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INTERNATIONAL ISSUES MONTHLY REVIEW

28 October 1977

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Note: As a result of a reorganization, effective 11 October 1977, intelligence publications formerly issued by the Directorate of Intelligence and by the National Intelligence Officers are now being issued by the National Foreign Assessment Center. Publication covers and titles have been adjusted to reflect this change. This publication was formerly titled *International Issues Regional and Political Analysis.*

This publication is prepared by the International Issues Division, Office of Regional and Political Analysis, with occasional contributions from other offices within the National Foreign Assessment Center. The views presented are the best judgments of individual analysts who are aware that many of the issues they discuss are subject to alternative interpretation. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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The Political Implications of the Japanese Red Army Hijacking

In recent weeks the governments of Japan and the Federal Republic of Germany have been faced by incidents in which hostages have been seized by terrorists to force the release of jailed comrades and to secure the payment of a substantial ransom. This study discusses the underlying factors that influenced Japanese decisionmaking in responding to the recent JAL hijacking, as well as some of the domestic consequences and international implications of the incident. A future edition of International Issues will discuss the contrasting West German approach to the Schleyer kidnaping and Lufthansa hijacking.

The Bargaining

On 28 September, Japanese Airlines flight 472 from Paris to Tokyo was hijacked after its stop in Bombay by members of the Japanese Red Army (JRA). After diverting the plane to Dacca, the group threatened to kill the passengers if the Japanese Government did not free nine prisoners and pay a ransom of $6 million, as well as locate a nation willing to grant safe haven to the hijackers. After five days of tense negotiations, punctuated by an abortive coup in Dacca, the Japanese Government paid the ransom and flew to Dacca the six prisoners who were willing to join the terrorists. The hijackers ended the episode in Algiers on 3 October after releasing hostages in Dacca, Kuwait, and Damascus along the way.

The initial Japanese Government reaction to the hijacking was to stall negotiations with the terrorists on board the aircraft until an analysis of the situation could be completed. The next day, the Japanese Cabinet decided, after much heated debate, to accede to the demands of the terrorists to ensure the safety of the 151 hostages.

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This decision was apparently influenced by the following considerations:

-- It was reasonable to conclude from available information that the terrorist group was able and willing to kill any number of the hostages to achieve its ends.

-- A number of countries had expressed official concern for the safety of their citizens on board the aircraft.

-- After serious consideration of the option, it was concluded that the Japanese Government did not possess the capability to mount an effective rescue operation.

-- A similar incident two years earlier, which had been resolved by complying with the terrorist demands, had resulted in the release of all hostages and little if any domestic outcry in Japan.*

Once the decision was made to comply with the demands, the hijackers were assured, through a Bangladesh intermediary, that further delays were necessary to collect the money and assemble the prisoners willing to be released. At the same time diplomatic efforts were initiated to determine which countries would grant the aircraft authority for overflight and refueling and a safe haven for terrorists.

**In August 1975, five members of the JRA seized the US Consulate in Kuala Lumpur, holding more than 50 hostages and demanding the release of seven prisoners in Japan. The Japanese Government complied with the group's demands and flew the five prisoners who were willing to join the terrorists to Kuala Lumpur. The group was granted safe haven in Libya, where they have since received training. Some of the individuals in the Kuala Lumpur case reportedly participated in the recent hijacking.*

Although a number of countries were willing to allow overflight, and some even landing rights for refueling, the Japanese Government found it difficult to find a nation willing to be the final destination. This problem probably can be ascribed to a combination of circumstances not present in the Kuala Lumpur incident and not anticipated by Japanese officials:

-- The more moderate Arab countries have attempted to persuade many of the more radical nations that chances for favorable resolution of the Palestinian issue could be hindered by the adverse publicity associated with assistance of terrorist groups.

-- Most radical Arab countries recognize that they may have more to lose than gain by providing assistance to terrorist groups whose political interests are geographically remote from the Arab world.

-- Radical governments with any level of commercial ties to the West find that such ties are used as leverage to discourage active support of terrorist groups.

After the Japanese contacted several countries who were considered likely to grant safe haven, only Algeria indicated any interest, subject to five conditions:

-- The hijackers must express a desire to make Algeria a final destination.

-- Japan must endorse this request.

-- Japan must forgo any subsequent demands for the prosecution, deportation, or extradition of the hijackers and the released prisoners.

-- Japan must give up any claim to the $6 million ransom.

-- Algeria must be made to appear as a reluctant recipient whose intercession in the matter was motivated by humanitarian considerations.

The Japanese Foreign Ministry agreed to these conditions and informed Algerian officials that it would issue a statement expressing its gratitude to Algeria for its humanitarian actions and revealing the fact that Japan would not seek return of the offenders or the ransom. Such a statement was issued at the conclusion of the incident, and for a brief period the matter appeared to be at an end.

Domestic Reaction

Shortly thereafter, however, Japan's handling of the incident sparked wide domestic criticism that apparently caught the government by surprise. The Japanese leaders were presumably expecting little more than a brief flurry of reaction tempered greatly by a sense of relief that the incident ended without loss of life. It seems as if too little attention was paid to the influence of the following circumstances:

- This was the second such incident to occur, and it was thought that the precedent established by the government's concession to terrorist demands in both cases would encourage further such attacks.

- During the past year and a half, Israel and the Netherlands had registered spectacular successes by refusing terrorist demands and successfully freeing hostages by force of arms.

- The Japanese public was apparently embarrassed by the relatively indecisive and weak-willed performance of their leadership in this incident.

The storm of domestic criticism has sparked political sniping at Prime Minister Fukuda even within the cabinet. This dissension reflects an attempt by some cabinet ministers to dissociate themselves from the government's handling of the incident. Responsibility for the decision was officially borne by the Minister of Justice, who opposed capitulating to the terrorist demands and dramatically resigned after the incident.

Foreign Minister Hatoyama and other Foreign Ministry officials have so far borne the brunt of criticism for allegedly giving in to the Algerian demands without formal cabinet approval. The cabinet endorsed the decision after the fact, and Foreign Ministry officials maintain that they had tacit cabinet approval before accepting the Algerian conditions.

Despite the previous agreement with the Algerians, Prime Minister Fukuda has sought to contain the controversy by attempting to open negotiations for return of the hijackers. For the moment, the Japanese have requested that the Algerians prevent the hijackers from leaving the country and ensure that the $6 mission ransom is not diverted to terrorist coffers.

Algeria has been quick to reject any consideration of the Japanese request and has publicly condemned the Japanese for attempting to exploit its humanitarian efforts. The Algerian response and the recent success of the West Germans in the Lufthansa hijacking add to the arguments of those who question the ability of the government to function effectively in crisis situations.

Implications

This backlash will probably serve to restrict the government's freedom of action in dealing with future incidents.* The unfavorable comparison to the West German rescue mission will lead to pressures for creation of a similar Japanese commando squad. Such pressures could force the government to engage in a potentially dangerous military operation even in cases where it would prefer a negotiated settlement. Public concern

Taketomo Takahashi, the reputed logistics chief for JRA operations in Europe, remains in a Japanese prison. The recent JRA success could spark a quick action to secure his release, although the failure of the Lufthansa hijackers might be interpreted as requiring more careful planning for any attack.

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for security will in the meantime lead to increased vigilance by the authorities. The Japanese police have already conducted several raids on the homes of leftists believed associated with the hijacking, while JAL and airport officials are implementing plans for tightening boarding gate search operations.

