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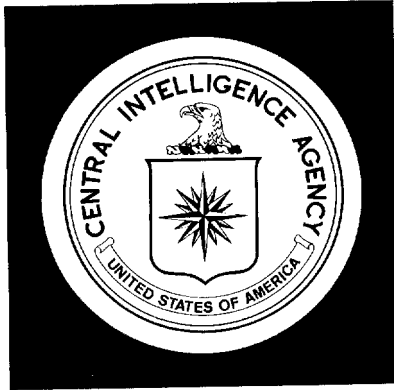
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Weekly Summary

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CONTENTS

August 20, 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; Rhodesia

2 Europe
Greece-Turkey; Spain;
U.S.S.R.; Germany;

3 International
OPEC

5 Western Hemisphere
Argentina

6 East Asia - Pacific
North Korea; Thailand

7 Peking Looks at Southern Africa

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

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Middle East-Africa

LEBANON 1-2;5

The fall of Tall Zatar refugee camp to Lebanese Christian forces late last week sparked an immediate upsurge of violence in Beirut, but most areas of the country have experienced an uneasy calm this week as all sides consider their next moves.

Although the Christian take-over of Tall Zatar was a major psychological blow to the Palestinians, the camp had become a strategic liability, and its fall has now freed Palestinian forces of the burden of defending fixed positions in predominantly Christian areas. Other refugee camps are protected by surrounding Muslim-held territory. The Palestinians apparently now intend to fight a more mobile war, using terrorist and other hit-and-run tactics.



Despite their bitterness over Tall Zatar, Yasir Arafat and other less radical Palestinian leaders still seem prepared to negotiate. They told the Christians this week that they remain willing to evacuate Christian villages in the mountains east of Beirut voluntarily, but only as part of an overall agreement including a country-wide cease-fire enforced by Arab League troops and guarantees for the security of certain Muslim and Druze villages in Christian areas.

Since the fall of the camp, both the Christians and the Syrians have shown greater sensitivity to charges that they are conspiring to liquidate the Palestinians.

For the moment, the Syrians and Christians seem reluctant to undertake any dramatic new moves against their adversaries and apparently have delayed plans to launch a joint offensive against Palestinian and leftist positions in the mountains. Although the Christians announced early this week that an attack was under way, there has been little significant military activity in the area.

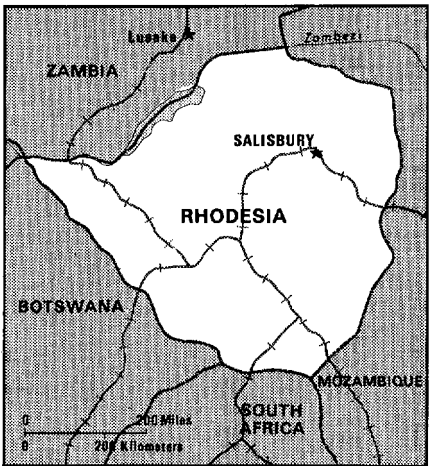
The arrival late last week at the southern port of Tyre of Iraqi reinforcements for the Palestinians and leftists—which may have included as many as 2,000 Iraqi militiamen—has prompted the Christians and Syrians to send fresh troops to their southernmost position at Jazzin.

The arrival of the Iraqis appears also to have prompted the Israelis to step up their naval patrols along the Lebanese coast.



RHODESIA 19-22

Most military action in Rhodesia remains centered along the country's border with Mozambique, but Rhodesian security forces are giving increasing attention to the Zambian and Botswanan borders, along which small bands of guerrillas have become more active in recent months. This activity has added to the difficulties of the security forces,



whose manpower resources have already been stretched by rebel attacks along the Mozambican border.

Zambian support for the guerrillas has been increasing. Small guerrilla units began infiltrating northwestern Rhodesia from Zambia last June. President Kaunda probably still intends to restrict Zambian military involvement in the hope of avoiding Rhodesian retaliatory raids, but earlier this month a Zambian soldier reportedly was killed as Zambian troops provided cover for guerrillas retreating across the border from an ambush by Rhodesian security forces.

Rhodesian troops apparently have crossed into Botswana in search of Zambia-based guerrillas who have been entering Rhodesia through Botswanan territory. The Botswanan government has charged that Rhodesian forces entered Botswana three times recently to interrogate local villagers and look for guerrillas. There were no reports of casualties.

Most of the insurgent activity along the Zambian and Botswanan borders is probably the work of Joshua Nkomo's Rhodesian nationalist faction. Guerrillas loyal to Nkomo have deserted from insurgent bases in Mozambique, which are dominated by a rival faction.

