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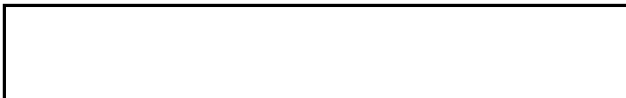
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April 24, 1976



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National Intelligence Bulletin

April 24, 1976

CONTENTS

CHINA: Low-level officials
openly criticize Mao 1

LEBANON: Franjyah delays signing
amendment allowing election of successor 3

PORTUGAL: Government moves to counter
violence in Sunday's election 4

SPAIN: King considering measures
to counteract obstructionism 5

WEST GERMANY: Security Council membership
may lead to difficult foreign policy decisions 6

WEST GERMANY: Communist participation in
West European governments troubles Bonn 7



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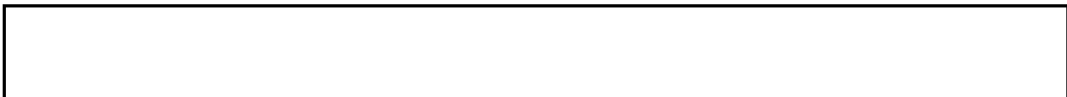
USSR-INDOCHINA: Soviets continue
to court Indochinese Communists 12

THAILAND: Death of Krit may
jeopardize government unity 13

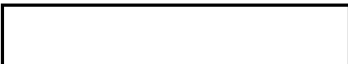


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ARGENTINA: Junta delaying
decision on role for labor 17



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National Intelligence Bulletin

April 24, 1976

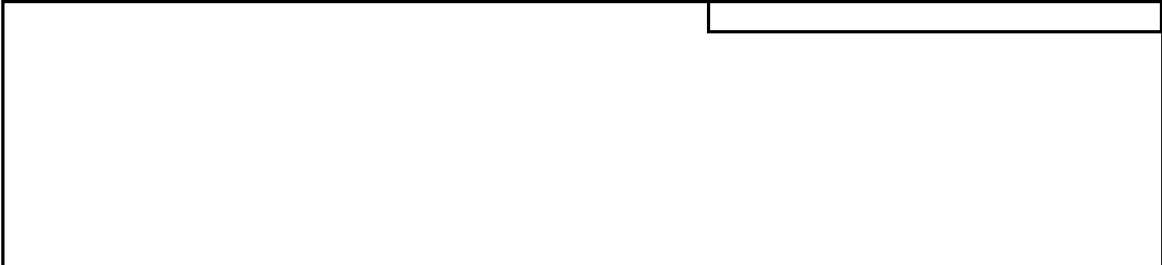
CHINA

Although the current campaign in China remains officially confined to criticism of Teng Hsiao-ping and has not produced the disruption and violence of the Cultural Revolution—or even of the anti-Confucius campaign in 1974—it has engendered widespread dissatisfaction and bitterness among both middle and lower level cadres and the general population.

This discontent appears in a number of instances to have loosened the tongues of some lower level officials, who have shown a surprising willingness to discuss candidly Chinese internal politics with foreigners—a departure from attitudes that have prevailed for decades. A number of Chinese serving abroad as well have been remarkably candid in assessing current political events in China with foreigners. Even more startling, a considerable number of officials seem willing to criticize Mao Tse-tung himself.

Widespread and sometimes outspoken cadre support for Teng and for the policies he and the late Chou En-lai represented has been evident since the initial announcement in early February that the former vice premier had been blocked from the premiership. Many Chinese seem to see the attack on Teng as an assault on the memory of Chou En-lai, and this has added to Teng's support. Both the general public and Chinese officials at home and abroad reacted to the initiation of the campaign against Teng with confusion and unhappiness. Some of this discontent abated in March, when the attack on Teng seemed to have stalled and his political stock seemed to rise; it welled up rapidly again following the riots in Peking early this month and Teng's subsequent dismissal.

In a sense, Teng may in fact be more popular today than he was before the campaign against him began. Many Chinese have commented that the charges against Teng are false and that he has been treated unfairly.



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From the beginning of the anti-Teng campaign, in fact, many Chinese have pointed an angry finger at Mao. The Chairman has been compared unfavorably with Chou En-lai, criticized for practicing nepotism, and castigated as "selfish" and "senile" by officials abroad.

National Intelligence Bulletin

April 24, 1976

Since Teng's fall, the criticism of Mao has increased. A number of Chinese diplomats have spoken candidly about Mao's diminishing political influence and the lack of confidence he inspires in the people. One official went so far as to suggest that Mao ought to step down. In an obvious allusion to Teng's dismissal, another diplomat complained that Mao hurls false accusations at innocent officials and lies to cover up his intentions.