In the JAL (as well as the Lufthansa) case, most of the nations that had previously served as terrorist refuges shifted course and denied landing, refueling, and safehaven privileges to hijackers. Western governments have been buoyed by this turn of events and believe that this may serve as an additional deterrent to future attacks. The increased interest in establishing commando squads may also be seen as a deterrent to terrorist attacks. Nevertheless, the tactic of hostage-taking has remained a major tool in the operational repertoire of publicity-conscious terrorists who, over time, have sought to devise new techniques for circumventing security measures. When the next such incident occurs, there is likely to be increased pressure for the target government to eschew negotiations and use force. Such a limitation in freedom of action could lead to unnecessary casualties among hostages. [redacted] 25X1

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The Terrorist Threat Against Americans in Iran

Terrorist organizations do not at this time pose a threat to the stability of the Shah's regime, but they constitute a major security problem. The threat of terrorist attacks against US citizens and Iranian officials remains high in spite of the lull in terrorist activity in Iran this year. The attempt in France on 13 September on the life of the Shah's twin sister, Princess Ashraf, probably the work of Iranian terrorists operating in Europe, is a pointed reminder that the terrorists are still active. Indeed, it is possible that they may mount some operation during the President's forthcoming visit to Tehran in order to embarrass the Shah.

The US Target

[redacted] a pattern of attacks against US residents in Iran in the past four years leave no doubt that the US community is a prime target of Iranian terrorists. Since 1973, terrorists have killed six Americans in Iran; the latest victims were three employees of Rockwell International who were shot in August 1976. The other three were military advisers assigned to the US military mission. 25X1

The sprawling US community--it numbers about 30,000, the majority of whom are in Tehran--presents a highly vulnerable target to the terrorists. Although the 1976 killings drove home to US residents the dangers they faced, with the passage of time the US community has imprudently relaxed its security practices.

There are at least four reasons why the terrorists believe that attacks against US residents serve their political objectives:

-- Spectacular acts of violence against US citizens receive heavy news coverage that focuses domestic and international attention on opposition to the Shah.

- The assassination of US nationals by terrorists is intended to discredit and embarrass the Shah by demonstrating that SAVAK (the National Intelligence and Security Organization) is ineffectual in protecting the citizens of Iran's most important ally.

- The terrorists apparently hope to stimulate enough fear to prompt many US civilians to return home. As Iran depends heavily on American personnel to help carry out its economic and military modernization programs, even a limited exodus would probably impede that effort, if only temporarily.

- The terrorists probably calculate that the killing of foreigners does not trigger as harsh a retaliation from the security services or arouse the same popular revulsion as does the slaying of Iranian nationals, particularly members of the royal family and other prominent figures. [redacted]

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Terrorists and Their Assets

Two major terrorist groups have been active in Iran in the past five years.

The People's Strugglers, while led by Marxists, appeal to ultraconservative religious groups that deplore the growth of Western, non-Muslim influences and the diminished power of traditional religious leaders that resulted from the Shah's program of land and social reform. The group's leaders, for the most part, have been successful in masking their ideology from the rank and file who are drawn from the Islamic-oriented lower and middle classes.

The Strugglers' strategy is to destroy the present government by attacking its main bases of support, which in the eyes of the terrorists include the US. Assassination of Americans is an avowed goal of the People's Strugglers; the organization is generally accepted as having been responsible for the slaying of the six US nationals in Iran.

The other important terrorist group is the People's Sacrifice Guerrillas, a secular Marxist organization. The Guerrillas have been much less active operationally than the Strugglers, and it is not clear why the group has not put its ample resources of equipment and manpower to fuller use. There is no evidence the group has been involved in attacks on US personnel, and [redacted] the Guerrillas do not view the US community in Iran as a prime target. Ideological differences between the two groups have precluded joint operations, although there is limited cooperation in the exchange of information, arms, and supplies.

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Despite rather vigorous activity, Iran's counterterrorist task force--a joint security unit staffed with SAVAK and national police officers--has so far been unable to impair the capability or disrupt the organization of these two groups to any significant degree. The deaths of two key leaders last year in clashes with security agents temporarily disrupted terrorist operations. But the core leadership remains essentially intact, for the majority of terrorists killed by the security forces in the past two years have been low-level members of their organizations.

Security officials have no reliable figures on the strength of either terrorist group. The government's best source of information comes from captured terrorists, but there are few of these, most preferring suicide. The number of terrorists the security forces have netted in sweep operations suggests the two organizations have no problem in recruiting new members. [redacted]

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The quantity and sophistication of the weapons available to the terrorists are impressive. Their arsenal includes assault rifles, armor-piercing rifle grenades, and possibly mortars, which allow them considerable flexibility in their tactics.

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Foreign Ties

Tehran's effort to come to grips with its terrorist problem has been concentrated on apprehending dissidents within the country. Such countermeasures probably will not be effective until the security services devise means to cut off the internal terrorist network from its external base of support.

Links between terrorist organizations in Iran and dissident Iranian groups in the United States and Western Europe have apparently been strengthened. [redacted] [redacted]

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[redacted] This foreign support of the terrorists is a major factor in the Shah's refusal to restore diplomatic ties with Tripoli and Havana or to allow the Palestinian Liberation Organization to open an office in Tehran.

Iranian terrorists received support from the Iraqi Government before the Iran-Iraq accord in 1975. Active Iraqi support probably ended with the accord, although Baghdad probably does little to halt the flow of funds to the terrorists through Iraq.

A number of terrorists arrested in recent months received training in the People's Republic of China in the late 1960s. There is no evidence that such training has continued, and for the last five years China has assiduously cultivated good relations with Iran. [redacted]

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The USSR has long been on record as opposing political terrorism as an instrument of international revolutionary activity. It is therefore not surprising that there is no evidence of Soviet support for terrorist activity in Iran. While the absence of documentary evidence does not prove a lack of Soviet support for terrorists in Iran, the growing importance of Iran in the area, the complex economic relationship that exists between the two countries, as well as their proximity argue against such support.

The Outlook

The lull in terrorist activity in Iran during 1977 should not be misconstrued as a sign that the threat is receding. As indicated above, both of Iran's major terrorist groups remain organizationally intact. They are well armed. They continue to enjoy financial and logistic support from sympathetic foreign governments. They have been methodically strengthening their links to Iranian dissident groups abroad. And they remain committed to terrorist violence.

It would appear, therefore, that for the past year Iranian terrorists have simply been biding their time, building up their operational capabilities while waiting for opportunities for dramatic attacks. The distinct possibility exists that they may try to mount some operation--against either American or Iranian targets--in connection with President Carter's scheduled visit to Iran on 29 November in order to embarrass the Shah. Such an operation would not be unprecedented. Although Vice President Rockefeller's and Secretary of State Kissinger's visits to Iran in 1976 passed without incident, bombings occurred during President Nixon's visit in 1972 and on the eve of Secretary Kissinger's arrival in Tehran in 1974.

In any event, it would appear that the efforts of the People's Strugglers and the People's Sacrifice Guerrillas to rebuild and reorganize in the wake of losses suffered in early 1976 are not now well advanced. It therefore seems likely that the coming year will witness a resurgence of terrorist violence by Iranian dissidents. To the extent that such violence continues to be manifested in Iran, the danger to the American community there will mount accordingly. In addition, the terrorists' apparent success in tapping dissident groups in the farflung Iranian expatriate community suggests that the attack on Princess Ashraf in France may be the harbinger of further such activity outside Iran. If this turns out to be the case, Iranian terrorists may target American citizens or installations in third countries as well.