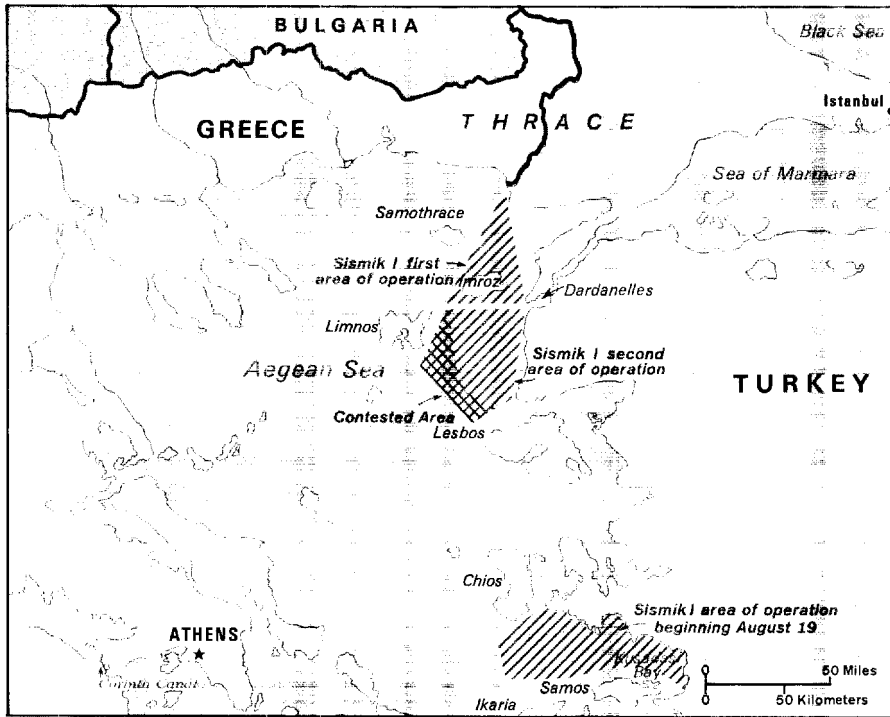


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week. They apparently intend in the meantime to continue the surveillance of the Sismik to which the Turks earlier objected.

Both Greece and Turkey are apparently reducing the alert status of some of their armed forces, although key units are still at a high state of readiness. The Greeks have reduced the air force alert, and Turkish forces may respond by reducing their level of readiness.

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SPAIN 31-33

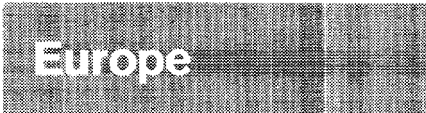
The new Spanish government has apparently made progress toward winning the support of the democratic opposition for its liberalization program.

Prime Minister Adolfo Suarez has made a point of consulting opposition figures—notably Socialist leader Felipe Gonzalez and Christian Democrat Joaquin Ruiz Gimenez—on the shape of the proposed constitutional referendum. Both opposition leaders have recently told US embassy officials that they were impressed by Suarez' good will and by his commitment to hold democratic elections.

The Prime Minister told Gonzalez that the government's current thinking on the referendum is to present to the voters several basic, largely philosophical questions asking whether they want a democratic system, a parliament elected by direct universal suffrage, and free trade unions—an approach similar to that advocated by many opposition groups.

Suarez hopes that the general questions will be more easily approved by the rightist-dominated parliament than the specific proposals advocated by former prime minister Arias. Armed with a strong popular mandate on the basic lines of reform, the government will proceed to carry out the details by decree law, and parliamentary elections will be held, as promised, by next June.

Gonzalez believes that Suarez intends to continue with his consultations and that the opposition should decide on a



GREECE-TURKEY 29

Greece and Turkey traded charges at the UN Security Council last week over their policies in the Aegean, but the chances for a clash over Turkish seismic exploration in contested areas of the sea appear temporarily to have diminished.

The return of the Turkish research ship Sismik I to port on August 15 for maintenance and resupply had prompted speculation that the third leg of the ship's itinerary would take it into even more sensitive areas, thereby increasing the chances for an incident. In fact, however, the ship's new area of operation, as announced on August 17, is in and around Kusadasi Bay.

The area includes a zone outside Turkish territorial waters, but appears to avoid any of the overlapping

Greek-Turkish oil concessions that stirred controversy over the Sismik's second region of operation farther north. The ship set out for the designated area August 19 amid indications its journey might be limited to four days owing to a need for additional repairs.

Ankara's dispatch of the ship to a less sensitive area may be the result of backstage negotiations at the UN, where some of the major allies of the two countries are attempting to formulate a resolution acceptable to both.

Such a resolution would presumably call for restraint and for a peaceful settlement of the dispute by a combination of bilateral negotiations and international adjudication. The Turks may also have concluded that they have made their point and do not want to test further the limits of Greece's resolve to defend its claims.

The Greeks, for their part, seem to be concentrating on securing a favorable UN resolution; they are also preparing to defend formally their unilateral appeal to the International Court of Justice next

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negotiating team of 10 to 12 representatives empowered to deal with the government. Government resistance would preclude Communist participation on the team, but Gonzalez is confident that the Communists would accept the proposal as long as they were consulted regularly by the opposition negotiating group.

The Socialist leader expressed concern about the government's apparent lack of full control over the security forces and the possibility that ultra-rightists in the military hierarchy might take it upon themselves to try to halt these steps toward reform.

Rightist military intervention could be precipitated, for example, by a general referendum—which would be contrary to constitutional practice under Franco, when only specific laws were submitted to the people. Die-hards in the military could read this—correctly—as a move by the government to free itself of holdover institutional restraints and gain a free hand to initiate wide-ranging reforms.

Another possible cause for military intervention would be widespread labor unrest this fall, but Gonzalez is optimistic that there will be no serious challenge to order because the workers will likely be too concerned with keeping their jobs in the current economic slump.

