reordering priorities in bilateral economic cooperation. The Soviets, for example, apparently agreed to export more of the kinds of commodities India wants and to explore avenues for cooperation in third countries.

Gandhi said during the visit that the difficult ruble-rupee exchange problem had been left to the experts. This may be true, but on the eve of the visit, the two sides tried unsuccessfully to iron out their differences, and it appeared that only a high-level political decision could break the impasse.

We know of no new military aid agreements that resulted from the visit, but negotiations for a number of items are in progress, and it is likely that some new contracts will be signed.

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Western Hemisphere

URUGUAY

48-50

The Uruguayan armed forces high command is moving quickly to restructure the government following President Bordaberry's ouster last weekend.

Interim President Alberto Demichelli, an 80-year-old former law professor, has announced he will serve only two or three months. Then, a newly formed "Council of the Nation"—composed of senior military officers, cabinet ministers, and conservative civilian leaders—will elect a new chief executive.

Front-runners for the post are Foreign Minister Juan Carlos Blanco and Economy Minister Alejandro Vegg Villegas. Both men have done well in their cabinet positions and have managed to maintain good relations with top military leaders.

The new president, like his predecessors Bordaberry and Demichelli, will be a figurehead. Armed forces leaders will rule by issuing "institutional acts" and will restructure the country's political system in a step-by-step process over the next eight to ten years.

During this period a new constitution will be drafted and a plebiscite held to ratify it. Political parties and labor unions—except for Marxist organizations—will gradually be allowed a limited role in government.

The reorganization of the political system is an ambitious undertaking, particularly for a group of military leaders who have not worked well together in the past. If the reorganization is to progress smoothly, Demichelli's successor will have to accept the fact that he is a figurehead president. It was the strong-willed Bordaberry's inability to play this role—though at times he appeared to be trying—that caused his constant squabbling with the generals. This in turn muddled the lines of executive

authority and hampered efforts to inject new life into the country's long-stagnant economy.

Whoever is selected as chief executive, the country's conservative foreign and domestic policies will continue in close step with those of military governments in neighboring countries. Relations with the United States will remain good.

There has been almost no adverse public reaction to Bordaberry's ouster and the military's plans for a new political structure. The system that is evolving runs counter to the country's tradition of democratic participation, but most Uruguayans give higher priority to economic growth and domestic tranquility.

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OAS

51-53

The glamorous "informal conversational" phase of the OAS general assembly meeting in Santiago ended on Friday on a positive note of friendship and cooperation. Now, the permanent council ambassadors are attempting to translate last week's general expressions of princi-

ple into workable resolutions and proclamations. This phase of the meeting will last until sometime next week.

The Latins' reaction to Secretary Kissinger, on balance, has been highly favorable. According to the US embassy in Santiago, the Secretary's statement on human rights took the proper middle ground, pleasing most of the delegates while not offending the others. The joint Panama-US resolution on the Panama Canal issue appears to have forestalled acrimonious debate over this potentially thorny question.

Among the nettlesome issues likely to arise during this phase of the assembly is the US Trade Act, which many Latins feel violates the OAS charter.

OAS reform could also be a troublesome item. Most Latins want some assurances of Washington's commitment to cooperation in economic development before worrying about institutional and structural changes of the OAS. The US proposals for reform probably will be bypassed for the time being and sent to a study group.

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Despite these substantive differences, anti-US rhetoric has been minimal, and most delegates seem to want to avoid any divisive fight.



Opening session of the OAS General Assembly

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The national election to be held on June 20 and 21 has become essentially a referendum on Communist participation in the government. The electorate's answer is not expected to be clear-cut, but the Communists are likely to do well enough at least to strengthen their claim to some form of indirect government role.

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Italy: Landmark National Election

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Italian voters will go to the polls on June 20 and 21 for what has become essentially a referendum on the Communist bid for a role in the government. Precise prediction of the outcome of this crucial election is impossible, but certain trends can be identified and a few clues to the likely shape of the post-election government can be found by comparing the public and private positions of the major parties.

Despite scandals and the critical state of the Italian economy, the Christian Democrats appear to be holding their own. There is little chance, however, that they will recover sufficiently to regain the political initiative and halt the Communist advance.

The Communists could conceivably lose some momentum by falling short of the 33.4 percent they scored in regional elections last year, but they will almost certainly exceed the 27.2 percent the party garnered in the 1972 parliamentary contest. Whatever the outcome, the Communists will remain a potent force in national politics, with dominant or substantial influence in such key sectors as labor, education, the media, and local governments.