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Conflict and Cooperation in Current World Politics

On such global issues as energy shortages, trade and development problems, food-population pressures and threats of nuclear proliferation and increased arms transfers, the current scene is characterized both by increased verbal commitments to the necessity for international cooperation and increased domestic pressures to pursue national advantage at the risk of conflict. The following article attempts to illuminate the apparent increased complexity of world politics by underscoring the common origins of the pressures for cooperation and conflict and thus the seeming inability of countries to pursue one or the other course consistently.

* * *

Contradictory pressures for conflict and for cooperation have almost always been at play in international relations; even during the height of the Cold War, superpower competition had to be tempered by implicit agreements to avoid a nuclear holocaust. These contradictory forces, however, seem to be particularly central to the explanation of world politics during the present period.

The factors contributing to the present premium on international cooperation are many, although they themselves reflect competitive situations in which either cooperation or conflict can dominate. First, there is a new sensitivity to international economic dislocations and a growing awareness of economic interdependence, which stems from the recognized dependence of most countries on imported oil and raw materials, the periodic reliance of the Soviet bloc on Western food imports, the persistent threat of international monetary difficulties, and the increased influence on events of multinational firms. The increased awareness of economic interdependence has led policymakers to place new emphasis on a search for international solutions that are of mutual or reciprocal benefit.

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Second, the industrial democracies face increased domestic obstacles to controlling developments beyond their peripheries, especially where the use of military power overseas or large amounts of economic assistance would be required. The abatement of domestic support for an assertive foreign policy reflects (1) a decline in the perception of immediate security threats associated with the height of the Cold War; (2) disenchantment with the costs and risks of extensive overseas involvement; and (3) constraints caused by slower rates of domestic economic growth amid intensifying demands for social and economic benefits. There is also considerable information to suggest that there are growing domestic economic and social pressures within the USSR that place similar, if considerably weaker, constraints on the governing elite concerning the extent to which defense expenditures can take precedence over the production of consumer goods. These domestic pressures work to prevent leaders from looking at the world in terms of simple competition for national political, military, or economic advantage and force them instead to develop more complex and ambiguous national objectives and policies that rely on cooperation as well as competition.

Third, domestic inhibitions on assertive foreign policies, together with the growing wealth and regional influence of certain LDCs (for example, Iran, Saudi Arabia, Brazil, Venezuela) and the rise in assertiveness on the part of LDCs generally, have contributed to a diffusion of power in international relations. This is manifested most clearly in the increased frequency and effectiveness with which the nonindustrial countries, individually and collectively, challenge the general authority and specific policies of the industrial powers.

External constraints affect the usefulness of an assertive foreign policy for the USSR and China as well as for the industrial democracies. While the Communist powers may at times attempt to take advantage of opportunities for foreign adventure, their cost-benefit calculations are also conditioned by the diffusion of power, especially in regard to the growth of nationalism among LDCs and even within the Communist parties of many countries.

On the other hand, there are both longstanding and newly emerging forces for conflict in the world.

First, although mitigated by the diffusion of power and domestic constraints discussed above, national rivalries for political, military, and economic power continue as a force for conflict whether in the form of a naval presence in the Mediterranean, support of leftist insurgents in Angola, or hard bargaining on economic matters.

Second, there is a marked absence of institutional arrangements--whether designed for mutual defense purposes like NATO, global political stresses like the UN, or economic problems like the OECD--that have a significant capacity to deal effectively with global problems whether by consensus or imposition. This lack of institutional efficacy and the search for new mechanisms to provide forums for decisionmaking have caused considerable conflict as national players strive for advantage in the process (as, for example, at the recently concluded Conference on International Economic Cooperation).

In a sense, the wide scope of global (especially economic) problems, the lack of credible solutions, and the constraints on national governments that underlie the pressures for cooperation also feed the counterpressures for conflict. With little confidence in consensual "fixes" and with fear of the domestic political consequences of intensified economic problems at home, governments feel forced to play for short-term national advantage. This is reflected in intensive high-level bargaining on economic issues not only between industrial and nonindustrial nations but also among the industrial democracies and between them and the Communist powers.

Finally, the apparent growing interconnections between global issues (for example, between energy dependence and nuclear proliferation or between LDC demands and the economic problems of industrial nations) inhibit cooperation on any single issue. The difficulties of dealing with any of the global issues singly are, as a rule, magnified by the reverberations among related issues. The difficulties of attempting national solutions to one or all of the issues are similarly increased. Although the prospects for cooperation might be heightened in the long run, there are serious immediate sources of conflict as each particular problem confronts national leaders with trade-off choices that are difficult to deal with.

An illustration of the tension between the forces operating for and against cooperation can be found in the international energy arena.

25X1 25X1 First, there are opposing forces for conflict and cooperation among the member states of OPEC. The potential regional power conflict over Persian Gulf hegemony between Iran and Saudi Arabia and the ideological and political disagreements between the conservative members [redacted] and the radical members [redacted] represent serious tensions. On the other hand, the desire for joint political influence with regard to settlement of the Middle East dispute and the desire for high national revenues, which stem from the shared control of oil supplies and prices, are strong forces for cooperation.

There are also forces for both conflict and cooperation between the OPEC countries, as a group and singly, and the developed oil importing countries. On the conflict side one finds opposing objectives on the questions of oil supply and price, but on the cooperation side one finds mutual desires for a stable, smoothly functioning international economic system with regard to technology transfer, trade, and investment.

A third set of forces operating for conflict and cooperation exist within the developed oil importing community. There are national rivalries for closer political and economic links with OPEC producers to gain advantage over other consuming states or to avoid damage being inflicted on them (as in the French attempts at reaching bilateral agreements). One also sees, however, a genuine desire for joint energy research projects, resource development cooperation, financial integration, and protective emergency sharing programs.

The meaning for US policy in this mosaic of cooperation and conflict is that we face increased uncertainty and challenges to our freedom of action yet have the opportunity significantly to influence events because patterns of national behavior are not narrowly attuned to the attainment of clear, zero-sum objectives.

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The outcomes of interplay between forces operating for cooperation and conflict are difficult to predict, just as the causal relationships among various global issues and international trends are difficult to align with confidence. What seems clear, however, is that the need to manage these global issues effectively--whether to reduce risks or maximize opportunities--will remain a central challenge to US foreign policy at least for the remainder of the 1970s and the early 1980s.

Despite the explicit and implied limitations to its freedom of action, the US (especially in the context of basically harmonious relations with the other industrial democracies) remains the single most powerful and influential country in the international arena. Most LDCs remain poor, weak, and problem stricken and thus potentially susceptible to US influence and power when the latter are clearly delineated and forcefully projected. Countries with some attributes of wealth and power remain highly dependent in key areas (for example, the oil-rich countries seek technological development and military security). Also, although the Soviet Union is a superpower in strategic military terms, it generally cannot match potential US influence and freedom of action in global issues in terms of economic wealth and power, technological prowess, and alliance and other diplomatic networks. Therefore, although the US can now rarely expect to control the outcome of complex international events to the extent it did from the late 1940s to the early 1960s, its ability to affect the ways in which global issues will be addressed and what kinds of bargains may be struck is still impressive. [redacted] 25X1

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Regional Powers and the North-South Dialogue

Next month President Carter is to visit six developing countries that have played important roles in the North-South dialogue. These countries--Venezuela, Brazil, Iran, Saudi Arabia, India, and Nigeria--are also influential in regional politics and desire enhanced status and authority in global affairs as well. This article discusses the goals of these countries in the context of LDC demands for a "New International Economic Order (NIEO) and assesses the near-term implications for the North-South dialogue.