Economic Measures

The economic package announced recently by Spain's new cabinet will aggravate inflation, increase the budget deficit, and worsen trade problems. The only measure not likely to add to the already high rate of inflation is a subsidy program designed to hold down food prices. We do not believe that the program is expansionary enough to cut unemployment.

Under the new package, Madrid has authorized extraordinary budget expenditures of \$353 million, financed by Bank of Spain credits, to prop up employment, agriculture, and investment. Unemployment benefits will be extended from 12 to 18 months, but will be partially offset by lower accident compensation. New industries are to be created in areas of high



Adolfo Suarez UPI

unemployment. A three-year housing construction program, at a cost of \$118 million the first year, will be financed jointly by government and private funds.

Home buyers will receive mortgage subsidies and tax credits. A corporate tax credit is to be offered to spur investment in economically depressed regions and in mining, iron and steel production, shipbuilding, and agriculture. Taxes will be suspended on stock and insurance purchases to tap private savings and increase the flow of investable funds to industry.

Farmers will receive government loan assistance and increased subsidies to purchase seed, cattle, and feed and to offset recently hiked fertilizer prices. All these measures will fuel inflation, making ultimate stabilization more difficult.

The governor of the Bank of Spain has indicated that anti-recession measures are unlikely before the referendum on political reform and the election promised by June. As a result, he believes the economic situation will worsen.

USSR

42-49

Soviet grain prospects remain good as of early August, and we continue to estimate production at 195 million tons.

The US Department of Agriculture's estimate, released last week, also remains at 195 million tons. This would approximate the 1974 harvest—the USSR's second largest grain crop—and represent a strong recovery from last year's disastrous 140-million-ton harvest.

As a result, Soviet grain purchases this calendar year are likely to be only half of what they were last year. The forecasts assume normal weather through harvesting.

Two events have occurred, however, that may require a reduction in the estimate when further information becomes available. Rain in European Russia during the critical flowering and filling stage of spring grain development may have cut yields in some areas, and dry conditions in the northern Caucasus and southern Ukraine may have hurt corn yields.

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By early this month, wet weather had delayed the start of the winter grain harvest by 10 to 14 days in many areas, and harvest operations are just beginning in Belorussia and other areas of northern European Russia.

We estimate spring grain production at 150 million tons, second only to the record 1973 spring grain harvest.

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Confirmed Soviet purchases of grain for delivery during the coming marketing year total about 10 million tons—plus 2 million tons of soybeans; an additional 2 million tons of grain purchases are as yet unconfirmed. Of the confirmed amount of grain and soybeans, 8.6 million tons will come from the US, 2 million from Canada, 1 million from Australia, and the remainder from New Zealand and Brazil.

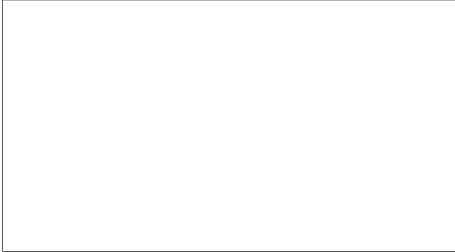
Under the US-USSR grain agreement, Moscow must import at least 6 million tons of US grain from October 1976 through September 1977. So far, 4.4 million tons are scheduled for that time

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period.



tinue the process of lessening tensions and normalizing relations with Bonn.

West German Chancellor Schmidt is caught in the middle. The opposition Christian Democrats have criticized the government for its failure to protect the interests of West Germany and West Berlin. The Chancellor has defended his policy of seeking better relations with East Germany, asserting that "only

negotiations, not torch processions" promise to improve life in divided Germany.

The closeness of the election contest will tempt opposition leaders to keep the issue in the forefront. Chancellor-candidate Helmut Kohl has already called for economic sanctions against the East Germans and is urging Foreign Minister Genscher to dramatize the border in-

