



National  
Foreign  
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Center

Approved For Release 2005/08/01 : CIA-RDP79T00912A002200010014-0

# East Asia Review

27 December 1978

**Secret**

*RP EAR 79-009  
27 December 1978*

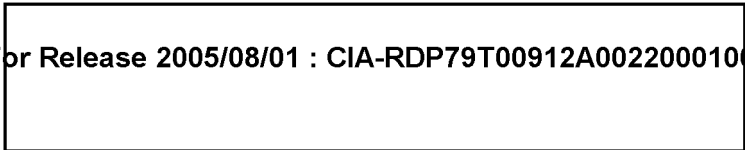
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EAST ASIA REVIEW (U)

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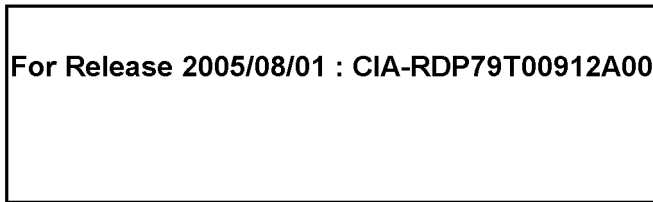
With the release this month of two batches of Communist detainees, Indonesia will have freed 10,000 political prisoners this year. (C)

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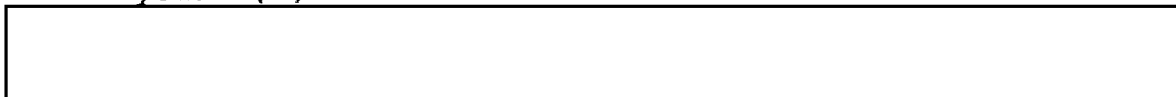
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Okinawa: Liberal-Democratic Party Return  
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The victory of the Liberal-Democratic Party (LDP) gubernatorial candidate in Okinawa--the first in 10 years--continues the trend of conservative victories in local elections this year. (U)

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[Redacted]

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UN Secretary General To Visit Indochina [Redacted]

UN Secretary General Waldheim apparently will visit both Kampuchea and Vietnam in early February. Several countries, including the United States and China, encouraged the trip to help deter or limit a major Vietnamese dry-season offensive against the Kampucheans.

[Redacted]

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Kampuchean Vice Prime Minister for Foreign Affairs Ieng Sary extended an invitation to Waldheim when he was at the UN in mid-October. Like the Kampuchean steps to improve diplomatic relations with several Southeast Asian states, a planned tour of Angkor Wat for Bangkok-based diplomats, and the recent invitation for American and British journalists to visit Kampuchea, the invitation to Waldheim seem designed to forestall Vietnamese military attacks expected to be launched in late November or December.

[Redacted]

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Southeast Asian states, concerned that a major Vietnamese drive might lead to the installation of a pro-Vietnamese regime in Phnom Penh, joined the US and China in urging Waldheim to schedule a trip as early as possible. Waldheim announced in early November that he would accept the Kampuchean invitation, but made it clear that he wanted to visit Vietnam at the same time. The Vietnamese had invited Waldheim to visit the year before, but showed little enthusiasm for a trip this fall. Although Kampuchea quickly accepted Waldheim's proposal for a late November or early December visit, the Vietnamese stalled and eventually suggested that a visit next summer or possibly in late March and April would be preferable.

[Redacted]

Waldheim subsequently scheduled a visit to Thailand, Malaysia, Indonesia, Singapore, and Kampuchea in late January and February, indicating that he would follow through even if the Vietnamese did not extend an invitation. Last week Hanoi apparently agreed to a February visit.

[Redacted]

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Although Western diplomats had initially expressed hope that the visit to Kampuchea might help ameliorate repressive domestic policies there, it is unlikely that the Secretary General will be able effectively to press the issue. Waldheim's trip will help legitimize the current regime, however, and will enable the Kampuchean leaders to focus attention on the threat of Vietnamese aggression. Together with pressures on Hanoi exerted by other states concerned with the stability of the area, the visit could cause the Vietnamese to scale down their plans for military action in the coming weeks. [redacted]

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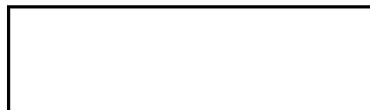
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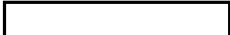
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Japan: Relations With Eastern Europe (U)

Despite the quickened pace of contacts between Japan and Eastern Europe in the past year, Tokyo's objectives in developing its economic and political ties in the region remain modest. Japan hopes steadily to expand economic relations, to help diversify its trade pattern over the long term, and to develop further its political channels of communication. The Japanese also hope to use the East Europeans as a litmus to test Soviet attitudes toward Tokyo and as conduits to transmit Japanese views to Moscow. The visit last month of Japanese Foreign Minister Sonoda to Budapest and Prague and the trip of Polish Prime Minister Jaroszewicz to Japan, and earlier visits to Tokyo by Bulgarian President Zhivkov and Yugoslav Vice Premier Sefer have all partially fulfilled these objectives. 