* * *

The countries on the President's itinerary are not typical developing countries. Five (India is the exception) are major beneficiaries of the present international economic system and have experienced long-term GNP growth that has stayed well ahead of population growth. Four (Brazil, Venezuela, Saudi Arabia, and Iran) have "graduated" from the ranks of the LDCs eligible for concessional aid from the World Bank and the US Government. Nigeria (whose per capita GNP is now only $50 below the concessional aid cut-off point of $520) has a larger GNP than the rest of black Africa combined and in a few years is expected to surpass South Africa. Together, the four OPEC states the President will visit supply roughly one-half of US imported oil.

North-South Policy

There are substantial differences in approach to the North-South economic dialogue among these six countries as compared with that of the "Group of 77" (the LDC caucus). In fact, many LDCs do not consider Saudi Arabia or Brazil as developing countries. Saudi and Brazilian leaders have been extremely ambivalent about participating in the North-South dialogue on the G-77's side. Their views on key issues are very close to those of the industrialized countries, and they believe that in general the demands of the LDCs must be reduced to more realistic levels.

Most LDCs seek increased aid. The countries the President will visit seek increased access to industrial country resources largely through trade and private finance. Most LDCs support a Common Fund to raise substantially the prices of the commodities they export. These six countries are net importers of many commodities produced in the Third World. Thus, the launching of such a fund would probably result in net foreign trade losses for all six countries and is opposed behind the scenes by their leaders.* Finally, most LDCs want to restrict the activities of multinational corporations that they believe undermine their sovereignty. A prime concern of the leaders of the six countries is attracting increased foreign investment.

Nevertheless, the six countries the President will visit attach considerable political importance to the North-South dialogue. Each views the dialogue as a means of enhancing its influence among the developing countries. Notwithstanding the differences in specific goals and tactics among them (summarized in the accompanying chart), each shares with the LDCs as a bloc the desire both to alter the distribution of power and authority in international affairs (by, for example, enhancing LDC control over international financial institutions) and to narrow the income gap between rich and poor countries.

Like many LDCs, these six countries see NIEO political objectives as essential to insulate them from external pressures for economic changes they are reluctant to make for domestic political reasons (for example, World Bank pressure for monetary and fiscal policy reforms, or US emphasis on a Basic Human Needs approach to development strategy). This is even more the case for protection against the use of international financial institutions to put pressure on them in the areas of human rights or nuclear proliferation. They see these pressures as an infringement on their sovereignty and an effort to constrain their ability to act effectively as a regional power.

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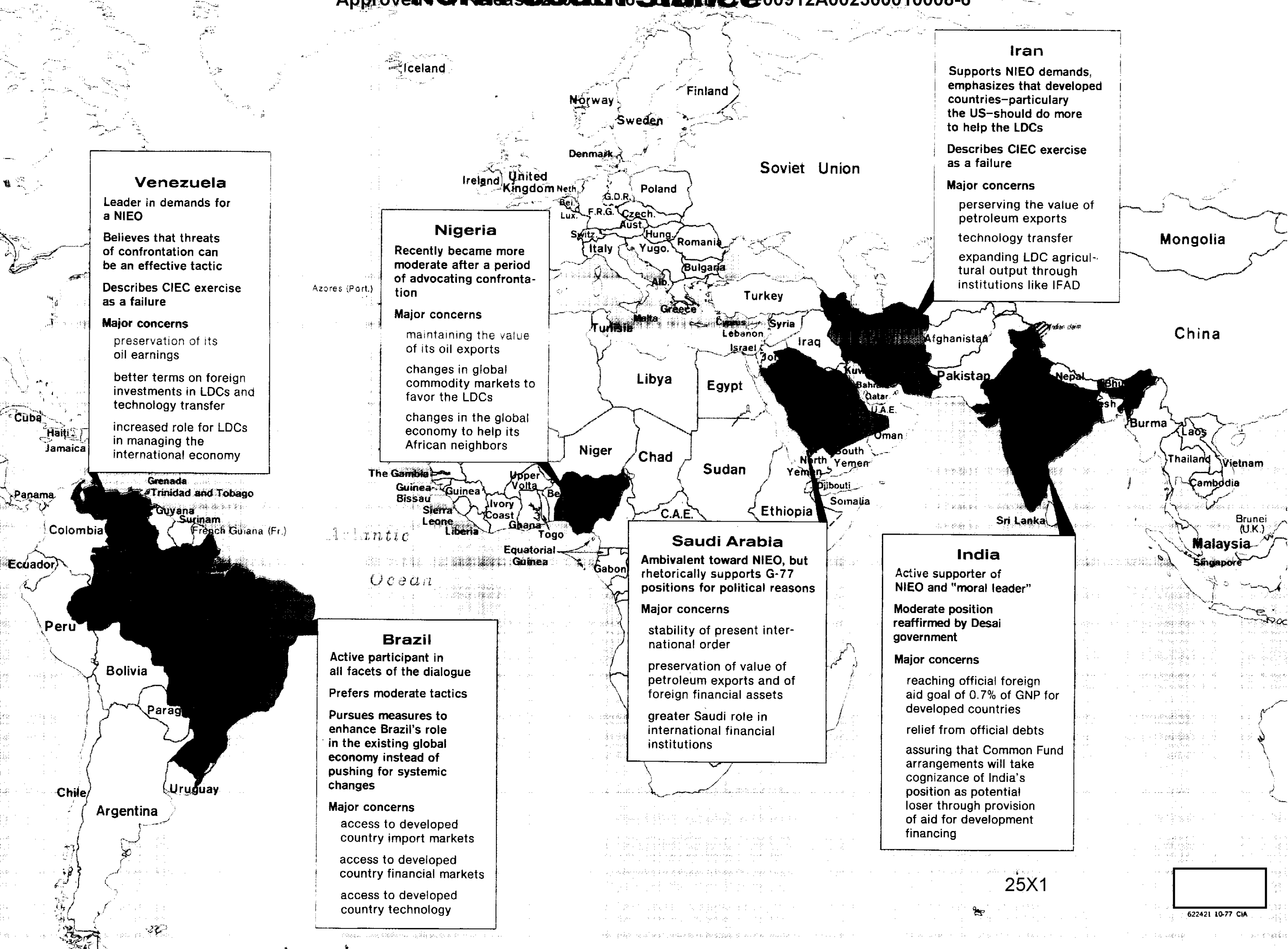
North-South Stance



Venezuela

Leader in demands for a NIEO

Believes that threats of confrontation can be an effective tactic

Describes CIEC exercise as a failure

Major concerns

- preservation of its oil earnings
- better terms on foreign investments in LDCs and technology transfer
- increased role for LDCs in managing the international economy

Nigeria

Recently became more moderate after a period of advocating confrontation

Major concerns

- maintaining the value of its oil exports
- changes in global commodity markets to favor the LDCs
- changes in the global economy to help its African neighbors

Iran

Supports NIEO demands, emphasizes that developed countries–particulary the US–should do more to help the LDCs

Describes CIEC exercise as a failure

Major concerns

- perserving the value of petroleum exports
- technology transfer
- expanding LDC agricultural output through institutions like IFAD

Brazil

Active participant in all facets of the dialogue

Prefers moderate tactics

Pursues measures to enhance Brazil's role in the existing global economy instead of pushing for systemic changes

Major concerns

- access to developed country import markets
- access to developed country financial markets
- access to developed country technology

Saudi Arabia

Ambivalent toward NIEO, but rhetorically supports G-77 positions for political reasons

Major concerns

- stability of present international order
- preservation of value of petroleum exports and of foreign financial assets
- greater Saudi role in international financial institutions