GERMANY 95-46; 98-49

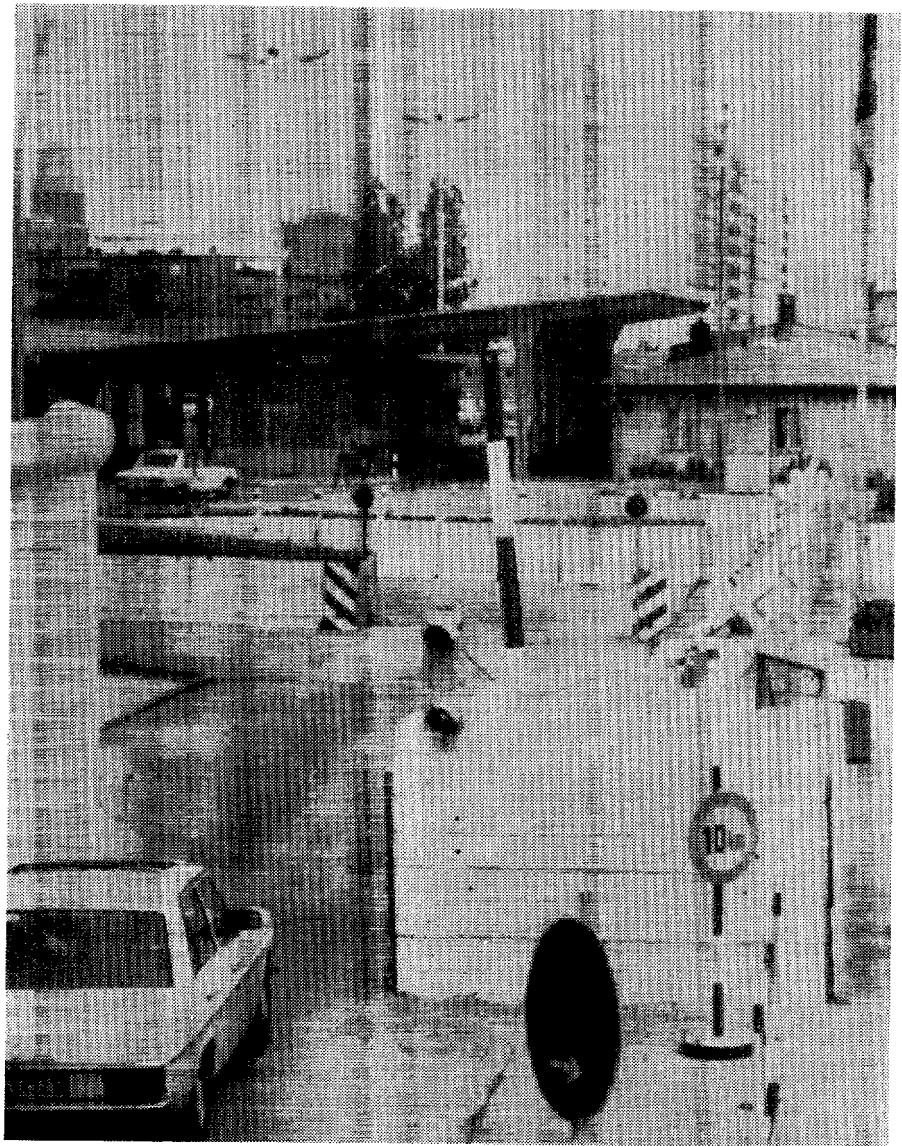
East Germany continues its tough stance on border inviolability and the "realities" of the German issue, despite the resulting strains on relations with West Germany. The Honecker regime is embarrassed by international reaction to recent border incidents involving fatal shootings by East German border guards but is determined to assert its right to defend its frontiers.

East Berlin marked the 15th anniversary of the Berlin Wall on August 13 with a dress review of militia units by Honecker and most of the Politburo. In an anniversary speech, East Berlin party boss Konrad Naumann stressed East Germany's readiness to defend itself against the increasingly frequent border provocations. The ceremonies contrasted with the low-key observance of the anniversary over the past several years.

Later the same day, East German border guards turned back several busloads of West Germans on their way to a Christian Democratic rally in West Berlin to protest the Wall. Bonn has protested this action, which violates the 1972 East-West German agreement on transit traffic.

After basking in the Olympic spotlight last month, East Germany now finds itself on the defensive and assailed as a trigger-happy nation and violator of internationally guaranteed human rights. Uncomfortable as the situation is, party leaders in East Berlin have little choice but to reaffirm their determination to prevent provocations from the West.

At the same time, they have stressed that East Germany is prepared to con-



Routine traffic and control on the Heinrich Heine Street checkpoint in Berlin on August 13

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cidents when he presents the government's proposal for the creation of a human rights commission at the UN this fall.

Western Hemisphere

ARGENTINA 56-58

Excesses committed in Argentina's drive against leftist subversion have drawn strong reactions from foreign governments, possibly jeopardizing needed foreign financial assistance, and are seriously eroding the good will which Argentines have generally displayed toward the military junta that took power in March.

A number of friendly governments have been highly critical of the arbitrary arrest or disappearance of dozens of foreign nationals in the past several weeks. Some foreigners have been arrested and charged with subversive political activity; others have simply dropped out of sight.

Italy, France, and West Germany have tried in vain to secure the release of or at least obtain information about the status of more than 50 of their citizens.

Israel and the US have been more successful. Tel Aviv, after prolonged heavy pressure, secured the release of five of its nationals, who have remained in Argentina with no further apparent problems.

The US embassy lodged a formal protest over its inability to gain consular access to a US priest. A consular official

was finally permitted to see him this week, and the priest has now left the country.

Domestic concern is also growing for the hundreds—perhaps thousands—of Argentines who have vanished without a trace since the coup. There is also increased pressure for the government to settle the cases of Peronist labor and political leaders arrested immediately after the take-over.

Failure to settle such cases is difficult for the junta to explain, since it has long claimed to have ironclad evidence of criminal wrongdoing against virtually all those in custody.

As rightist excesses have mounted, the government has become steadily more defensive. A recent example of its sensitivity was the brief arrest of former president Lanusse. He had criticized the government's treatment of a university professor who had served in his cabinet and now is accused of having leftist sympathies.

Neither domestic nor external pressure is expected to alter the aggressive thrust of the junta's countersubversive program. The successes against terrorists in recent weeks only tend to convince the tough-minded officers that their way is correct.

The so-called "hard-line" critics of President Videla's moderate preferences are, at least temporarily, being in effect vindicated. The President is not likely to challenge the advocates of the harsh approach at this time.

OPEC

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We expect oil exports from members of the Organization of Petroleum Exporting Countries to rise by 1 million barrels per day this quarter—the same as during the first two quarters of 1976. The increase from October to December may be even greater as importers attempt to build stocks in anticipation of another price hike in December.