It was clear long before the Communists' unprecedented advance last year, that the party had close to a veto power over many government programs—particularly those affecting economic policy. Even if a non-Communist government

can be formed after the election, there will be heavy pressure for some kind of accommodation with the Communist Party. Communist restraint will be a prerequisite for political stability, and Communist intervention will be necessary if organized labor is to cooperate in an economic

recovery effort.

Prediction Difficult

Opinion polls provide only a rough guide to Italian elections as a result of the limited sample and the large percentage of respondents who declare themselves undecided or disinterested. Nevertheless,



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Communist leader Berlinguer

taken together the polls frequently suggest trends. Although some polls have projected a major loss for the Christian Democrats and a majority for the left, most surveys tend to predict results similar to the regional elections a year ago in which the Christian Democrats—with 35.3 percent—held a narrow lead over the Communists.

Most expert observers—party officials, journalists, and Church leaders—see a similar outcome, predicting that the Communists will drop a percent or two and that the Christian Democrats will gain one or two percent. There is also a widespread belief that the Socialists will hold the 12 percent they scored last year or improve slightly on it. Among the smaller parties, only the fiscally conservative Republicans are expected to register any gain, with the others losing by varying degrees.

A variety of factors supports the conclusion suggested by the polls that the Communists will consolidate most of the gains

they made a year ago, but that the Christian Democrats will retain their narrow plurality. The Communists, for example, have never lost substantial numbers of voters they have won over. The Christian Democrats, on the other hand, have traditionally done better in national elections than in local contests—a factor that could help offset any erosion in support the party may have suffered during the last year. Furthermore, the Christian Democrats usually do well in the five regions that did not hold regional elections last year.

It should be noted, however, that these patterns are representative of ordinary election years when the question of Communist entry into the government has been hypothetical and remote rather than real and immediate. The dominance of the Communist question in this campaign suggests that the traditional patterns may be skewed decisively by the response of voters to the so-called “fear factor.” The Christian Democrats have waged a vigorous campaign designed to arouse fear among voters that the Communists would inevitably lead Italy into an authoritarian society linked to Moscow.

The Communists have done everything short of announcing a break with the Soviets to convince voters otherwise, and the outcome will be determined by wavering voters who must resolve what Communist chief Berlinguer has called the “conflict between the need for change and the fear of novelty.”

There is no question that disgust with the Christian Democrats has deepened in the past year or that the Communists are seen as the major force for change, but a key imponderable is whether these perceptions will be outweighed by the fear factor.

Post-Election Prospects

Whatever the outcome, the political choices that must be made afterward will not be as easy as the campaign rhetoric suggests.

The Socialists

The polarization of the campaign around the Christian Democrats and Communists has tended to obscure the es-

sential role the Socialists will play after the vote. It is virtually certain that neither of the larger parties will receive enough support to form a majority without the Socialists.

Seeing themselves in a pivotal position, the Socialists have kept nearly all of their post-election options open. The Socialists say their first preference is for the interim emergency government proposed by the Communists, in which all parties except the neo-fascists would participate. The Socialists also claim they would be willing to form a government with just the Communists if the two parties received a majority and the Christian Democrats refused to participate. The Socialists have left the door open to another coalition with the Christian Democrats, but only on condition that the latter agree to involve the Communists formally in the formulation of government programs and seek Communist support in parliament.

Despite the Socialists' professed preference for an emergency government including the Communists, a majority of Socialist leaders hope that a way can be found to form another government with the Christian Democrats. The Communists would be relegated to an indirect role. The Socialists believe this would give them maximum influence, while involving the Communists sufficiently to make them share public responsibility for the tough decisions the post-election government will face.

The Communists

There is considerable evidence that Communist chief Berlinguer is willing to settle for less than the full government membership he is calling for in the campaign.

When asked during the campaign whether he would accept something like the indirect role proposed by the Socialists, Berlinguer did not rule it out, saying only that the Communists will not be “stooges” for another edition of the center-left coalition. There are indications, moreover, that before proposing actual Communist membership in an emergency government Berlinguer considered proposing an indirect Communist

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role in such a government after the election. He was apparently persuaded by other party leaders that this would not make for an effective campaign.