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There seems little doubt that Mao's political stock has fallen and that many Chinese blame him for the latest leadership upheaval. The current criticism of the Chairman appears to surpass that which surfaced following the failures of the Great Leap Forward in the early 1960s, and it differs from that earlier period in that the current disparaging remarks are expressed openly and directly rather than indirectly and by analogy, as was the case in the 1960s.

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National Intelligence Bulletin

April 24, 1976

LEBANON

President Franjiyah has not yet signed the constitutional amendment that would permit the election of a new president. The twice-postponed meeting of principal Christian leaders to discuss this matter is set for today.

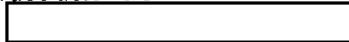
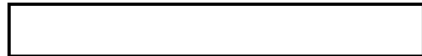


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To underscore Kamal Jumblatt's threat to establish a rival Muslim government, the leftists yesterday moved to set up a new municipal council in Tripoli. The leftist-controlled radio in Beirut also reported that Fatah has threatened to boycott future meetings of the tripartite truce committee if the Christians do not take more effective measures to enforce the cease-fire in their areas.

Although Syrian-controlled Palestine Liberation Army forces have established a buffer zone between the combatants in Beirut, exchanges of artillery and mortar fire continue to emphasize the fragility of the truce. Neither Christian nor Palestinian forces charged with policing the cease-fire have been willing to crack down hard on violators or clear disputed areas. In some parts of the capital, the combatants appear only to have withdrawn from the streets to nearby buildings, permitting the PLA to establish a nominal presence.

The Syrian press has given increasing play to charges that the US, Israel, and Egypt are working together against Syria in Lebanon to distract attention from the Sinai accord and undermine Palestinian-Syrian solidarity.



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National Intelligence Bulletin

April 24, 1976

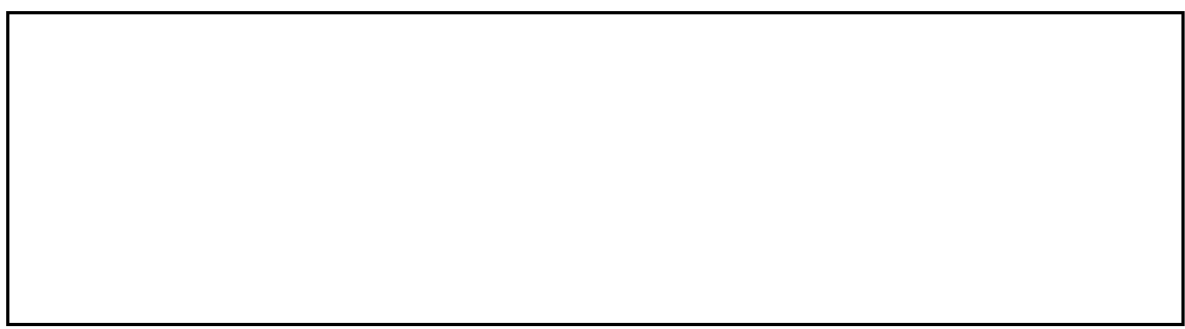
PORTUGAL

Portugal's Revolutionary Council has ordered the military on full alert to counter any attempt to disrupt the national legislative assembly elections tomorrow.

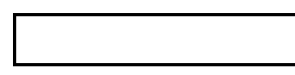
The Council's decision reflects its concern that there may be a repetition at the polls of the violent incidents which have marred the three-week-long election campaign.

On Thursday, security forces were rushed to key diplomatic missions in Lisbon after a bomb destroyed the Cuban embassy. Two Cuban nationals were killed. Official sources said they expected further attacks against foreign embassies prior to the election. Some extremists have linked "American imperialism" to the incident, and special security precautions are being taken to protect the US embassy.

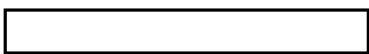
Although the bombing may have been the work of militant rightists or of Angolan refugee groups resentful of Cuba's role in the Angolan civil war, the Communists have accused the extremist Workers and Peasants Alliance of connivance in the incident. The far left party's election propaganda has included strong condemnation of the Cuban intervention.



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National Intelligence Bulletin

April 24, 1976

SPAIN

King Juan Carlos and the reform-minded members of the Spanish government are reportedly considering strong measures to counteract foot-dragging by Prime Minister Arias as well as right-wing obstructionism in parliament.

Foreign Minister Areilza told the US ambassador that Juan Carlos will insist that Arias give specifics of the government's reform program in his speech next week. If Arias refuses, Juan Carlos will consider asking for his resignation. According to Areilza, the King will make his decision within the next two or three days.