Earnings from oil for the year will probably total \$124 billion, almost \$20

billion above the 1975 level. OPEC's current-account surplus totaled \$11.6 billion in the January to March period, up \$2.7 billion from last year's quarterly average. This was due in part to reduced expenditures for imports.

Preliminary data for the second quarter also indicate a hefty increase in the value of OPEC imports; shipments to all the major oil producers except Kuwait are rising rapidly. Saudi, Iranian, Venezuelan, and Nigerian purchases seem to be picking up most rapidly.

For 1976 as a whole, we expect the aggregate OPEC current-account surplus to total about \$41 billion, compared with \$34 billion for 1975. This should increase the foreign assets held by OPEC members from \$100 billion on January 1 to perhaps \$135 billion by the end of the year.

Reserves held by member countries would then be nearly half again as large as the combined reserves of the seven major developed countries—the US, West Germany, Japan, the UK, France, Italy, and Canada.

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East Asia-Pacific

NORTH KOREA 63

The excessive violence of North Korean guards near Panmunjom on Wednesday seems intended to accomplish two objectives:

- To underscore North Korea's general diplomatic case that the US is the major source of tensions in Korea—an argument being made now at the nonaligned meeting in Sri Lanka and one that will be made later at the UN this fall.
- To arouse US public opinion about the US troop presence in Korea in the midst of the election campaign.

Since early this spring, North Korea propaganda has charged almost daily that the US is introducing new weapons into the South, conducting provocative military exercises, and keeping South Korean armed forces on a war footing. In an unusually high-level statement on August 5, Pyongyang alleged that the US and South Korea had "completed" war preparations.

North Korean President Kim Il-song almost certainly does not intend to resume the confrontation policy of the late 1960s, in which the North Koreans staged hundreds of armed violations of the Demilitarized Zone. Nor is he likely to undertake high-risk military provocations, either in the zone or against South Korean garrisons on islands in the Yellow Sea, which might result in serious clashes with South Korean forces.

Should Pyongyang perceive the beginning of a debate in the US over the advisability of maintaining US troops in Korea, however, further controlled acts of violence can be expected.

The North Koreans respect the South's military capabilities. Blatant North Korean military provocations would undercut Pyongyang's political strategy of portraying the US and the South as the

aggressors. This strategy is intended to discredit the government of South Korea and to build international pressure for a withdrawal of US forces.

Pyongyang radio has called the Panmunjom incident a "US provocation" and warned that any future incidents would be met forcefully. On August 19, one broadcast, taking note of the "emergency alert" of US forces in Korea, announced that North Korea was ordering its armed forces into "combat readiness."

At a meeting of the Military Armistice Command called by the UN Command to discuss Wednesday's incident, the North Koreans did not elevate the level of invective or make additional threats.

THAILAND 60-62

The Seni Pramot government, already under attack in the press for its lack of leadership, had its image further tarnished this week by its inept handling of the unauthorized return on August 15 of exiled former military strong man Field Marshal Praphat.

Prime Minister Seni confirmed Praphat's surprise arrival one day, denied it the next, and finally admitted that Praphat was indeed in Thailand. 25X6

Praphat, [redacted]

[redacted] was the focus of the student uprising in 1973 that brought down the military regime. His surreptitious re-entry, ostensibly for medical attention but obviously assisted by some of his former military colleagues, galvanized the fragmented student movement into holding rallies demanding his expulsion or arrest.

According to a government statement, Praphat agreed August 19 to leave within a week "for the sake of the country's peace and order," and this should defuse the situation. The episode nevertheless left the government concerned over the implications of support for Praphat within the army. 25X1

The military has increasing impatience with what it views as an inefficient civilian government. It is clear that Praphat could not have entered the country without the support of at least some groups in the army hoping the turmoil created by his presence would lead to the government's collapse. [redacted] 25X1



Seni Pramot



Field Marshal Praphat

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Peking is becoming more defensive in its policy toward black Africa as a result of Moscow's success in Angola and the consequent receptiveness of other black nationalist movements to Soviet blandishments. Such Chinese successes as the Tan-Zam Railroad cannot offset Peking's concern about its influence in Zaire, Zambia, Tanzania, Mozambique, and Rhodesia.

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Peking Looks at Southern Africa

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Black Africa, once an area of Chinese foreign policy success where modest investments returned fairly sizable dividends, is now becoming a source of considerable concern to Peking. Soviet policy success in Angola has made the difference.

For Peking, Angola represented a test of US resolve to resist the expansion of Soviet influence. China's focus at present, however, is more narrow. Peking sees Angola as the reflection of a decision by Moscow to raise the ante in Sino-Soviet rivalry throughout Africa, particularly in the southern tier of black-ruled states. The Chinese are unsure of their ability to protect their hard-won gains in the region.

Sino-Soviet competition is nothing new to the African scene. Even before Angola, the Chinese had come out second best in such countries as Somalia, Guinea, and Uganda. Given the political isolation of those governments from the African mainstream, Peking appeared fairly relaxed about the prospect of Moscow's using such peripheral footholds as stepping stones to wider regional influence.

