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Weekly Review



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18 October 1974

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Copy No 643



CONTENTS (October 18, 1974)

The WEEKLY REVIEW, issued every Friday morning by the Office of Current Intelligence, reports and analyzes significant developments of the week through noon on Thursday. It frequently includes material coordinated with or prepared by the Office of Economic Research, the Office of Strategic Research, and the Directorate of Science and Technology. Topics requiring more comprehensive treatment and therefore published separately as Special Reports are listed in the contents.

- 1 High-Level Visits:
 - Gierek Pleased by US Visit
 - Meeting at the Mexican Border
 - Portugal's President Strengthened
 - More Tumult in South Korea
- 5 Italy: Fanfani Weighs In

EUROPE

- 6 Cyprus: The Rush of Events
- 8 UK: After the Election
- 9 Spain: Stirrings of Unrest
- 11 Romania: New Concern Over Soviets 25X6

**MIDDLE EAST
AFRICA**

- 12 Palestinians Gain UN Bid
- 13 Israel: West Bank Controversy
- 15 Kenya: Election Gains and Losses 25X1
- 16 Angola: Decolonization Efforts

**WESTERN
HEMISPHERE**

- 16 Dominican Republic: Balaguer's Victory

**EAST ASIA
PACIFIC**

- 17 Japanese Fishing: Shrinking Seas
 - 18 Cambodia: UN Maneuvering
 - 18 Burma: New Insurgent Campaign
 - 19 Philippines: Communists Surrender
- 25X1

25X1



Gierek Pleased by US Visit

Polish party leader Gierek was apparently well pleased with his week-long visit to the US, which ended on October 13. From Warsaw's point of view, the most important document signed in Washington was probably a pace-setting statement on the further development of economic, industrial, and technological cooperation.

The agreement calls for the expansion of bilateral trade from its 1974 level of \$700 million to \$2 billion by 1980. Specific accords dealing with coal extraction, agriculture, health, environmental protection, taxes, and joint funding of research projects were also signed. The Polish leader spent considerable time cultivating the US business community. At a luncheon in New York given by Chase Manhattan's David Rockefeller, Gierek invited American businessmen and US financial institutions to participate more fully in the modernization of Polish industry.

In speeches at the UN and in Washington, Gierek outlined the standard Polish position of support for detente and called for a successful conclusion to the European security talks. His treatment of foreign policy issues was conciliatory and carefully phrased to avoid bruising US sensibilities.

During the trip, his first to the US, Gierek proved to be a strong and articulate defender of his regime's policies, fielding reporters' questions with confidence and humor. Gierek was obviously pleased with the many efforts to make his stay enjoyable, notably the establishment of a telephone link between a US Air Force plane in which he was traveling and his grandchildren in Katowice.