Juan Carlos is in a dilemma. If he forces Arias' resignation, he knows that the conservative Council of the Realm probably would thwart any attempt to replace Arias with a reformist.

If the King allows Arias to give an ambiguous speech, the government may be deserted by many of its reformist supporters. Areilza has not directly threatened to quit, but has said that he and other ministers would lose credibility at home and abroad and would find it difficult to continue in office.

The resignation of Areilza could have strong repercussions in Western Europe, where the Foreign Minister has been instrumental in promoting the image of Spain as moving steadily toward democracy. [REDACTED]

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[REDACTED] Areilza is aware of the impact his resignation would have and can probably be persuaded to stay.

A more likely casualty than Areilza might be Interior Minister Fraga—the chief architect of the government's reform program—who would be reluctant to remain in a government that seemed to be backing away from promised reforms.

The reform program is encountering heavy resistance in parliament, where the draft law on freedom of political associations has run into stiff opposition from conservatives. This opposition has caused Areilza and others to begin to look to their trump card—a direct call by the King for a referendum that would give him the authority to change the constitution. The King would probably be reluctant to take the step, however, and the reformists agreed that the King should use the referendum as a last resort; it would destroy Juan Carlos' carefully cultivated image of aloofness from political infighting and could antagonize the conservative military leadership.

National Intelligence Bulletin

April 24, 1976

With an eye to a possible showdown, Juan Carlos has been making a bid to enhance his popularity by touring the provinces. He has made extended visits to Catalonia and Andalusia and has been enthusiastically received in both areas. A recent popular opinion poll shows strong support for the King. Almost 50 percent of those questioned feel he should take a more direct role in running the country.

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WEST GERMANY

Bonn views prospective West German membership in the UN Security Council with mixed feelings.

As a Security Council member, West Germany will have more difficulty than heretofore in balancing its support for US positions with its desire to coordinate policy with other EC members and to seek to improve its relations with third world countries. Moreover, East German membership in the council could provide a new forum for antagonisms between East and West Germany.

West Germany's candidacy for election to the Security Council for a two-year term beginning on January 1 was approved by the West German cabinet on April 14. The Western nations had endorsed West Germany and Canada to replace Italy and Sweden, whose terms will expire at the end of this year. According to government spokesman Gruenewald, East Germany is also expected to become a Security Council member in January 1978. These moves will allow both East and West Germany to join the 15-member Security Council in 1978.

A statement by an opposition spokesman that the participation of both East and West Germany in the Security Council would be undesirable for all concerned was strongly rejected by Foreign Minister Genscher. He said Bonn will not withdraw from world affairs by refusing to enter an international forum in which East Germany was present. Genscher has said that West Germany will use its Security Council membership to advocate the independence of third world countries.

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National Intelligence Bulletin

April 24, 1976

WEST GERMANY

The issue of communist participation in the Italian and other NATO governments has become a political football in the West German election campaign.

Chancellor Schmidt's Social Democrats and the opposition Christian Democrats are trading charges over the growing political uncertainty in Southern Europe—the one blaming it on the decades of corrupt administration by conservative governments and the other pointing to the dangers of collaboration between socialists and communists.

The controversy reached a new peak this week following a widely publicized television interview in which Schmidt made typically blunt remarks about the political situation in southern Europe in general and Italy in particular. The West German leader:

- Deplored the political "vacuum" in Italy, which he attributed largely to the absence of a vigorous socialist party and the long tenure in power of the Christian Democrats.

- Cautioned that the accession to "decisive" power by West European communist parties is by no means inevitable and noted that NATO has managed to adjust to communist participation in the Portuguese and Icelandic governments.

- Called for more "restraint" on the part of Italy's allies in commenting on its political problems.

Schmidt's comments stirred a hornet's nest of reaction in Italy, although Rome stopped short of filing a diplomatic protest. Some West German critics, moreover, chided Schmidt for his implicit criticism of Washington and suggested that the Italian Christian Democrats should be supported rather than condemned.

Schmidt is in a delicate political position. In the past, he has taken a hard line against communist participation in NATO governments. At a conference of European socialist leaders in Denmark last January, he warned that NATO governments which rely on communist support could not be considered reliable allies.

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Approved For Release 2007/03/09 : CIA-RDP79T00975A028800010042-6

National Intelligence Bulletin

April 24, 1976

USSR-INDOCHINA

The Soviets are continuing to court the Indochinese communists.