Berlinguer hopes to avoid a coalition with just the Socialists, although both he and Socialist chief De Martino have said they would form such a government if no other formula could be found. The Communists reportedly fear that such a government would provoke a hostile reaction abroad and lead to unrealistic expectations among the Communist rank and file. Berlinguer may even think it would be more difficult for the party to resist pressure from Moscow in such circumstances.

An indirect consultative role, on the other hand, would give Berlinguer the best of two worlds. It would permit the Communists a formal say in policy and amount to an implicit recognition of their potential as a governing party. At the same time, the Communists would be in the enviable position of being able to disclaim responsibility when things went wrong.

The Christian Democrats

The unequivocal anti-communist posture of the Christian Democrats during the campaign makes it unlikely that the party could agree to form a government with the Communists immediately after the vote. There are signs that a debate is already under way among Christian Democrats over how far to bend on the question of indirect Communist participation.

Despite the overall anti-Communist cast of the Christian Democratic platform, there is language in it that clearly signals a willingness to accept a limited

accord with the Communists on specific government programs. Some Christian Democratic spokesmen, such as Budget Minister Andreotti, have begun hinting at such an arrangement in their campaign speeches.

The Christian Democrats do not like the idea of negotiating openly with the Communists and prefer to deal with them behind the scenes in parliament. Nevertheless, formalized consultations with the Communists might be seen as preferable to entering the opposition if that is the only alternative.

In sum, there appears to be a degree of willingness in each of the three major parties to move toward a government based on Christian Democratic - Socialist collaboration but open to some form of indirect participation by the Communists. All other formulas on the table have been categorically rejected by at least one of the parties.

Obstacles

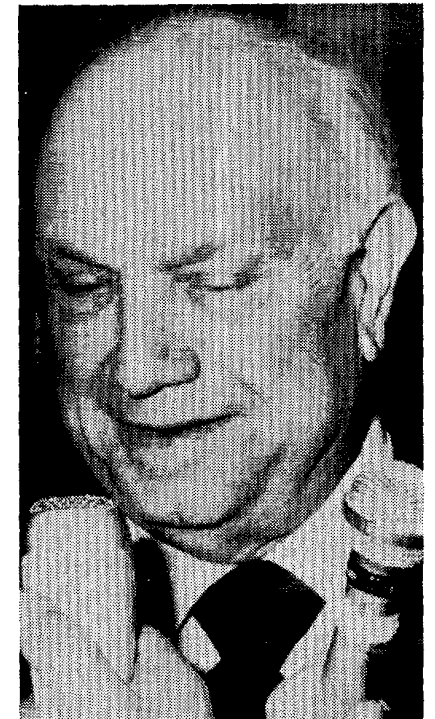
Agreement on the indirect participation formula would not come easily, however. In addition to disagreements between the Christian Democrats and Socialists over the role to be played by the Communists, there are substantial differences within each party on the advisability of such an agreement.

The evolution toward such a compromise could also be cut short by a sharp swing toward the Communists at the polls. If the Communists score a decisive plurality, it will be very difficult to deny them cabinet status. Berlinguer might have to settle for less if his plurality is not large enough to deprive the Christian Democrats and their traditional allies of a parliamentary majority. A plurality for the Communists, however, would create unprecedented strains among the traditional governing parties, and defections to the Communists are not to be ruled out. Recently, for example, the Social Democrats have appeared to leave the door open to collaboration with the Communists and Socialists in an emergency government even if the Christian Democrats refused to go along. Thus, a Communist plurality might lead to an ex-

panded leftist coalition that would leave the Christian Democrats in the opposition.

If the election fails to give any party a marked advantage, a caretaker government might be installed to preside until the dust settles and until party leaders have had time to digest the results. In that event, efforts to form a coalition might be postponed until the fall.

On balance, the election does not seem likely to produce the kind of clear-cut result that would allow a relatively compatible combination of parties to deal decisively with Italy's mounting economic and social problems. Unless the parties can find a way to resolve the fundamental differences that led them to hold the election ahead of schedule, the prospect is for continued instability and immobilism. For that reason, the current contest may well turn out to have been but a prelude to another election, fought on the same issues, in the not-too-distant future.



Socialist leader De Martino

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The Arab inhabitants of the West Bank have become more openly defiant of Israeli rule. Periodic anti-Israeli demonstrations are likely to become a permanent feature of the political landscape there. The Israeli government so far gives little sign that it plans major policy changes to deal with the new situation on the West Bank.