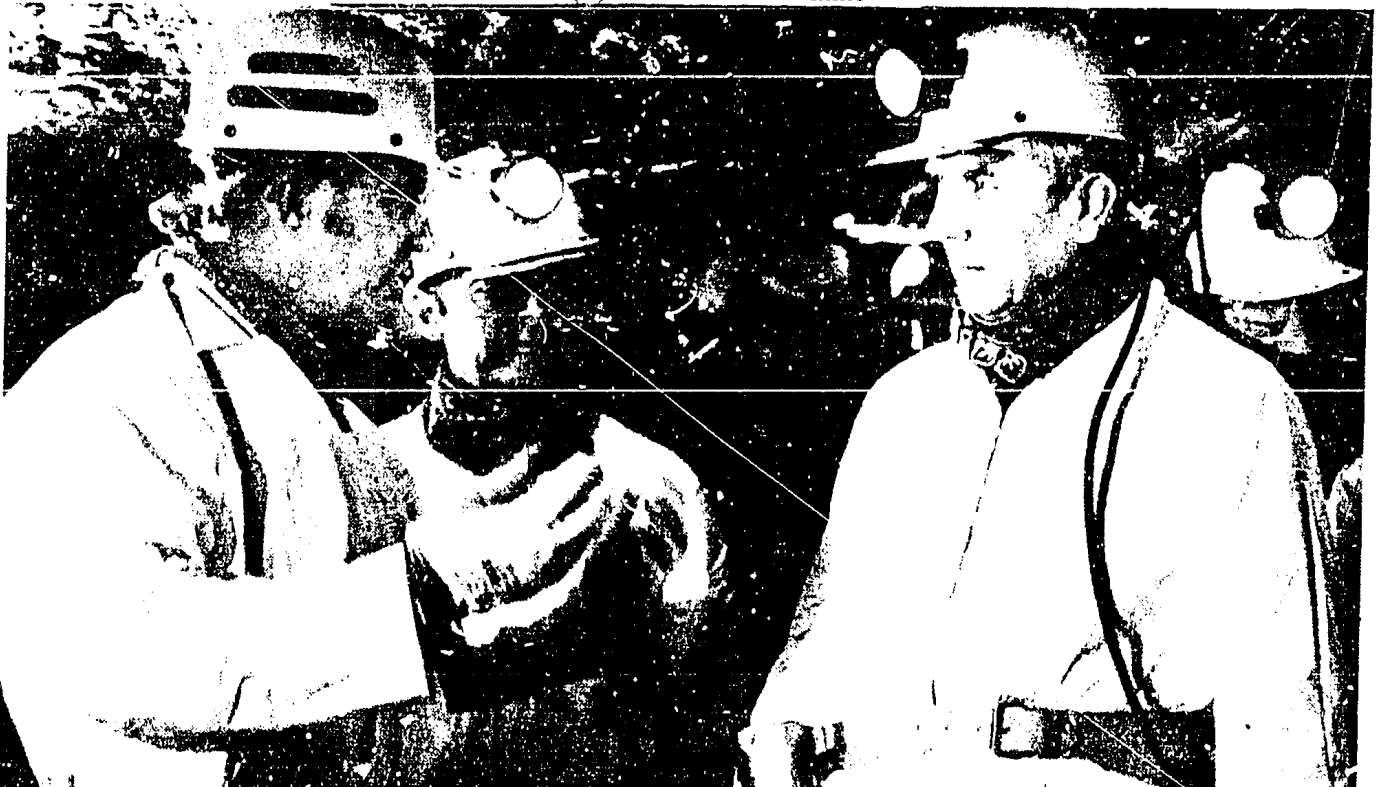
Meanwhile, Warsaw demonstrated the importance it attached to the visit by extensive media coverage throughout Poland. Editorials and commentaries repeatedly emphasized that Poland is emerging as a valued economic "partner" of the US and that Warsaw has an important contribution to make in furthering detente. In contrast to past practice, the media also gave considerable attention to Mrs. Gierek's separate tours.

The Polish public received a comprehensive and favorable view of the US that may be unprecedented for this or any period in US-Polish relations. [redacted] a TV documentary, "American Close-up," was so favorable that Polish authorities considered toning it down drastically; instead, they scheduled a second and somewhat critical documentary to maintain the ideological balance. [redacted]

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Gierek (r.) visits Ohio coal mine



Meeting at the Mexican Border

The chief topic on the minds of President Echeverria and his advisers at the border meeting with President Ford on October 21 will be the problem of illegal Mexican immigrants in the US. Although the Mexicans probably do not expect an immediate solution, their goal is to get another *bracero* program like the one phased out between 1964 and 1966. Under that program, a set quota of Mexican laborers entered the US legally for seasonal agricultural work. Over the last few years Mexican officials have periodically stirred up public debates in the Mexican press to keep the *bracero* issue alive.

In talks with US embassy officials, however, Echeverria and Foreign Minister Rabasa have taken a more reasoned approach and have demonstrated that they are fully aware of the objections raised in the US to such a program. Both realize the problem has no simple and quick solution, and that the problem will be ameliorated only through raising the Mexican standard of living. Nevertheless, it is apparent that the Mexican tactic will be to keep the issue in the forefront of US-Mexican relations through periodic statements to the press and reminders to US officials.