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Sonoda's chief mission in Hungary and Czechoslovakia was to present Tokyo's interpretation of the recently signed Sino-Japanese peace and friendship treaty--that is, that the treaty was neither anti-Soviet in content nor did it portend the formation of China-Japan-US entente. Both the Hungarian and Czechoslovak Foreign Ministers expressed concern that Japan may be forced to adopt an anti-Soviet policy by China, but Sonoda assured them that Tokyo would not bow to Peking. 

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Despite Prague's and Budapest's interest in increased trade, investment, and scientific and technological assistance from Japan, Sonoda's visit did not result in substantially enhancing such ties. A joint communique issued in Prague announced the creation of a commission to study bilateral trade and economic issues and the conclusion of an agreement on science and technology, but the Japanese Foreign Ministry does not expect these to lead to a significant expansion of economic ties. Japanese-Czechoslovak trade totaled \$80 million last year, with a \$10 million surplus in Czechoslovakia's

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favor. By contrast, Japan's 1977 trade with Hungary ran heavily in Tokyo's favor--\$49 million in exports to Hungary compared to only \$11 million in imports. Hungarian Foreign Minister Puja expressed concern over this imbalance, but Sonoda apparently did not make any commitments to remedy the situation. [REDACTED]

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The timing of Polish Prime Minister Piotr Jaroszewicz's visit to Japan may have aroused anxiety in Moscow since it came on the heels of the ratification of the Sino-Japanese treaty. During the visit, Polish officials implied to the Japanese that Warsaw had placed itself in a "sensitive position" by going ahead with the visit as scheduled. Although he accepted the Japanese interpretation of the anti hegemony clause, he noted his misgivings about China's interpretation and about Peking's use of the clause in its anti-Soviet campaign. During the visit, Polish and Japanese officials signed a treaty of commerce and navigation in addition to a number of agreements concerning scientific and technological cooperation, cultural exchange, export of Polish products to Japan, and the extension of \$450 million worth of credits to Poland. [REDACTED]

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Visits to Tokyo earlier this year by Bulgarian President Zhivkov and Yugoslav Vice Premier Sefer focused primarily on economic issues, but produced few substantive results. The Japanese rebuffed repeated Bulgarian requests for special economic considerations, such as a long-term, low-interest loan for a port project on the Black Sea, asserting that Bulgaria's per capita GNP was too high to warrant such treatment. Tokyo, however, did agree to set up a joint economic commission to review annually trade and economic relations between the two countries. Because of Yugoslavia's six-to-one trade imbalance with Tokyo, the Japanese agreed to establish a joint governmental commission to review trade and economic relations and to begin negotiations on agreements on double-taxation and cooperation in science and technology. [REDACTED]

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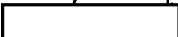


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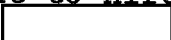


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Indonesia: Prisoner Releases (U)

With the release this month of two batches of Communist detainees, Indonesia will have freed 10,000 political prisoners this year. Those released are among the last of up to 200,000 Communist suspects rounded up after the unsuccessful Communist coup attempt in 1965. Most were released by the early 1970s, but about 30,000 were still in detention camps two years ago when Jakarta, stung by increasing international attention to the large number of its political prisoners, announced a phased release program. About 10,000 prisoners were freed in December of last year. 

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Slightly fewer than 10,000 Communist suspects remain in Indonesian jails, and Jakarta promises to release them over the next year. About 1,400 of these are considered hardcore and unrepentant. The Indonesian Government appears intent on going through with the release program even though both the military hierarchy and much of the general populace are apprehensive over the subversive threat from confirmed Communists. Those released have been encouraged--though not compelled--to enter government resettlement projects where they could be watched, but about 80 percent have opted to return to their home areas despite the difficulty of finding land or getting jobs from employers reluctant to hire persons with a history of political problems. 

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Indonesia's uneasiness over the prospect of releasing the remaining hardcore prisoners is in line with its initial reluctance even to consider releasing any members of a group it saw as a major security threat. Although Jakarta felt obliged to respond to expressions of concern over the issue of political prisoners from the United

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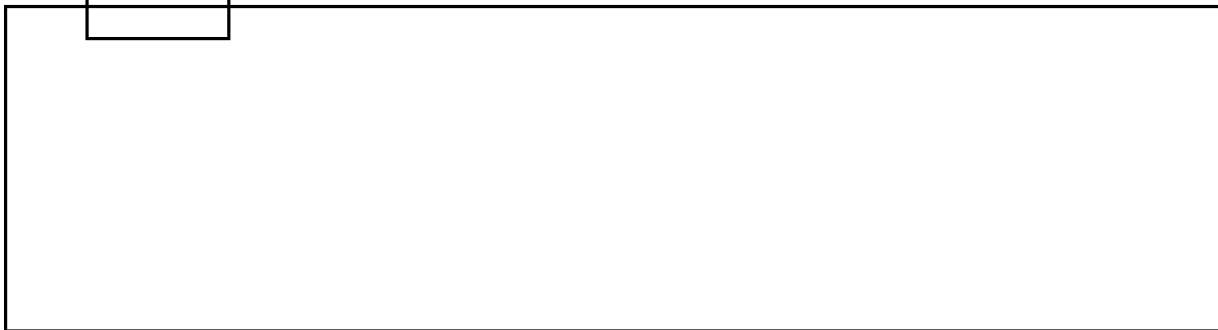
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States and other governments and to publicity by such groups as Amnesty International, it tried to impress on foreign critics the special circumstances that, in its view, dictated the indefinite detention of large numbers of prisoners. [redacted]