India

Active supporter of NIEO and "moral leader"

Moderate position reaffirmed by Desai government

Major concerns

- reaching official foreign aid goal of 0.7% of GNP for developed countries
- relief from official debts
- assuring that Common Fund arrangements will take cognizance of India's position as potential loser through provision of aid for development financing

Iceland
Norway
Sweden
Finland
Denmark
Soviet Union
Ireland
United Kingdom
Neth.
Bel.
Lux.
G.D.R.
Poland
F.R.G.
Czech.
Aust.
Switz.
Hung.
Romania
Italy
Yugo.
Bulgaria
Alb.
Greece
Turkey
Azores (Port.)
Tunisia
Malta
Cyprus
Syria
Lebanon
Israel
Jordan
Iraq
Libya
Egypt
Kuwait
Bahrain
Qatar
U.A.E.
Oman
Afghanistan
Pakistan
Nepal
Bhutan
Bangladesh
Mongolia
China
Burma
Laos
Thailand
Vietnam
Cambodia
Brunei (U.K.)
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Ethiopia
C.A.E.
The Gambia
Guinea-Bissau
Guinea
Sierra Leone
Liberia
Upper Volta
Ivory Coast
Ghana
Togo
Benin
Equatorial Guinea
Gabon
Atlantic Ocean
Cuba
Haiti
Jamaica
Panama
Grenada
Trinidad and Tobago
Guyana
Surinam
French Guiana (Fr.)
Colombia
Ecuador
Peru
Bolivia
Paraguay
Uruguay
Chile
Argentina

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Current Political Dynamics

From the perspective of the leadership of the six countries, considerable progress has been made over the past eight months in injecting a new sense of momentum into the North-South dialogue, and expectations of future progress are high. From the US viewpoint as well, the North-South economic dialogue is currently on track. The bargaining with the LDCs is being driven by specifics and is being carried on in such forums as the IMF, the individual commodity talks, the regional development banks, and the International Fund for Agricultural Development. Most of the rapidly growing LDCs (especially Brazil, Saudi Arabia, and Iran) approach LDC bloc politics cautiously, and behind the scenes have expressed reservations on major G-77 demands like the Common Fund and debt relief. The OPEC states (with the exception of Venezuela and Algeria) have not attempted to apply their oil leverage on politics in the North-South context and are unlikely to do so.

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Outlook

Although the North-South dialogue is now marked by an unusual degree of moderation on the LDCs' part, the atmosphere still is fragile. Over the next three to six months, tensions that could adversely affect North-South relations will probably stem from three main sources and will involve the six developing countries the President will visit.

First, the terms of the bargain that most industrialized countries are prepared to offer in the North-South dialogue will probably be disappointing to all but the most advanced, rapidly growing LDCs. In particular, the poorest LDCs stand to gain little from the issues (for example, Common Fund, debt relief, trade liberalization) currently on the agenda of the North-South dialogue.* Their disappointment could lead to pressures for a new round of confrontation, and this would pose distinct problems for Nigeria (who seeks to be a leader among the Africans) in continuing to support a moderate stance in the North-South dialogue.

Second, the linkages between the political and economic aspects of North-South relations will complicate the specific negotiations ahead. Tensions in the economic talks could disrupt US relations with key LDCs. For example, US overtures in the UN in recent months over the southern African question have been generally well received, tending to build US credibility among Africans (especially the Nigerians). These benefits could be reduced, or even nullified, by a new round of confrontation on economic issues. Moreover, just as the success or failure of talks in the economic sphere can influence political issue areas, international reaction to US policy initiatives in the political arena can also have an effect on the economic talks. Brazil's negative reaction to US pressure on human rights and nuclear proliferation could contribute to persuading the Brazilians--who have long been a force for moderation--to take a more radical stand in the North-South economic dialogue.

Third, simultaneous deadlocks in separate negotiations (for example, stalled multilateral trade talks and perceived backsliding on the Common Fund) would create opportunities for some LDCs (for example, Venezuela) to exploit in pushing the G-77 toward a return to the use of confrontational tactics. Such deadlocks could possibly

**For a preliminary analysis of how poorer LDCs might view the addition of a "Basic Human Needs" strategy to this agenda, see the article in this issue on "LDC Receptivity to a Basic Human Needs Approach to Development Aid."*

cause some relatively recent advocates of nonconfrontational tactics--especially Nigeria and Iran--to reconsider their positions, especially if other countries in their regions begin to question the efficacy of a moderate approach. This might also lead to greater pressure by the G-77 to deal with North-South issues once again in the framework of a polarized UN General Assembly.

The impact that events and developments such as those outlined above could have on the key LDCs the President will visit next month suggests that the state of North-South relations will pose continuing problems for US foreign policy in the period ahead. North-South relations will be particularly important during the President's trip because a major international conference on a key North-South issue--the Common Fund negotiating conference (7 November to 2 December)--will be going on at the same time. Since the leaders of the six LDCs clearly wish to avoid a net loss of support from the industrial countries for their modernization efforts, they will be eager to present to President Carter their views on how the North-South negotiations may best be kept on track. [redacted] 25X1

Basic Human Needs As An Aid Policy

The US has proposed a development aid policy focused on Basic Human Needs (BHN). The implementation of this strategy in ways that are both effective and minimally disruptive to other important US interests is likely to be a particularly demanding task. Some LDC resistance, or even rejection, is probable. Mobilization of an appropriately funded and managed multilateral effort on the part of aid donors will also be difficult.

The first of the following two articles explores the reasons why some LDCs would resist and others accept the BHN approach. The second analyzes attitudes of developed countries to BHN. Future issues of this publication will examine the outlook for BHN in selected individual recipient countries.

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LDC Receptivity to a Foreign Aid Emphasis on Basic Human Needs

This article assesses the likely reaction among LDCs to a proposed foreign assistance strategy that emphasizes the promotion of Basic Human Needs (BHN). Some poorer countries have themselves long advocated such an approach. But many LDCs have reacted to BHN with skepticism or, especially among the rapidly growing countries, resistance. Yet, as the companion article indicates, support for BHN among aid donors will require broad LDC acceptance.

* * *

The Meaning of Basic Human Needs

At the Conference on International Economic Cooperation (CIEC) in May, the US pledged a substantial increase in its foreign assistance over the next five years and proposed a Basic Human Needs approach to development aid. The US Foreign Assistance Act since 1973 has mandated that US bilateral assistance programs concentrate on the needs of the poor, and BHN represents a further evolution of this "growth with equity" approach.

BHN would be an employment-oriented rural development strategy, aimed at the great masses of rural poor and emphasizing increased food production and better nutrition. It would stress land reform, improvement of rural distribution systems, upgrading of marketing and storage facilities, and the strengthening of economic and social services to low income agricultural producers. It would also promote training to enhance capacity for productive employment.

A successful BHN program could help ameliorate LDC food and population problems. The long range answer to LDC food deficits lies in expanded domestic production and in employment and income distribution policies that allow the poor to buy food at world market (that is, unsubsidized) prices. Increased productive employment, the corresponding rise in the standard of living, and the development of a rural social infrastructure could in turn help move the poor through the so-called demographic transition from high to low birth and death rates.*

The Question of Development Strategy

The effectiveness of a BHN aid program will depend upon the willingness of leaders of recipient countries to design appropriate development strategies. In countries such as Jamaica, Burma, Laos, Tanzania, and Algeria, where the development philosophy is based on the need for social and economic equity, BHN would provide support for existing strategies. For those political leaders committed to the classical pattern of development that stresses urban industrial growth, BHN would involve difficult political and economic decisions.