The illegal immigrants swarm into the US by the hundreds of thousands each year in search of better paying jobs, creating serious economic, political, and social problems on both sides of the border. In 1973, over a half million Mexicans who had illegally crossed the border were apprehended in the US and repatriated. Hundreds of thousands more have escaped detection. The flow of laborers in such large numbers dramatically reflects Mexico's persistent unemployment woes, rural underdevelopment, and increasing population. Although the illegal flow is embarrassing to Mexican officials, it is also a safety valve that they do not want to shut off.

The narcotics issue, though growing in importance to the Mexicans as domestic drug abuse becomes more of a problem, clearly takes a back seat to the illegal immigrants issue in Mexican

eyes. Even so, the top levels of government remain committed to working with the US to stop the flow of heroin, cocaine, marijuana, and other dangerous drugs across the border.

The problems of enforcement and eradication are immense. Corruption may be the hardest factor to overcome in the entire anti-narcotics effort. It is known to exist at high levels both in state and local governments and in police organizations. Statistics indicate that Mexican efforts have improved in terms of resources, arrests, and seizures, but government agencies remain less than fully capable of coping with the problem, chiefly because they are undermanned and their employees are underpaid, ill trained, and susceptible to bribery.

Another bilateral issue, but one Mexico would probably prefer not to talk about, is oil. President Echeverria is said to be very upset by US press reports of large oil discoveries near the Gulf of Mexico, and the subsequent public debate over national oil policy. The size of the discovery was being closely held for domestic political reasons, probably because no decisions have yet been reached on the level of production and export.

Two Mexican officials indicated in a press conference on October 15 that Mexico would sell its oil at prices set by OPEC and would seek to join that organization as an observer. These remarks could signal a change in the government's oil export policy, but Echeverria may also have instructed the officials to hint at aligning Mexico with OPEC in order to deflect domestic criticism of alleged US attempts to influence Mexico's oil policy.

One of the officials who spoke, Horacio Flores de la Pena, is an extreme leftist and economic nationalist who has been the chief advocate of "anti-colonialism" in Mexico's economic and foreign policies.

Mexico would not become a member of OPEC,

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although it would sell its oil at prevailing market prices. Officials of the government petroleum monopoly have also indicated their belief that Mexico should go slowly on exports. Powerful leaders of Mexico's ruling party are pressing to limit oil sales to the minimum required to earn essential foreign exchange and cover domestic petroleum needs.

Communist Party chief Cunhal's press conference from receiving special treatment.

In line with this relatively restrained policy, the government announced on October 9 that authority for searches and arrests would henceforth be carefully controlled. The decision was made after two center-left parties—the Popular Democrats and the Socialists—deplored the abuse of search and arrest provisions in the period after Spinola's ouster.

Portugal President Strengthened

President Costa Gomes' fortunes seemed on the rise as he made plans for his visit to the US this week to address the UN General Assembly on October 17 and to meet with President Ford a day later.

On the domestic front, the government followed through on Costa Gomes' assurance to the US ambassador that the leftist bias of the news media would be dealt with. Centrists and Socialists met at a television station in Lisbon last week to protest Communist Party control over the news department. They were successful in persuading Prime Minister Goncalves to prevent

Costa Gomes' position was further strengthened by the fact that the religious celebration at Fatima on October 13 came off peacefully. The celebration had been expected to turn into a rightist demonstration and increase the friction between left and right. The rightists probably realized that they could not mobilize the massive support they needed, that failure to do so now might make any efforts to rally such support more difficult in the future, and that an unsuccessful attempt would provide the left with a pretext to move against them. The threat of a confrontation between the left and the right has thus receded, at least for the moment.

Meanwhile, the Council of State earlier this week approved the appointment of new members to the ruling military junta to replace ousted President Spinola and three of his conservative supporters. Foreign Minister Soares, in a meeting with the US ambassador on October 10, again insisted that predictions of a leftist drift in the Portuguese government were exaggerated. He pointed to the appointment of known centrists to the Council of State as evidence of the desire to maintain a balance among the various forces. Soares described Spinola's ouster as the result of general discontent with his "one-man show" and with his paternalistic, mercurial style.