On April 20, Soviet leaders rolled out the red carpet for a party-government delegation from Laos, headed by Lao communist leader and prime minister, Kaysone Phomvihane. Kaysone had attended the recent Soviet party congress, but this is his first state visit to the USSR since the communist victories in Indochina last year.

The purpose of the visit, like Kaysone's recent state visits to China and Vietnam, was to thank the Soviets for past assistance and to learn what Laos can expect from Moscow in the future. Kaysone has already had two sessions with a contingent of Soviet Politburo members headed by party ideologist Suslov and Premier Kosygin, and on April 22 the two countries staged an impressive ceremony in the Kremlin Palace for the signing of four new aid and trade agreements.

As usual, there is not much public information about the content of the agreements, but Moscow, which is well aware of and hopes to profit from the current strains in China's relations with Vietnam and Laos, probably was at least moderately responsive.

Since last year, Soviet aid has reportedly totaled about \$50 million. Moscow has provided petroleum, foodstuffs, medical supplies, and other commodities. The Soviets have also promised project assistance for hydroelectric facilities, mineral exploration, upgrading of road transportation and communications facilities, the rebuilding of a town on the Plaine de Jarres, and construction of fuel depots, warehouses, garages, and hospitals. About 600 Soviets may now be in Laos working on construction projects, communications, and air transport. They are handling much, if not all, of aircraft maintenance, pilot training, airport management, and air facilities upgrading.

Moscow is also following up on the aid commitments made last fall during North Vietnamese party leader Le Duan's state visit to the USSR. Deputy Premier Arkhipov has just returned to Moscow from Hanoi, where he attended the third session of the Soviet-Vietnamese Commission on Economic and Scientific and Technical Cooperation and signed a new protocol on aid and trade. The commission was established during President Podgorny's visit to North Vietnam in October 1971, ostensibly to coordinate the economic development plans of the two countries; in fact, it seems to have served as a forum for working out the details of the Soviet economic aid program to North Vietnam. The Soviets and the Vietnamese had signed an umbrella five-year aid agreement last December.

National Intelligence Bulletin

April 24, 1976

Moscow has enjoyed less success with the Cambodian communists, who for well over a year have spurned all of the USSR's efforts to establish relations and still seem intent on keeping the Soviets out of Phnom Penh. The Soviets nevertheless persist. In the last few days, President Podgorny and Premier Kosygin have sent congratulatory telegrams to their newly "elected" Cambodian counterparts, and Soviet media have carried several articles lauding the domestic and foreign policy "accomplishments" of the new regime.

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THAILAND

The death yesterday of Thailand's former army commander, General Krit Siwara, could jeopardize the cohesiveness of the Seni Pramot coalition government, which has yet to face the necessary parliamentary vote of confidence.

Krit's value to Seni had been his ability to ensure the support of numerous conservative groups, including key army commanders. Over the short run, his absence will create a leadership vacuum on the political right. Rightist support is crucial to the stability of the Seni coalition.

Praman Adireksan, the outgoing defense minister and Krit's foremost political rival, probably will make an early attempt to convince the conservative elite that he should succeed Krit as the spokesman for the right. Although his political base is relatively shallow, he may renew his demand for the defense post in the new government. Were he to obtain this post, he could significantly increase his following in the military command structure, currently dominated by Krit's supporters.

Praman is regarded as unscrupulous by many in the Democrat Party, however, and his nomination to the defense post could prompt new tensions within the coalition. Praman has alienated many potential conservative supporters, and it is unlikely that he could hold the conservatives together as effectively as Krit did.

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National Intelligence Bulletin

April 24, 1976

ARGENTINA

The junta's delay in formally announcing how it intends to treat organized labor has led to a scramble among top unionists for control of the movement, which has been virtually leaderless since the coup on March 24.

The junta has remained silent about its plans for labor over the long run, but some of its actions suggest leaner times for the long-privileged workers. The recently announced economic plan, for example, stressed incentives and advantages for industry, price increases, and wage limits. Moreover, the government threatened to use force to end a recent wildcat strike at a Buenos Aires auto plant.

Some officers probably hope that squabbles within the unions will lead to labor's demise as a major political force. For the moment, however, the movement remains largely intact, although the main unions and the principal confederation are under federal control. The unionists are seeking to stave off drastic restrictions of day-to-day union activities, or even abolition of the movement. At least some of the military favor such repression.

The US embassy reports that three distinct groups of labor leaders are vying for the attention of the new military government, although none has made much headway thus far. One of the groups centers on the former governor of Buenos Aires Province, Victorio Calabro, an official of the important metalworkers' union. Calabro stands a good chance of playing an important role in labor nationally if he emerges unscathed from an investigation of his alleged corruption.

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