There is a deep-rooted reluctance among some LDC elites to make the shifts in investment from urban to rural development, from capital-intensive to labor-intensive activities, from the production of nonessential consumer goods to essential ones that are required by BHN. Elites bent on rapid modernization prefer urban industrialization to investing scarce capital in agriculture, and foreign aid policies have generally reinforced this pattern. Historically, a negligible proportion of aid has actually benefited agriculture. Indeed, food aid during the 20 years of the PL 480 program encouraged some recipient governments to avoid either making the domestic policy decisions necessary to grow their own food or to earn enough money through exports to pay for food.

Lower death rates, of course, initially result in population increases. But as people realize that declining infant mortality lessens the need for numerous children, fertility should decline sufficiently to cause a net lowering of the population growth rate.

The chief objectives of rural development in most developing countries are to supply industry with raw materials and industrial workers with food and/or to extract an exportable agricultural surplus to finance industrialization. The need for foreign exchange earnings to finance development and pay for imports has led many developing countries to emphasize cash crops for export. Local staples, grown largely by poorer farmers, receive a small percent of government agricultural credits and assistance. In cases such as Mexico, where attempts are made at reconciling greater equity with growth by changing agrarian institutions, the reforms are often partial and concentrated in certain regions.

Domestic Political Problems

The political returns to government elites of attacks on absolute poverty are usually perceived as negligible or negative. The very poor in the LDC are mini-farmers, landless laborers, and recent immigrants to the cities who may soon be forced back to the land by unemployment. They are usually unorganized, uneducated, and inarticulate, and they therefore can exert little leverage on the government. Conversely, the landowning and urban elites are vocal and usually have powerful ties to the government. At least initially, both industrial employers and industrial workers stand to be adversely affected by increased attention to the interests of the rural poor, who would like to earn more in the village through higher food prices and to see governmental resources diverted from industry to agriculture. Often, powerful urban interests that would suffer from a diminution of urban emphasis in development as well as landowners who would be hurt by land reform either dominate the government or exercise considerable leverage in such policy areas.

Sometimes the rural masses are perceived as a potential threat to political stability. Cultural self-awareness and literacy would promote new aspirations and demands, which might overwhelm the government's capability for providing goods and services. The resulting frustration and the demands for greater political participation to assure rural needs might ultimately cause severe political instability.

Another domestic obstacle to BHN arises from the fact that political leaders have sometimes misused foreign aid for their own personal financial or political gain. A BHN program would presumably entail a stringent bilateral or international monitoring program with assured access to the countries involved to measure performance. Although this would increase the chances of a successful aid program, it would be resisted by those elites who had previously misused aid funds.

International Political Problems

More broadly and more importantly, some countries see such a monitoring program as intervention by the industrialized countries. The group of rapidly developing LDCs that are demanding major change in the international order and want increased world power status would be particularly sensitive to the implications of the monitoring process.* For example, Brazilian officials have made clear with reference to BHN that it is not the prerogative of the US to decide how Brazil's economic and social institutions should be designed. If political conditions (as, for instance, those pertaining to human rights) were included as prerequisites for access to the program, some developing countries would resist applying on the basis that these demands impinge on their national sovereignty.

Economic and political elites in some developing countries--such as Nigeria--that enjoy the prestige of extending aid to still poorer countries may be sensitive to any suggestion that they require foreign assistance to provide for the basic needs of their own people. Further, some of the more prosperous LDCs may argue that BHN diverts attention from the obligation of their principal economic trade partners to share in the resolution of their development problems. Other developing countries, such as India and Pakistan, who demand major economic as well as political change in the international order, might fear that concentration on BHN would

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divert attention from these reform goals. Argentinian officials have expressed particular concern that with the great emphasis on BHN at CIEC, little attention was given the countries--such as Argentina--that need access to markets and remain concerned about a tendency in developed countries to deny this access.

Outlook

The poorest countries of the world--such as Bangladesh, Haiti, Guyana, and Laos--seek substantial new official development aid from the industrialized countries. They would probably accept a BHN program that they perceived as supporting their own survival. Because of the limited absorptive capacity of these countries, foreign policy returns for donors would be related mainly to humanitarian rather than economic or security objectives.

The obstacles to successfully implementing a BHN program even in receptive low-income countries center on the adequacy of their institutions and the need for a committed international BHN effort. Massive injections of aid, technical assistance, and training would be necessary to develop the institutional and administrative mechanisms for an effective BHN strategy, and major international financing would be necessary.

Among the more prosperous, politically important LDCs, rejection of the plan is more likely than it is among the poorer. Some upper-tier LDCs with secure political leadership and stable, flexible political institutions may be interested. Even politically stable countries, however, may fear the public pressures resulting from increased demand on inadequate delivery systems and social infrastructure. Countries would probably contemplate applying for BHN funds only if they were confident of the adequacy of existing distribution systems and institutions for bringing social services to rural areas or have a mechanism for quickly establishing such capabilities. For example, Mexico set up in 1973 an integrated rural development project and has begun institutional reforms as well as development of distribution systems and social infrastructure designed to reach the rural poor.

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In addition, an LDC may place high priority on equity and desire access to BHN funds, but lack an adequate bureaucracy to manage such a program and be unwilling to accept the level of foreign intervention entailed in it.

An upper or mid-tier LDC desiring access to a BHN program would, in all likelihood, be one with some existing ideological commitment to improve the situation of the rural poor. In Mexico, for example, the ideological basis for agrarian reform has been a vital part of national doctrine for several decades.

It is in the rich or potentially rich LDCs where US interests will be more clearly advanced because of their real or projected status in world trade and economic patterns, their greater importance in security affairs, and their greater influence in regional and Third World forums. On the technical level, implementation of BHN programs would be less costly and less problematical in these countries with their relatively advanced institutions and infrastructure than it would be among the poorest states. It is among the upper-tier LDCs, however, that resistance to BHN on the basis of its implications for national sovereignty and pride, as well as for development strategies, can be expected to be strongest. Thus, it will be important to exercise care in designing approaches to these countries to try to engage their interest in securing access to the significantly increased aid resources involved in BHN and their enthusiasm for tailoring their own programs.

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Developed Country Attitudes Toward Basic Human Needs

Industrial countries have in general rhetorically endorsed the concept of a development assistance strategy based on basic human needs (BHN), as long as it wins LDC acceptance. But many developed countries question whether it will serve their best interests in relations with the LDCs and appear reluctant to make it the focus of their aid policies. The diversity of industrial country attitudes on the issue indicates that they will probably not be able to agree on a concerted BHN strategy in the near future.

General Developed Country Attitudes

The June OECD ministerial meeting in Paris adopted a declaration on relations with developing countries that reflected points emphasized by the US Secretary of State. The resolution stated that development assistance should meet the basic needs of the poor in all developing countries, as well as contribute to each recipient country's economic growth. In response to Secretary Vance's proposal that the OECD design a program for basic human needs, the DAC formed an experts group composed of representatives from DAC member countries,* international organizations, and LDCs to discuss development programs and policies for meeting these needs. The DAC considered the group's report on 26 and 27 October.