One of Costa Gomes' aides emphasized to an embassy officer that the recent change in government was not a turn to the left, and that the selection of Costa Gomes as president would end the inaction caused by constant bickering between Spinola and the Armed Forces Movement's Coordinating Committee.



Costa Gomes

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More Tumult in South Korea

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The surge of student and Christian demonstrations and concerted attacks from the major opposition party this month have come at an especially bad time for the Pak government as it prepares for two important events in November—a visit by President Ford, and consideration of the Korean question at the UN.

dorsing what it termed "patriotic" student actions. 25X1

Pak's critics believe that President Ford's scheduled visit makes this a good time to try to wrest concessions from the government. Pak has made a special effort to scotch this notion, stressing that the US has made no demands that he moderate his policies and that he will not tolerate disorder.

The Pak government is using a firm hand to deal with the unrest, although riot police have tried to avoid large-scale arrests and serious injuries. School administrators throughout the country have been put on notice that their jobs depend on how well they maintain order. More than a dozen universities have already closed.

The government should be able to contain the current round of protests, but it may adopt more drastic measures if the dissidents carry out their threat to increase demonstrations between now and the time of President Ford's visit. Riot-control forces are being heavily reinforced in order to contain the anticipated disturbances, and informant nets are being expanded to provide timely information of potential trouble.

Pak's opponents are demanding the release of comrades imprisoned earlier this year under the emergency decrees, and revision of the constitution, which now gives Pak virtually unlimited power. Kim Yong-sam, the newly elected leader of the major opposition party, has been a catalyst for both student and Christian groups. In a speech in the National Assembly last week, Kim warned that he would lead a struggle in the streets if the government did not meet opposition demands. Pak personally rebuked and threatened Kim, but the protesters disregarded the President and took to the streets the following day. Kim's party joined the struggle again this week, publicly en-

If his opponents press their attack, Pak is likely to place a higher priority on maintaining order than on improving his image for President Ford's visit or the UN debate. The US embassy reports that the government might consider reimposing the harsh emergency decrees of earlier this year, which brought an outcry of protests in the US and elsewhere.

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Italy: Fanfani Weighs In

Prime Minister - designate Amintore Fanfani began negotiations this week aimed at reconstituting the center-left coalition of Christian Democrats, Socialists, Social Democrats, and Republicans that collapsed on October 3. To do so, Fanfani will have to work out compromises on two issues: economic policy and the question of relations with the powerful Communist Party.

Fanfani, who heads the dominant Christian Democratic Party, played a cautious game in the maneuvering that led up to his nomination. The wide differences among the ruling parties makes the "formateur" assignment a risky job for any politician, but particularly for Fanfani. During more than 25 years in national politics, Fanfani has built up more influence than any other currently active Italian leader. He also has accumulated more enemies, however, and—in a country where prime ministers do not last as long as party leaders—Fanfani wanted to protect his flanks before taking the assignment.

Consequently, Fanfani accepted the mandate only after extracting from his party the assurance that he could keep his post as party secretary. Fanfani also insisted that President Leone go through the motions of having another prominent Christian Democrat—the president of the senate—conduct preliminary talks to weigh the prospects for resolving differences. Fanfani's acceptance, despite a pessimistic report from the senate official, suggests that he sees some room for compromise on the issues dividing the parties.

The most contentious bargaining will be over Socialist demands for changes in the two-month-old austerity program. The Socialists want to further lighten the program's impact on lower income groups. The other parties generally agree, however, that the austerity program would be sabotaged by many of the Socialist proposals,

such as easier credit, more public spending, and other measures to boost employment.

The Socialists' room for maneuver is being narrowed by the growing militancy of their constituents in organized labor. The unions recently staged a general strike in Turin after a breakdown in talks with Fiat over the best means of reducing the company's production. Meanwhile, the federation of Italy's major unions is pushing a series of proposals that closely parallel the changes the Socialists are seeking in the austerity program. A nationwide general strike was held on October 17 to back up these demands.