By contrast, the Chinese plainly recognize Angola's key position and read ominous implications into the nature and circumstance of the successful Soviet efforts there. Peking plainly calculates, for example, that the vast majority of African leaders—no matter what their public position on Angola—have been impressed by Moscow's willingness to assist friends on a front far removed from traditional areas of Soviet interest.

Although the Chinese attempted to rationalize their disengagement from Angola on "moral" grounds, they

probably are aware that thoughtful African leaders recognize that it was necessity rather than choice—that China lacks the basic prerequisites for quickly and forcefully projecting its influence into distant areas and is simply outclassed by the USSR in tests of power politics, such as Angola.

Even more disturbing to Peking is the growing attraction to black Africans of Soviet promises of economic and political support. The disastrous effect of the world recession on many African economies, a related and growing disillusionment with the returns from African support for third-world positions, and the heightened prospects for military confrontation both with the white minority governments in the south and between the Africans themselves have all served to make the regional black governments more receptive to Soviet overtures.

China itself took advantage of similar post-colonial political and economic ferment in the 1950s and early 1960s to make inroads in Africa. Now, however, the Chinese have vested interests to protect and clearly view the trend toward regional instability as creating openings that Moscow will be better able to exploit.

Black Nationalism

China is particularly concerned about its interests in Zaire, Zambia, Tanzania, Mozambique, and the southern African liberation movements. Support for those movements has long been central to China's regional effort, both as a means of retaining a "revolutionary" aura for its African policy and of cementing relations with black African leaders.

Peking believes that historical tides are on the side of black nationalists and has

also undertaken its policy investments with an eye toward an eventual payoff in direct influence with black successor governments.

China's long-standing links to the Southwest African People's Organization in Namibia are directly threatened both by the new Cuban and Soviet proximity in adjacent Angola and by the impressionable SWAPO leadership's more favorable view of Moscow.

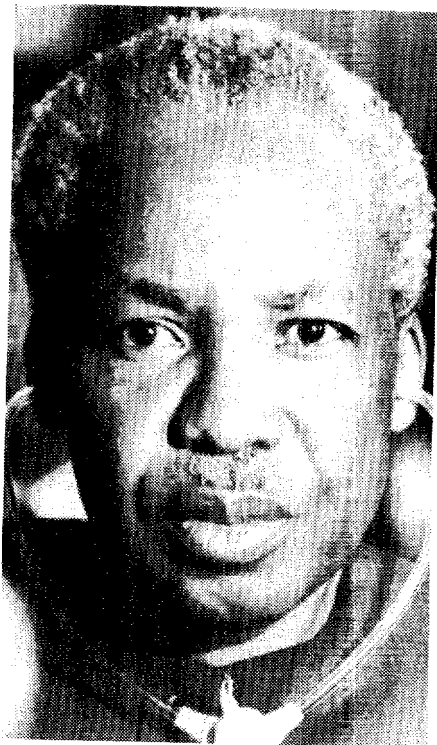
Of even more concern to Peking is its considerably larger and more important stake in the Rhodesian insurgency. The Soviets and Chinese have competed for influence within the Rhodesian movement since the 1950s, with China giving exclusive and consistent support to the more militant faction—the group whose members now constitute the bulk of the insurgent fighting force.

China's political ties with the Rhodesian insurgents have been blurred by the efforts of black African leaders to mold the rival guerrilla factions into a unified force. Peking has maintained direct access to the insurgent rank and file, however, primarily through Tanzania, where Chinese advisers participate in Tanzanian training programs for the Rhodesian guerrillas and where Chinese arms are distributed under the auspices of the Liberation Committee of the Organization of African Unity.

Were it not for Angola, Peking would take an optimistic view of the decision by Rhodesian insurgents to forgo negotiations in favor of a military solution. Now, however, the Chinese are clearly unsure of their ability to prevent Moscow and Havana from building on their own Angolan success and achieving

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Julius Nyerere CRS

major gains in Rhodesia at Peking's expense.

The Mozambican Experience

Much of the Chinese insecurity in this regard is related to Cuban and Soviet inroads into China's standing in Mozambique—the base for the vast majority of regional insurgent forces. Until recently, Peking had the inside track on influence in Mozambique's FRELIMO liberation movement. The Chinese imprint was conspicuous as late as last summer on the social and economic programs of President Machel, and a \$55-million Chinese economic development loan is the largest Mozambique has received.

In the past six months, it has become increasingly obvious that the "demonstration effect" of Angola has been particularly profound in Machel's case. Even before the back-to-back visits to Moscow earlier this summer by Machel and his defense minister, Chinese officials in eastern Africa were wringing their hands over Mozambique's "relaxed attitude"

toward the Soviets and Cubans.

In the wake of the Moscow visits, it is plain that the Soviets have greatly improved their positions in Mozambique and have developed a link of their own to the Rhodesian insurgents.

Under these circumstances, the Chinese are clearly banking heavily on the maintenance of continued close relations with Tanzania to assure them a channel to the insurgents. Peking was on the opposite side of the Angolan question from Tanzanian President Nyerere, who, along with Machel of Mozambique, supported the Soviet-backed Popular Movement.

Nyerere has remained wary, however, of the Soviets and Cubans, going on public record as opposing "Angola-type" foreign involvement in Rhodesia.