**The DAC members are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Italy, Japan, Netherlands, New Zealand, Norway, Sweden, Switzerland, United Kingdom, United States, and West Germany.*

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Table I

Official Development Assistance by Selected DAC Members

	1973		1976	
	Million $	Percent of GNP	Million $	Percent of GNP
France	1,461	0.57	2,167	0.63
Japan	1,011	0.25	1,105	0.20
Netherlands	322	0.54	720	0.82
Norway	87	0.43	229	0.71
Sweden	275	0.56	608	0.82
United Kingdom	603	0.34	835	0.38
United States	2,968	0.23	4,334	0.26
West Germany	1,102	0.32	1,384	0.31
DAC Total	9,351	0.30	13,688	0.33

Table II

Allocation of DAC Bilateral Development Assistance (Percent of Total Disbursements)

	1970	1975
GNP Per Capita		
Less than $265	45.2	44.0
$265-$520	13.7	18.3
$520-$1,075	21.4	13.2
Over $1,075	10.9	15.8
Unallocated	8.7	8.7

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The industrialized countries appear to be awaiting the outcome of further discussions in the DAC before formulating specific aid policies based on BHN. A few have asked for more detailed US views on the subject. Most contend that the concept is too vague. None appears willing to alter its current aid practices or increase total outlays significantly to conform with a BHN strategy. Instead, many want to define that strategy so that their existing policies could be said to fit it. Thus, BHN has been defined both narrowly to mean meeting the minimum conditions for human existence, and broadly to include such economic infrastructure projects as telecommunications and industrial works. Nevertheless, a consensus is emerging that the strategy would concentrate on social projects among the poorest LDC populations.*

At the present time, the aid policies of the DAC members as a group do not conform very well to this consensus. Only a few industrial countries devote more than 0.5 percent of their GNP to development assistance (see table I). The proportion of total DAC bilateral aid channeled to the poorer countries (those with per capita incomes below $520) has grown only slightly. The relative importance of assistance to the wealthiest LDCs (those with per capita incomes above $1,075) has increased more rapidly (see table II).

All developed states insist that no BHN strategy can be adopted unless it has LDC support--a condition that may not be easily fulfilled. To placate LDC objections, the industrial countries agree that a workable BHN strategy must vary from recipient to recipient and that development of specific aid policies must be done in consultation and cooperation with the LDCs. In addition, spokesmen have emphasized that a BHN strategy should not compete with other economic development aid. Several have expressed a desire to ensure that the volume of overall OECD (and particularly US) aid does not decline. Because many BHN projects may not require large-scale funding, some states fear that advocacy of the strategy may mask an intention to reduce total aid levels.

For a discussion of the meaning of BHN and of LDC attitudes toward the concept, see "LDC Receptivity to a Foreign Aid Emphasis on Basic Human Needs," in this issue.

Individual Developed Country Attitudes

Beyond those points of general agreement, industrial country positions on BHN diverge substantially. Even if general LDC support for the idea is achieved, probably only the Netherlands and the Scandinavian states could fully embrace it as the focus for their aid programs. Their development assistance policies are already largely directed toward social projects in the poorest countries and to a great extent are inspired by a humanitarianism that is eminently compatible with the fundamental BHN concept. Because political self-interest does not govern their aid policy, they would probably be willing to shift from their current bilateral aid programs to multilateral ones as part of a common developed country BHN effort.

In contrast, the major developed states--the United Kingdom, West Germany, France, and Japan--have serious problems with the idea. They are reluctant to disavow a policy that appears ethically unassailable and represents a major US effort to have the developed states seize the initiative in North-South economic negotiations. At the same time, they question whether an aid policy centered on the satisfaction of basic human needs would serve their major political and economic interests in regard to the developing states. In addition, they would probably be reluctant to sacrifice some of the political and (in the case of tied aid) economic benefits of bilateral assistance by a greater concentration of resources on multilateral programs.

Although the United Kingdom in theory seeks to channel most of its aid to social projects in the poorest LDCs, in fact it is still heavily involved in economic infrastructure development, directs most of its aid to the Commonwealth, and opposes a BHN strategy that would heavily stress welfare.

Since France's development assistance is mainly directed toward French-speaking former African colonies with which it has close political and economic ties, it is reluctant to accept a BHN strategy that would restrict its freedom to choose aid targets. In addition, it has been more supportive than the other major developed countries of LDC demands for a New International Economic

Order and is concerned that a focus on BHN would be badly received by LDCs that fear it would reduce the chances for the achievement of those demands. 25X1

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Outlook

Since the developed and developing states have only just begun to consider the BHN concept, it may be premature to estimate the chances for the OECD members agreeing on the question. Nevertheless, the diversity in their aid principles and practices suggests that they will probably be unable to adopt a concerted BHN strategy in the near future, even if the LDCs accept the idea.

A continued rhetorical endorsement of the concept as one among many laudable approaches to assistance is to be expected. The Netherlands and the Scandinavian countries will adhere to their current policies, which closely conform to the BHN ideal. The others are likely to shift some resources to BHN aims, probably along with promises to do more in the future (reminiscent of their commitment to devote 0.7 percent of GNP to development assistance), but a major change in policy cannot be expected.

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The Nuclear Energy-Proliferation Trade-Off

The following article examines the controversy surrounding the trade-off between nuclear power development and nuclear weapons proliferation. It is presented in the hope of stimulating thought and debate on these questions and in accompanied by a comment expressing a different view. In both cases, the judgments are those of the individual analysts and do not represent an official ORPA or NFAC position.

* * *

In recent nuclear debates--both within this country and between the US and its foreign critics--attention has centered on the relationship between nuclear power generation and the proliferation of nuclear weapons. Sometimes a direct trade-off between energy and nonproliferation goals is implied: there is said to be a choice between expanding nuclear power at the risk of increasing proliferation or curtailing nuclear power at the risk of an energy crisis. Or, as in current American policy, a middle way is proposed that is said to assure the benefits of nuclear power while minimizing the risk of proliferation.

This definition of the issues distorts the terms of debate on both energy and proliferation questions by inflating the nuclear energy alternative out of proportion to its true importance and encouraging the belief that, in addressing these questions, the decisive choices are technological ones. A narrow focus on the nuclear energy - proliferation trade-off thus serves to mask more basic policy problems and alternatives in both areas.

It is doubtful at this point that nuclear energy can have more than a marginal impact in staving off the kind of energy crisis widely predicted for the 1980s and 1990s. It is similarly doubtful that restrictions on the spread of nuclear power plants and their associated technologies can have more than a marginal impact on the spread of nuclear weapons during this time period. The "solutions" in each case are a matter of too little, too late. More importantly, they come at their respective problems indirectly and at the wrong level; they fail to address basic structural causes and issues.

The most optimistic projections now place the contribution of nuclear power to OECD energy supplies at about 7 percent in 1985. Over the rest of this century, the contribution should continue to grow (perhaps to 20-25 percent of consumption by the year 2000), although political and economic uncertainties make such forecasts exceedingly risky.

While these figures are much lower than earlier estimates, they are clearly not insignificant, and the intention here is not to suggest that nuclear power can or should be dispensed with altogether. Preoccupation with the nuclear alternative, however, should not obscure two basic points.

First, nuclear potential in the near to medium term falls considerably short of being sufficient to prevent the projected energy supply-demand gap of the 1980s and 1990s. This gap will in all likelihood be closed by large downward adjustments in demand, either through prudently implemented programs of conservation and consumption constraint or through a fairly brutal rationing of supplies by steep price increases. Even with a favorable trend of nuclear development, the most pressing energy program facing the OECD nations will be to manage the economic and political strains associated with steadily rising energy costs and (in most cases) continued high oil imports.