For the moment, there is likely to be more flexibility on the Communist question. The Socialists recently moderated their earlier demand for some form of governmental collaboration with the Communists, although they are still calling for a consultative procedure that would allow the Communists to "share responsibility" for economic decisions. If forced to choose between enhancing their own influence or that of the Communists, the Socialists may back down even further, particularly if they can increase their own weight in the cabinet by doing so. The Socialists have their eyes on one or more of the important ministries—interior, foreign affairs, treasury, or education—heretofore dominated by the Christian Democrats.



Fanfani

Even if the Socialists yield, it will not be a substantial setback for the Communists. The next government, whether formed by Fanfani or another Christian Democrat, would still have to consult informally with the Communists—Italy's second largest party—or face stiff parliamentary opposition. For their part, the Communists have softened their appeal for more influence, apparently in the belief that continued wrangling among the coalition parties inevitably strengthens the Communist case.

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CYPRUS: THE RUSH OF EVENTS

Diplomatic efforts to resolve the Cyprus problem continued to be overshadowed this week by political activity in Athens, Ankara, and Nicosia. In Athens, the political parties prepared candidate lists and stepped up organizational and propaganda activity for the elections to be held on November 17. In Ankara, Prime Minister Ecevit made a second try at forming a new government after party leaders failed to agree on a nonpartisan government of national unity. In Nicosia, the authority and negotiating positions of Acting Cypriot President Clerides and Turkish Cypriot Vice President Denktash may soon be undermined because of Archbishop Makarios' reported intention to return soon to the island and because of demands that Ankara has been making upon Denktash.

Greece: Elections Affect Cyprus Issue

Foreign Minister Mavros resigned from the government this week in order to devote full time to the election campaign of his party, now called the Center Union - New Forces. In stepping down, Mavros noted that "no developments were foreseen" on the Cyprus issue until after the parliamentary elections on November 17.

Mavros recently told US Ambassador Kubisch that Cyprus would be a major issue in the campaign. He said the question of a "purge" of those who had collaborated with the military regimes over the past seven years was also a difficult campaign problem. Mavros said that a half-hearted drive toward "de-juntaization" would draw attacks from the left, while too vigorous a purge would add to concern on the right. He added that he did not think anti-Americanism would be a dominant campaign issue.

Mavros claimed that his party and the New Democracy Party led by Prime Minister Karamanlis had already agreed to form a coalition after the elections. He appeared confident that the two parties together would get 70-75 percent of the vote. He said it was even possible that Karamanlis could win an absolute majority in the 300-member parliament because of the proportional representation system; even so, he said they had agreed to combine forces after the elections.

Mavros confirmed that Prime Minister Karamanlis had decided to take an "absolutely neutral" stand on the return of King Constantine. As a result, Mavros thought it unlikely that the Greeks would opt for the monarchy in the referendum that will follow the elections.

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An official of the Soviet embassy in Athens has told a US embassy officer that Moscow hopes the Center Union will win enough seats to deny a majority to Karamanlis. The officer, [redacted] said that Moscow did not expect to see any extreme leftists or communists in the government but would be satisfied with a few Center Union deputies. He said the Soviets think Karamanlis is the right man now for Greece, but that he would be unlikely to heed advice from other leaders if his party won control of parliament. The Soviets probably fear that if Karamanlis gained a strong mandate, he would be less susceptible to leftist pressure.

The Soviet forecast is that Karamanlis will win 140 seats, the Center Union - New Forces 100, the United Left and Papandreou together a maximum of 40. The right-wing National Democratic Union and the independents would split the remaining 20 seats.

Despite Moscow's pessimistic attitude about the capabilities of the Greek Communists, the Soviets reportedly have given the Moscow-backed Greek Communist Party, recently legalized for the first time in more than a quarter of a century, more than \$2 million for its election campaign. The party will compete in the election in the newly formed United Left alliance that includes the dissident Greek Communist Party and the former Communist front, known as the United Democratic Left. The alliance, which is not likely to last beyond the elections, probably was joined by the Moscow-backed party as a result of Soviet pressure and financial inducement. The Moscow-backed group previously had refused to cooperate with the United Democratic Left and was feuding with the dissident Communist Party over who had the right to call itself the Communist Party.