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Israel: The West Bank

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Relations between the Arab inhabitants of the Israeli-occupied West Bank and Israel are undergoing a major transformation as the Arabs have become more openly defiant of Israeli rule. Periodic anti-Israeli demonstrations, any of which could bring new violence, appear likely to become a permanent feature of the West Bank under occupation.

Despite the misgivings of Israelis over the results of the West Bank municipal elections in April and the unsettling effect of the numerous Arab demonstrations, the government does not appear inclined to revamp its policy toward the occupied territories.

The new West Bank leaders, for their part, see growing support among Arab inhabitants for their positions and do not believe Israel will be able to hold the territory indefinitely. They increasingly sense that time is on their side.

The growing ferment on the West Bank has focused increasing attention in Israel on the Palestinian problem. Prime Minister Rabin recently warned that Israel would be under great pressure next year to show more flexibility on the Palestinian issue and particularly on participation by the Palestine Liberation Organization in peace talks.

Rabin specifically cited the outcome of the municipal elections as likely to be a major factor contributing to such pressure. He characterized the election results as "the worst defeat Israel has suffered in the last two years."

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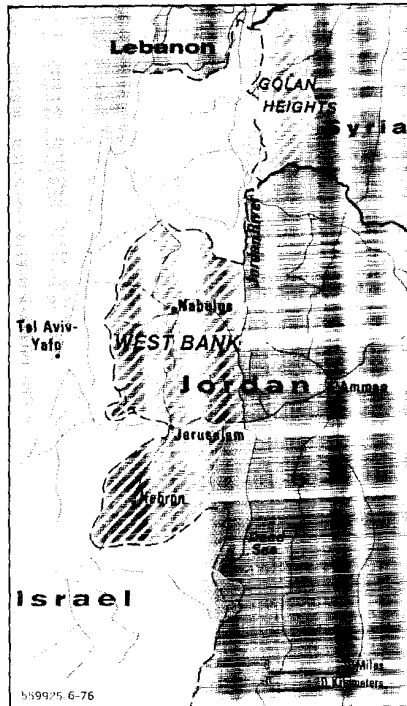
Perspective on the Elections

The elections brought into office a group of younger, better educated, and largely politically inexperienced men. Of the 188 elected, 148 are newcomers; 70 percent are under 50 years old, and 25 percent have some university training.

Most of the new leaders are more nationalistic than their predecessors, and thus more likely to challenge Israeli occupation authorities and the old pattern of Israeli-Arab relations. They will be more inclined to resort to militant rhetoric to retain and expand their popular support.

They are also likely to be more willing to consult and coordinate actions with each other, despite Israeli restrictions on territory-wide political activity and the internal divisions that stem from traditional clan rivalries and jealously guarded local prerogatives.

From the Israelis' point of view, the new West Bank officials will be less cooperative than the old ones, but not necessarily impossible to deal with. The officials do not represent a complete break with the conservative, local clan structure. The new mayor of Hebron, one of the West Bank's largest towns, for in-



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Israeli troops on guard in Nablus on the West Bank

stance, is a former Israeli government agronomist and a successful local businessman, as well as a member of one of the town's most powerful clans.

There are also a number of practical constraints that will temper the actions, if not the rhetoric, of the new leaders. Their local constituencies will expect them to live up to their campaign promises to improve municipal services, which they cannot do without continued financial help from Israel and Jordan.

Clan ties, local political rivalries, and vested business and property interests of the officials will also act as a brake on tendencies to implement radical policies. Finally, of course, the Israelis have the military strength to impose their will.

The Israeli Reaction

The widespread and often violent anti-Israeli demonstrations on the West Bank since February have gone a long way toward destroying the Israeli public's perception of the occupation regime as an enlightened government at least grudgingly tolerated by the territory's Arab inhabitants. There appears to be little willingness, however, on the part of either the Israeli public or the Rabin government to reconsider the basic elements of

Israel's West Bank policy.

The Israelis seem to be more than ever convinced of the need to maintain law and order in the troubled area. The government believes that better riot control techniques—involving tough, well-trained border guard units and the use of non-lethal ammunition—will help accomplish this.

The Israelis will concentrate on keeping the Arab population and local leaders preoccupied with parochial, primarily economic, affairs. In meetings with local officials, the Israeli government is making known its intention to continue with business as usual, offering, for example, again to provide money to the financially strapped municipalities.

Military government officials have also renewed their efforts to have the new West Bank administration assume wider civil responsibilities. Even the previous, more conservative leaders had resisted Israeli moves in this direction, arguing that this would play into the hands of Israeli efforts to undercut PLO claims to represent all Palestinians.