Despite having signed a \$74-million Soviet military assistance package in 1974, Nyerere continues to look to China for the bulk of his economic and military aid, and it was he who urged the Rhodesian guerrillas last year to rely exclusively on Chinese advisers in their training programs. Nyerere has apparently insisted on this policy for the training activities conducted under Tanzanian aegis.

Zairian, Zambian Problems

Peking clearly perceives the threat of Soviet gains looming every bit as large in Zaire and Zambia. As major aid donors to and political intimates of presidents Mobutu and Kaunda, the Chinese are keenly aware that in both countries:

- The once prosperous copper-based economies are in severe tailspins under the combined pressures of depressed world copper prices and the closure of traditional export routes.

- The national leaderships have lost prestige as the result both of their ill-starred Angolan policies and of politically unpopular domestic cost-cutting measures.

- The physical proximity of a still-hostile and well-armed new government in Angola has bred a new sense of vulnerability to external threats.

Peking recognizes that these sobering new realities have served to limit

Mobutu's and Kaunda's freedom of action and to instill a new sense of pragmatism into their foreign policies. Both African leaders have found it expedient, for example, to submerge their personal enmity toward the new leadership in Angola in favor of seeking political accommodation.

As part of this effort, Mobutu and Kaunda have also begun to mend fences with the Soviets and Cubans, appreciating the sway Havana and Moscow have over Angolan policies and not wanting to be overlooked in any new Soviet aid.

Defensive Diplomacy

As a result, Chinese policy in Africa is taking on defensive overtones. Almost without exception, the Chinese have been devoting their energies in Africa toward three objectives:

- Discrediting Soviet intentions.
- Refueling African fears of foreign domination.
- Strengthening China's existing ties in the region.

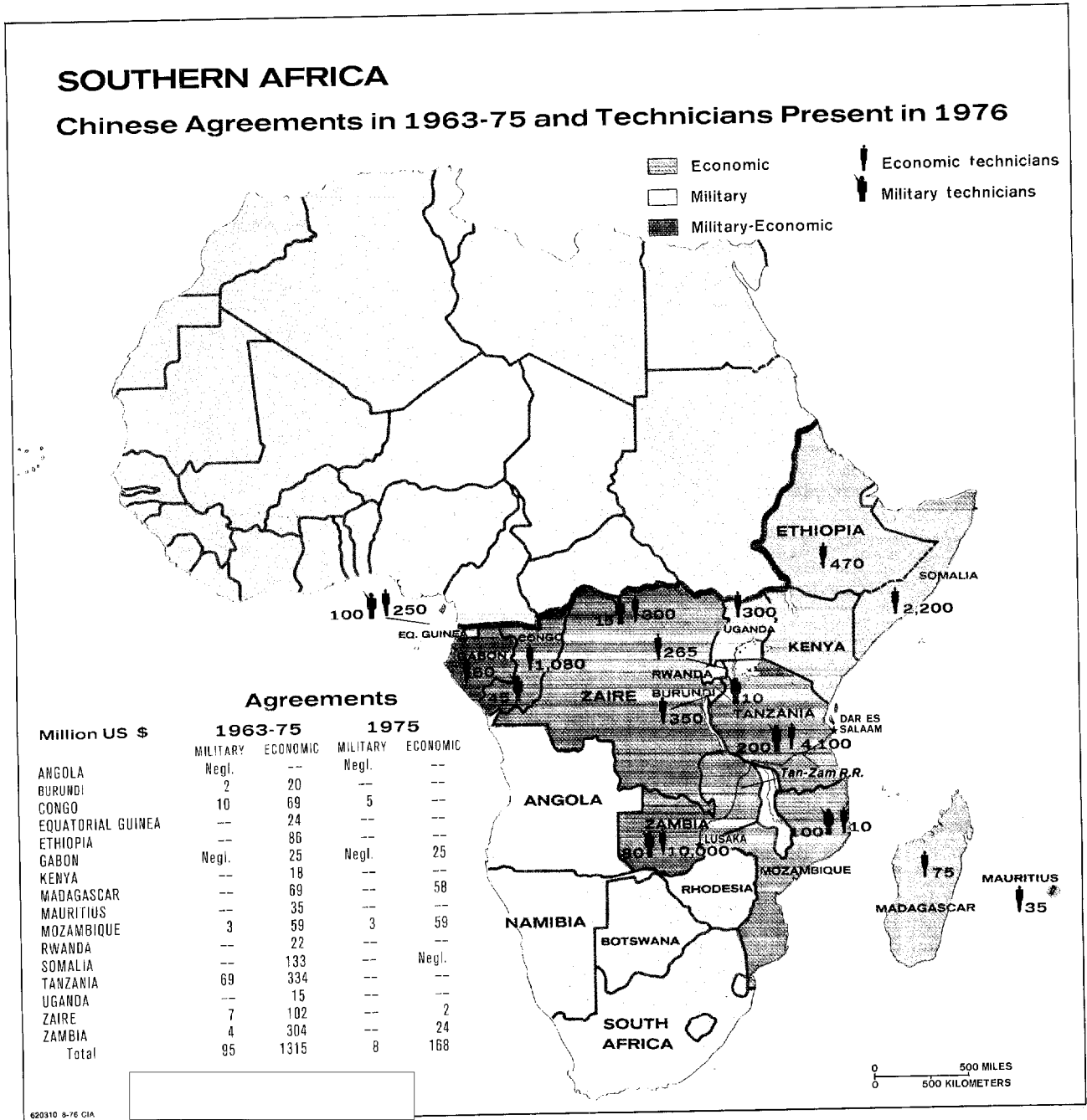


Samora Machel

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There have been no major Chinese initiatives in economic assistance, and Peking is focusing its military assistance grants on such established allies as Zaire and Tanzania, and on the Rhodesian insurgents.