A unified campaign by these parties will enable them to exploit the government's policy of

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giving equal time on national TV to all major political groups. Local observers believe that the United Left may pull 10 to 15 percent of the vote.

Meanwhile, new political groups continue to appear. A monarchist "Royal National Front" has been formed, and ex - Center Union deputy Nikitas Venizelos has been floating the idea of re-establishing the Liberal Party. Altogether, nineteen political parties will compete in the elections so far.

Greece's last prime minister before the 1967 coup, Panayiotis Kanellopoulos, has announced that he will not participate in the elections, however, as has ex - prime minister Markezinis, former leader of the Progressive Party.

Turkey: Further Delay

Following the failure of the parties to agree on a nonpartisan government of "national unity," President Koruturk this week asked caretaker Prime Minister Ecevit to make a second try at forming a new government. Ecevit turned to Justice Party leader Demirel, offering him one possible solution to the current impasse, according to the press. Nearly all the proposals were linked to elections in either the spring or fall. Demirel said he needed at least ten days to respond to the proposals.

Ecevit's basic offer to Demirel calls for an agreement between the two parties to push through parliament a revision of the national election law that would eliminate the small splinter parties. This would be followed by either a minority government led by Ecevit's Republican People's Party or a coalition of the two major parties to govern until new elections in July 1975. Such an offer would be attractive to Demirel because it would enable his Justice Party to increase its seats substantially.

Cyprus: The Archbishop Again

Archbishop Makarios reportedly informed his close supporters on Cyprus that he will probably return to the island shortly after the UN debate on the issue, which is scheduled to begin

on October 28. Makarios said that he must return to assert the strong leadership needed to deal effectively with the island's problems. The archbishop believes that the longer he remains away, the more his influence will erode, both at home and abroad.

While acknowledging that there are strong anti-Makarios elements on the island, the archbishop said that his presence will, in the long run, have a stabilizing effect within the Greek Cypriot community. Possibly in preparation for his return, Makarios issued a conciliatory statement on October 13 calling for the forgiveness of all those who took part in his overthrow on July 15. The extreme right, which led the coup against Makarios, has been adamantly opposed to his return. Should Makarios return, Clerides might stay on as negotiator, but his flexibility and authority to commit the Greek Cypriot side to an agreement with the Turkish Cypriots would be reduced. 25X1

[Redacted] 25X1

Denktash's complaint apparently reflects his realization that he is very close to losing what little authority he still has within the Turkish Cypriot community and may be bypassed by an administration imposed by Ankara. The Turkish Cypriot leader is reportedly embittered by Ankara's appointment of individuals to his administration who are his political opponents and who bend completely to Ankara's will. 25X1

Denktash complained that Ankara is pressing him to back down on certain aspects of the prisoner-exchange agreement already reached with Clerides. Denktash also said that as a Cypriot, he was appalled at the inhuman treatment accorded Greek Cypriots by the Turkish army, which he had personally witnessed. Despite Denktash's anxieties, the two community leaders held another meeting on October 14 and announced that the general release of prisoners and detainees would resume "very shortly."

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UK: AFTER THE ELECTION

Having won a narrow parliamentary majority in the British elections on October 11, Prime Minister Wilson has begun drafting the program of action for his new Labor government.

Wilson's margin of victory was considerably smaller than most opinion polls had predicted. Labor took 319 of the 635 seats in the House of Commons—one seat more than an absolute majority. The Conservatives netted only 276—a loss of 20 seats—while the Liberals lost one seat to finish with just 13. The various regional parties picked up seats, but not as many as anticipated.

Economic issues have first priority for the new government. In a nationwide address on October 14, Wilson appealed for general support in the fight against inflation. Cabinet members subsequently met to work out a program to stimulate industry and head off unemployment. The program closely follows the line set forth in Labor's election manifesto by calling for increased government participation in industry.