The new West Bank leaders will probably soon have to face the problem of reconciling public pressures to stand up to

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the Israelis with the necessity of cooperating with occupation authorities to keep their towns functioning. In general, the leftist orientation of many of the new leaders and their desire to retain public support will make it more difficult for the Israelis to maintain order.

The PLO, too, may come to look upon the new leadership with mixed emotions, even though it reportedly helped get some of its sympathizers elected. Although many of the new officials have hailed the PLO as the sole spokesman for the Palestinians, they may eventually come to regard themselves as the spokesmen for the 675,000 West Bank Palestinians. The West Bankers constitute not only the largest single group of Palestinians, but they already reside in the area considered by the Arabs, including the PLO, to be the heart of a future Palestinian state.

One hint of such a tendency was given in a recent remark by a new West Bank mayor who claimed that the PLO fulfills essentially a wartime role. This suggests that at least some West Bank leaders probably do not see themselves turning over power to PLO emigres in the event of an overall Arab-Israeli peace settlement.

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Since President Marcos imposed martial law in September 1972, he has so concentrated power in his own hands that a period of serious instability would almost certainly follow should he die or become incapacitated.

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Philippines: Marcos and the Power Structure

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Political authority in the Philippines is so concentrated in the hands of President Ferdinand Marcos that a period of serious instability would almost certainly follow should he die or be incapacitated. He declared martial law in September 1972 because he had concluded that it was the best option available to assure his retention of power. His term as president would have expired in December, and he was not eligible for another.

Martial Law Policies

When martial law was declared, Marcos bid for public support by promising to use his new powers to deal with the abuses of the old society. He promised to reform the corrupt and inefficient bureaucracy, make the central government responsive to local needs, restore law and order, speed economic development, and end government by and for the wealthy oligarchy. The administration would be restructured at all levels.

Few of the programs announced in the first months of martial law have been carried out. Despite Marcos' expanded powers, he is as limited as were his constitutional predecessors by the special interests of his family and of his political supporters.

Marcos' failure to follow through on his promises of reform has not aroused serious discontent. The population did not expect him to keep his more extravagant promises, and most concluded that martial law was an improvement, in some respects at least, over the chaotic political system it replaced.

Although crimes against property continue at a high rate, violent crime has been

sharply reduced. The martial law regime also got much of the credit for the prosperity of 1973 and 1974, traceable in large part to good crops and high export prices.

The Palace

During the past three and a half years, Marcos has used martial law to eliminate or restrict most national and local political institutions through which rivals might exercise power, but he has created few new structures. Political influence now depends largely on having a personal relationship with Marcos or with someone close to him.

Since martial law, the President's extended family and that of his wife, Imelda Romualdez, have acquired vast economic holdings, and both have become deeply involved in political and administrative matters.

Imelda's appointment as governor of metropolitan Manila in 1975 and her ventures into diplomacy are the most spectacular but by no means the only examples of familial government under martial law. Other members of the two families are scattered prominently throughout the government and in commercial enterprises, particularly those considered politically sensitive, such as the media.

The only political game left of any importance is to gain access to and influence with Marcos. Factions coalesce around ambitious personalities who can convince others they have influence. These cliques rarely represent philosophical differences or speak for economic or political interest groups. A leader's power and following dissipates at the first hint that his in-

fluence with the President may be waning.

Even the closest Marcos followers generally interpret their loyalty to Marcos as a short-term obligation in return for favors. Few have any commitment to his martial law program or see Marcos himself as the keystone of national well being. Marcos is aware of the fragility of these bonds and is careful not to test them too far.

Any successor will have to develop his own interlocking network of obligations, since it will be difficult for Marcos to deed the loyalties of his supporters to a designated successor, even his wife.

Imelda Marcos is at present the most powerful leader of a palace clique, partly because of her obvious access to and influence on her husband. Her prominence is also a reflection of the decline in influence over the last six months of other close Marcos associates.

Imelda's clique differs somewhat from others. It has a durable core based on the Romualdez family, but beyond this her group is no more stable or loyal than any of the others. It would quickly dissolve if the President gave any sign that her opinions no longer carry much weight. Imelda and her relatives have tried to guarantee her present level of influence by persuading Marcos to designate her publicly as his successor; thus far he has not done so.