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Most Indonesians are not concerned about the prolonged detention of the Communist suspects, whom they see as the instigators of the turmoil following the 1965 coup attempt. Extended detention without trial has been both customary and in accordance with Indonesian law, and Indonesian officials tend to equate "legal" with "proper." Vice President Adam Malik, in his former role as Foreign Minister, argued that practices the US saw as violations of human rights were in accord with domestic Indonesian laws and thus were an internal legal matter.

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[Redacted]

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New Zealand: Prime Minister Shifts Tactics Following Close Election (C)

In the aftermath of the 25 November parliamentary elections--a cliffhanger until a number of tight contests were finally decided--Prime Minister Muldoon has swiftly appointed several previous backbenchers to his cabinet and has relinquished his administrative responsibilities as leader of parliament. [Redacted]

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Muldoon's National Party held onto its majority in the 92-seat parliament by a slim margin--the National Party won 49 seats, Labor 41, and the Social Credit Party one, with another seat still in doubt. The sagging New Zealand economy was an important factor in the erosion of the government's support among the electorate.

[Redacted]

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By divesting himself of the parliamentary leadership role, which saw him at the center of so many parliamentary wrangles in the past, Muldoon obviously hopes to appear responsive to his party's appeal to trim his sails somewhat in the interest of party unity. [Redacted]

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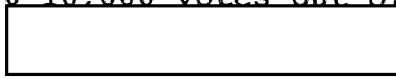
In addition, Muldoon brought six young party members into his cabinet and catapulted his most junior cabinet minister into the tough senior labor portfolio. The New Zealand Prime Minister may have stilled party criticism of his campaign performance with this cabinet shakeup, but the real question is whether he can moderate his political style and at the same time provide firm leadership. [Redacted]

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For its part, Labor has reacted to the close election with its own personnel shifts and the creation of several study committees, the most important of which

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are the economic and electoral groups. Labor will be looking at the question of parliamentary voting and proportional representation. Labor managed to gain a slight edge in popular vote over the government party-- some 8,000-10,000 votes out of a total of about 1.7 million.



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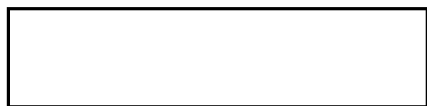
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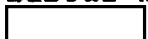
Okinawa: Liberal-Democratic Party Return to Power (U)

The victory of the Liberal-Democratic Party (LDP) gubernatorial candidate in Okinawa--the first in 10 years--continues the trend of conservative victories in local elections this year. 

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The success of the LDP candidate, former Dietman Junji Nishime, will underwrite the political dominance of the conservatives in the prefecture and is likely to further strengthen the local government's positive attitude toward the US military on the island. Nishime, however, still faces a prefectural assembly in which the reformists retain a narrow edge and an entrenched bureaucracy whose loyalties are to the reformist-controlled trade unions. Any change in these attitudes will only occur gradually as Nishime consolidates his control. 

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Although the reformists have opposed the US military presence over the years, the issue is no longer as politically sensitive as in the 1960s. For example, the "Anti-A-and-H-Bomb Council," which supports the reformist parties, is no longer able to generate mass campaigns against US bases. In addition, organizations such as the US Base Workers Union, which provided most of the recruits for anti-base and other radical movements, have seen a decline in membership. 

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During the gubernatorial campaign, Nishime enjoyed several advantages over his opponent. A number of high-ranking LDP officials, including Masayoshi Ohira, who was recently elected Prime Minister, came to Okinawa to campaign for him. Nishime also had the advantage of quickly winning the LDP's endorsement after the unexpected resignation of the former governor. By contrast, reformist candidate Hideo Chibana, the former prefectural assembly chairman, required the approval of six separate organizations. Chibana was not as well known as Nishime and probably did not generate much enthusiasm either among the committed leftists or among the important,

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uncommitted voters. Nishime's focus on unemployment as his key issue was apparently an important factor in his victory as was his ability to use his LDP connection to obtain central government funds to assist Okinawa's economy. [redacted]

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The election of a conservative governor culminates a series of electoral successes that began last April when a conservative won the mayor's seat in Okinawa City, thus ending a 20-year reformist reign. So far, the LDP has won 19 out of 26 local elections this year. For example, the LDP won by a substantial margin a special election held in Hirara City, where the reformist mayor and numerous other key city officials had been indicted on corruption charges. The city of Hirara had been a reformist stronghold for a decade and this victory now gives the conservatives control of five of 10 Okinawan municipalities. [redacted]

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As in other local elections, the voters' choice of Nishime showed their preference for an administration that stressed the need for promoting industry and growth of employment. The election coincided with the launching of the new administration of Prime Minister Ohira and could lead to further LDP victories in prefectural and local elections scheduled to be held in Okinawa next year. [redacted]

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