In an effort to gain cooperation for his economic program, Wilson assured representatives of the Confederation of British Industry that he intended to ease the tax burden on businesses. The Prime Minister also met with leaders of the Trades Union Congress and urged them to abide by the "social contract" agreement of voluntary wage controls. The success of Labor's anti-inflation program will depend largely on the cooperation of rank-and-file workers.

Other major issues facing the new government include EC membership and the UK defense review. According to public opinion polls, odds are about even that Britons will vote to pull out of the EC when the expected referendum is held. Recent press reports listing the defense cuts under consideration suggest that a reduction in Britain's NATO-committed forces is inevitable.

In addition, Wilson will need to pay greater attention to the demands of the various regional parties, notably the Scottish Nationalists. The party will have a stronger voice in national affairs by virtue of its small but respectable parliamen-



Wilson

tary delegation of 11 seats and the prospect of considerable wealth flowing into Scotland from North Sea oil fields.

The Tory defeat in the elections has stimulated speculation about the future of party leader Heath and increased the possibility that he will be forced to resign. Aware that his tough stand against the unions contributed to his defeat in the election last February, Heath

tried—unsuccessfully—to project a conciliatory image in this election. Earlier this week, the Conservative Monday Club called for his resignation, but for the present at least, Heath has given no indication that he is planning to do so.

Conservative Party chairman William Whitelaw is a favorite among many party members to succeed Heath as shadow prime minister. Whitelaw was in the public eye during his successful tenure as secretary of Northern Ireland in the last Tory government. Whitelaw has been a loyal Heath supporter, however, and may be too closely identified with him. Other possible candidates include housing spokeswoman Margaret Thatcher and Sir Keith Joseph, who is well known for his disagreement with the party over economic policy. This lack of an obvious replacement makes Heath's custer as Tory leader less certain at this time.

in the cost of living, which may exceed 20 percent in 1974. Other issues are the abandonment by the government of mandatory wage increase guidelines, the renegotiation of most major two-year bargaining contracts within the next two months, and the rise in unemployment resulting from the energy crisis.

Clandestine labor groups have been successful in politicizing many of the work stoppages by encouraging sympathy strikes and demonstrations. The Communist-dominated Workers Commissions had talked of a general strike but are now calling for a series of "national strikes," which are envisioned as a chain reaction of strikes in different locations. Because of the rivalries between the Communist and non-Communist groups, the best the clandestine groups can probably hope for is to take advantage of individual strikes whenever they occur.

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SPAIN: STIRRINGS OF UNREST

Serious strikes and labor agitation have occurred across Spain in recent weeks, and continuing turmoil is likely. The labor unrest and an apparently coordinated series of hunger strikes by political prisoners have sharpened the debate on liberalization of the regime. Prime Minister Arias reportedly is still pushing for the creation of political associations; his deputy prime minister—who is also labor minister—has called for political evolution and a loosening of restrictions on labor, such as granting a modified right to strike. The proposal to legalize strikes is unlikely to be acted upon, inasmuch as the government has usually responded to labor agitation by clamping down hard.

Numerous strikes have already occurred in Bilbao and Valladolid in the north, and in Barcelona and Madrid. Some have involved grievances over working conditions and some are sympathy strikes, but economic issues are at the heart of the current wave. The principal factor is the rapid rise

Last week, the government cracked down by arresting some 200 workers and supporters at a church in Madrid, and by picking up 47 alleged communists who were meeting at a convent in Barcelona to plan labor tactics. The trial of five prominent members of the illegal socialist labor union has been scheduled for October 27. This trial is certain to draw the attention of West European socialists and trade union observers, who will be critical of Spanish justice. The trial has already been postponed twice, and the government might decide to postpone it again if the moderates, who are concerned about Spain's image abroad, prevail over hard liners who want to make an example of an illegal organization.

The strike situation has once again pointed up the impotence of the government-controlled syndical organization, which in most cases has not been able to act as a channel for worker grievances or to prevent strikes. The labor organization has been preoccupied with an internal dispute. Some officials want to liberalize in order to avoid what happened to the syndicates in Portugal—which are now dominated by the Communists—while hard liners believe that the Portuguese example can be avoided only by tighter controls over labor.