The Oligarchs

Before martial law, politicians and bureaucrats were bought and sold by the economic oligarchy, which included rural landed families and urban commercial clans. The two national political parties were controlled by competing federations

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of oligarch interests with no discernible ideological or tactical differences.

Marcos was not a member of this oligarchy by birth, but during his long political career he was able to acquire important economic interests, and since martial law he has become easily the country's wealthiest citizen.

The President has reinforced his new political powers by extending personal control over all important sectors of the economy, either directly by absorbing major businesses into the Marcos clan portfolio or indirectly through government regulation and supervision. Marcos' relatives or confidants sit on the boards of directors of all important businesses.

Marcos moved early under martial law to reduce the power of regional warlords, outlawing their private armies, imposing gun control, and beginning the long-delayed process of breaking up large landholdings. He established tighter central control over the constabulary and local police to prevent alliances with the landed oligarchs against the central government.

Nevertheless, most oligarchs have benefited from martial law. It has brought new security, anti-strike decrees, and favorable commercial and financial regulations.

The oligarchs as important political powers have not in fact been eliminated. Few have surrendered their private arsenals, and land reform has slowed after a showy start. The important sugar plantations are specifically excluded from the reforms. The landed oligarchs will probably be quick to revive their private armies and reassert control over local affairs if the next government appears weak or unstable.

The Military

Marcos has cultivated the military since his days as a congressman, when most politicians treated soldiers as second-class citizens, and he has tried to build up the military in the public eye as an integral part of his new administration.

Unlike other Southeast Asian armies, the Philippine military has been a relatively apolitical, highly professional corps,

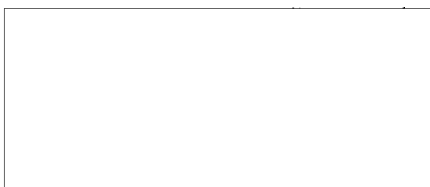
which has never developed a sense of itself as embodying the nation's interests.

Even though a number of officers have never been comfortable with martial law, by and large the military supports it. Constabulary officers, in contrast to those of the other services, have a long history of involvement in local and provincial affairs, and some have become powerful local administrators under martial law. This is determined largely by the personal relationship of the local civilian administrator with the palace.

The military has been more interested in the economic opportunities afforded by its new importance than in political aggrandizement. Officers want the perquisites formerly monopolized by the civilian elite—sinecures in private and public business, elite and foreign education for their children, kickbacks and other easy money. The military shows little concern for the direction of national policies in non-military affairs.

A threatened government-wide housecleaning last fall provoked a strong reaction from top officers who came close to being purged, including some who were members of the inner circle that had planned martial law. They quickly made it clear to Marcos that they would publicize Marcos' own corruption, and the cautious Marcos backed down.

In the event of Marcos' death or incapacitation, however, the military would be propelled into national politics by default, since it is virtually the only national institution still intact.



Implications

Marcos does not appear unduly concerned about the problem of succession. At 58 he is still a relatively young man and is reported to be in good health. He plans to remain in power for many more years and doubtless assumes that he will have time to prepare for a transition. In

order to satisfy domestic and foreign advisers, however, he claims that he has drafted a decree on succession and placed it with an unnamed trusted associate for safekeeping.

Imelda and her followers have recently increased pressure on Marcos to name her his successor. Marcos is aware that his wife is unpopular with many powerful segments of the country, particularly in the military, and he himself does not trust her ambitions. Nevertheless, he has found it politically convenient to foster the impression that her political influence may be growing.

The shape of a successor regime will depend largely on the balance of forces at the time of Marcos' death. Even if he should succumb to pressure from Imelda to name her his successor, most of her political influence will vanish once he is gone.

Many military officers and other citizens would strongly oppose her accession to the presidency. They realize that overt opposition to her is dangerous while her husband is alive, but some have already begun to discuss quietly how to stop her if she survives him.

Imelda can be counted on to wage a strong campaign to succeed her husband, and her maneuvering will add greatly to the political turmoil and instability that will follow his departure. Her actions—and the reactions of others to her—will probably shape the course of the succession contest.

She might even be included in an initial post-Marcos junta, but unless she is more successful in the future than she has been in the past in attracting supporters who have political weight, she probably would be eased out of power very quickly.

When Marcos leaves the political scene, the old power groups will compete to fill the political vacuum. There are few institutions that can be counted upon to hold the country together while the succession is contested, and Marcos' successors will probably have to rely on unstable coalitions of disparate and potentially competitive political and economic groups.

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