Second, nuclear power is essentially a temporary palliative, insofar as it does not address the critical structural bases of the global energy problem viewed in the long term: the pattern of energy consumption in modern industrial economies, and--in the case of the current generation of reactors--the finiteness of our energy resources.*

**The breeder reactor does, of course, potentially represent a renewable source of energy.*

If nuclear energy technologies cannot in themselves avert an energy crisis, neither are restrictions on these technologies likely to do more than marginally slow the spread of nuclear weapons capabilities. Again, the remedy fails to cut to the heart of the problem. Like the energy crisis, the process of proliferation is closely linked to basic forces in the contemporary global political economy--especially the drives for national security, development, and status--and cannot be easily dealt with apart from these forces. The policies that might successfully reverse the process have yet to be formulated, but it seems likely that they would have to involve much more far-reaching changes in the international order than existing approaches concede.

While the diffusion of nuclear fuel cycle technologies undeniably increases the availability of potentially weapons-usable materials, there is little historical or technological justification for viewing this as the crucial threshold to weapons proliferation. On the contrary, the illegal diversion of materials from safeguarded "peaceful" nuclear facilities would be a relatively risky and inefficient path to a weapons capability. A policy of restrictions on the spread of "sensitive" nuclear facilities such as enrichment and reprocessing plants is at best a second or third line of defense or a delaying action. At worst it may aggravate relations with potential nuclear weapon states in a way that increases proliferation risks, since technological double standards raise questions of legitimacy and status that are basic to the proliferation problem itself.

Nuclear power, to conclude, is neither the solution to our energy crisis nor the cause of our proliferation crisis. Exaggerated claims on both sides have produced an unfortunate preoccupation with the energy-proliferation trade-off that makes policy choices appear both harder and easier than they really are.

Harder, because it sets up an unfortunate policy confrontation on what should be a relatively peripheral issue. This is not to argue that energy and proliferation policies should be made in a vacuum, without consideration of their very real interconnections. Nevertheless, a partial uncoupling of these questions so that each can be approached on its merits could help alleviate what has become a serious irritant in US relations with key allies and LDCs.

Easier, because a belief in the centrality of this trade-off perpetuates the illusion that the energy and proliferation problems are amenable to solution by technological means. This, in turn, leads to an imprudent understatement of the true political and social price of serious attempts to confront these issues directly. [redacted] 25X1

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A Separate Opinion

I agree with the author that the widely discussed conflict between energy policy and nonproliferation policy is not as direct and simple as often argued, that energy development is not the principal cause of the proliferation crisis, that nuclear power is only one instrument among others for reducing the impact of the energy resource shortage, and that nuclear development does not address the central features of the global energy problem.

There are, however, several points in the article that would lend support to something approaching a nuclear moratorium, that are questionable, and that deserve closer attention.

First, the assertion that nuclear energy can have only a marginal impact on the energy crisis of the 1980s is correct but should be expanded to explain that the marginal impact of a national nuclear program producing 5-6 percent of total primary energy would probably mean a potentially vital 1-2 percent difference in GNP and in the level of employment.

Second, the implicit assumption that the energy production lost through elimination of the nuclear program could be regained by increasing production from another energy resource is based on double bookkeeping. Current projections show US, OECD, and world demand for energy outstripping total productive capacity in all energy resources combined (assuming current economic growth rates and levels of price increase) by the early 1980s. Thus, if nuclear energy is taken from total energy, it means reduced energy consumption; there are no other resources for substitution.

Third, the implication that there is greater long-range potential in conservation and in renewable energy resources than in nuclear power may prove accurate, but it should not be interpreted to mean that the nuclear effort should be abandoned. Moreover, even trouble-free development of long-range potential in both areas would not alleviate the economic hardships and political difficulties of energy shortages for this generation.

One can decide for a number of political, economic, or social reasons to limit or reduce nuclear power generation, but one must take into account the results of that decision in terms of energy consumption and resulting economic impact. We should reject false trade-offs but not fail to recognize real ones because they are unpalatable. [redacted] 25X1

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United Nations Conference on Desertification

The recent UN Conference on Desertification demonstrated both the achievements and limitations of the tentative spirit of accommodation that has recently characterized relations between developed and developing countries in international negotiations. On the positive side, the conference was able to reach broad agreement on how to stop the spread of deserts and was not marred by the insertion of extraneous political issues into the debates. On the negative side, the participants could not agree on funding arrangements for the action planned to combat desertification. The translation of the results of the conference into action demands more than a willingness to talk. The resolution of the funding issue will determine whether this conference, like many others, remains a success only on paper.

The Conference

The United Nations Conference on Desertification that met last month in Nairobi was intended to give an impetus to international action to halt the spread of deserts. The Nairobi conference was part of a series of UN-sponsored meetings to address critical resource problems facing mankind. Conferences on the environment (Stockholm 1972), food (Rome 1974), population (Bucharest 1974), human settlements (Vancouver 1976), and water (Mar del Plata 1977) have also been held. A conference on science and technology for development is scheduled for early 1979.

Unlike many previous UN conferences, the Nairobi meeting was characterized by remarkable accord among the participants. Political issues were highly visible, but did not unduly detract from the major work of the meeting. Arab-Israeli disputes, which nearly wrecked the Vancouver Conference in 1976, were muted. The atmosphere of cooperation and consensus that pervaded most of the session was marred only by a failure to agree on financial arrangements for anti-desertification activities.

There was broad agreement on the causes and effects of desertification. It was generally recognized that climate, although important as a long-term factor, was subordinate to human activity as the principal cause of desertification. Emphasis was placed on problems associated with overgrazing, poor agricultural practices, mismanagement of water resources, and population growth and movement in the world's drylands. Existing knowledge and institutions were considered adequate to make substantial progress toward halting desertification.

The Plan of Action

The conference adopted a comprehensive plan of action containing 26 principal recommendations plus a series of immediate actions designed to halt desertification by the year 2000. The plan focuses on a limited number of priority objectives that can be achieved within the present state of technical competence. The recommendations call for governments at national, regional, and international levels to take a variety of steps such as improving livestock management, revegetating destroyed surfaces, and improving programs for resettling people displaced by deserts.

As a first priority, the plan of action calls for six transnational feasibility studies involving 29 countries to be completed by 1984. These include two projects to establish greenbelts to stop the desert expansion on the northern and southern fringes of the Sahara; two satellite monitoring studies of desertification processes in groups of southwestern Asian and South American countries; a study of ground water management in northeast Africa and the Arabian Peninsula; and a proposal for improved livestock and range management in the Sahelian region south of the Sahara. Cooperation on these studies on the whole has been remarkable; thus a substantial degree of transnational amity has emerged between such traditionally hostile neighbors as Morocco and Algeria, Libya and Egypt, and India and Pakistan.

Financing

Financial arrangements for implementing the plan of action proved to be the biggest stumbling block at the conference, causing a sharp split between the developed and developing countries. Deliberations running late into the night of the last day brought out doubts and hesitations by many countries, forcing formal votes on three contentious issues. The conference concluded by calling for the immediate establishment of a permanent consultative group of multilateral and bilateral assistance agencies with developing country representatives; creation by the UN General Assembly of a special account for financing desertification programs; and a study of other funding measures, such as international taxation schemes and trust funds from donor countries.

The major sources of financing for anti-desertification efforts will probably be through existing multilateral and bilateral arrangements. The strong opposition of Western and East European countries to the creation of a special account means that it will probably remain empty. The capital surplus Arab states do not appear interested in funding it. In fact, these countries abstained in key votes on financial arrangements.

Despite the failure to agree on financial matters, the conference may be considered a relative success. For the first time the international community has committed itself to fighting the spread of deserts. But the nonresolution of the funding issue makes it questionable whether the conference's rhetoric will ever be translated into action. [redacted] 25X1

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