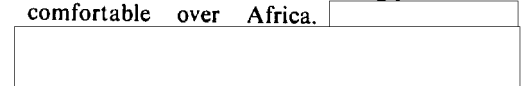
Their campaign for the most part has been one of public and private importunings for African vigilance against the Soviet "threat," coupled with renewed Chinese statements of support for important African objectives.

Ceremonies marking the transfer to African management of the 2,000-kilometer (1,250-mile) Tan-Zam railroad—China's largest overseas aid venture—and several recent state visits to China by African leaders have provided Peking with highly visible opportunities to make policy points.

On the whole, the adjustments in Chinese policy have been minor. Despite Peking's genuine concern, its response to increased Soviet pressure will probably

remain low-key. Material constraints will continue to limit Chinese ability to compete with the Soviets in arenas that require significant commitments of resources, and Peking's flexible, undemanding approach to state-to-state relations has in general been too effective to be abandoned.

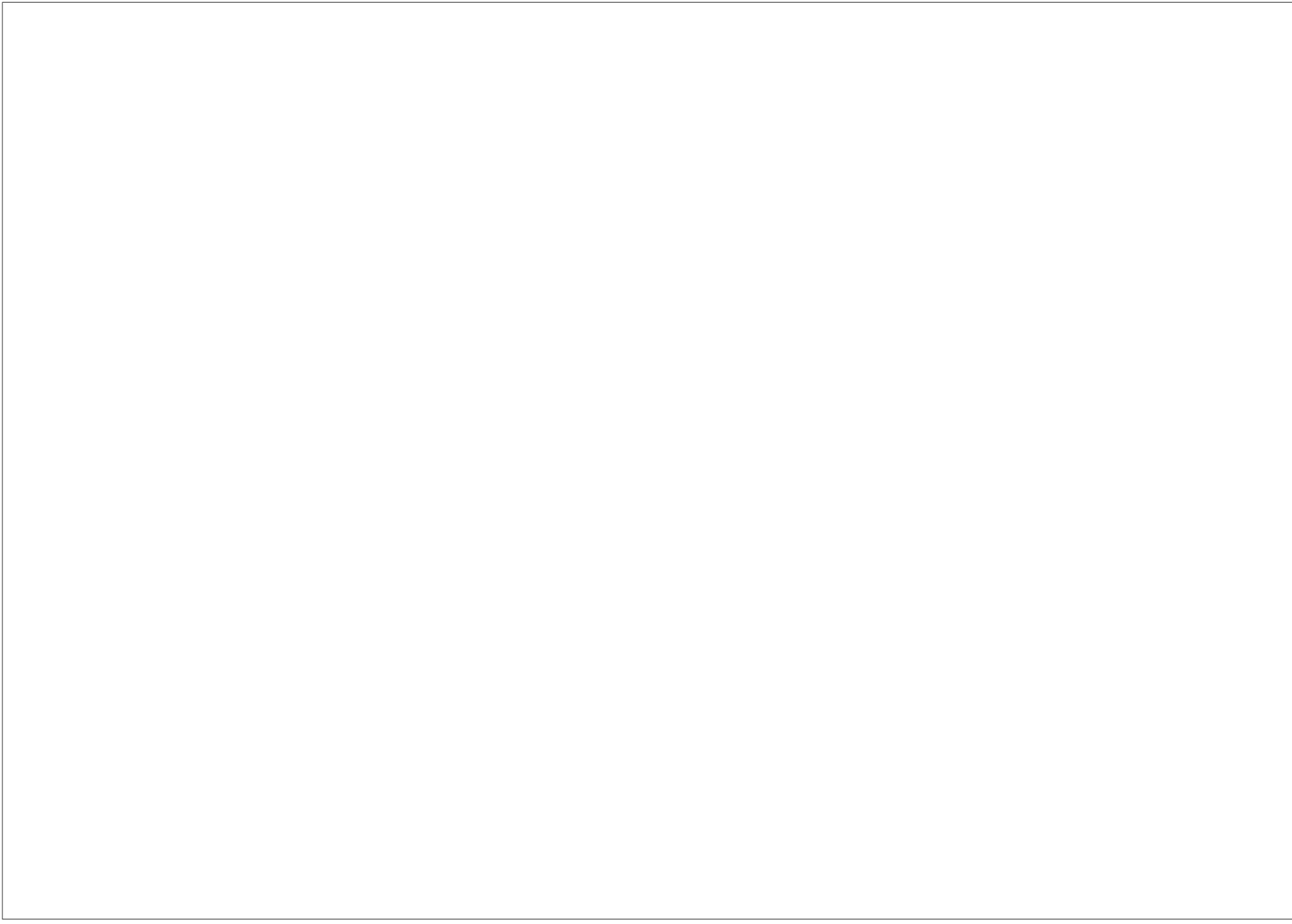
In the present circumstances, China can only become increasingly uncomfortable over Africa.



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