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A series of hunger strikes by political prisoners in six prisons, including Madrid's infamous Carabanchel, is a further embarrassment to the government. The political detainees are demanding that they be segregated from other prisoners and that they be granted certain privileges. Unlike past prison strikes, these appear to be well-organized and well-coordinated efforts by both the political prisoners—who are largely members of either the Spanish Communist Party, the Basque terrorist organization ETA, or more leftist extremist groups—and their respective organizations outside the prison walls. Such coordinated prison strikes could prove an increasingly effective weapon against the government in the future.

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ROMANIA: NEW CONCERN OVER SOVIETS

The revelation of the cominformist plot in Yugoslavia—about which Belgrade has kept Bucharest fully informed—has prompted Romania to raise again the threat of Soviet intervention in the hope that this will strengthen its case for Western support.

At the European security talks in Geneva, a Romanian diplomat told a US colleague that Bucharest recently failed to persuade Moscow to pledge that it would not use articles 53 and 107 of the UN charter as the excuse for Soviet intervention. The Romanian government initially sided with Germany in World War II, and the phrasing of these articles permits the victors to intervene in the internal affairs of the former "enemy states."

The Kremlin's refusal to reassure its ally has led Bucharest to submit a new proposal on the implementation of the non-use-of-force principles at the security talks. The Romanian diplomat emphasized that his country wants to obtain the maximum possible multilateral assurances in any documents adopted at Geneva. He specifically cited the need to limit the right of one state to enter or maintain troops in another without the latter's consent.

Bucharest's fears of Soviet intentions also surfaced in a detailed briefing that a Romanian diplomat in Prague volunteered to a US counterpart on October 4. While the Romanian stressed that Bucharest is not under any immediate danger from Moscow, he added that the potential was clearly there. In an argument carefully structured to appeal to the West, he asserted that Bucharest believes direct Soviet military intervention is likely in a situation where the Kremlin became convinced that it could invade without paying an excessive political price to the West. A weak statement on the inviolability of borders at the security talks, according to the Romanians, could thus increase the probability of intervention.

The diplomat admitted that the rumors earlier this year about Soviet pressure on Romania for a land corridor from the USSR to Bulgaria were a related gambit. Bucharest deliberately floated these stories in the hope that the



Kosygin and Ceausescu

West, and specifically the US, would press the Soviets at Geneva for strict guarantees on border inviolability.

The Romanian concern over the prospect of Soviet pressures is genuine and may even have increased because Bucharest anticipates coming under fire at the current preparatory meeting for a European Communist conference in Warsaw. It is not unusual, however, for the Romanians to raise the specter of Soviet intervention to gain leverage as important events approach. At the moment, the US Congress is preparing to consider most-favored-nation status for Romania, the question of the non-use of force is coming up at the European Security Conference, and Secretary Kissinger is to visit Bucharest early in November.

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PALESTINIANS GAIN UN BID

The UN General Assembly on October 4 voted 105 to 4 to invite the Palestine Liberation Organization to participate in assembly discussions of the Palestine question this year. The vote gave the PLO a new measure of international respectability and paved the way for it to join the Arab states that are committed, at least for now, to seeking a political resolution of the Arab-Israeli conflict.

The lopsided vote and the limited number of abstentions—only 20—were in part the result of effective diplomatic tactics by the Syrian and Egyptian UN delegations. Exercising the restraint promised to Western diplomats by Egyptian Foreign Minister Fahmi, the Arab delegates produced a non-polemical draft, organized more than half of the assembly's membership to sponsor it, and lobbied effectively for its passage. The only contentious provision was an invitation to the PLO to address a plenary session of the assembly. In the past, the Palestinians had been permitted only to present their case before one of the assembly's committees.

Even Jordan voted in favor, acknowledging the overwhelming support marshaled for the resolution and relieved that it did not accord the PLO exclusive representation of the Palestinians. The Arabs declined to respond to the lone speech of opposition by the Israeli delegate, who characterized the PLO as representing "only 10,000 terrorists." Instead, they brought the resolution to a quick and decisive vote with a minimum of supporting rhetoric.

A PLO spokesman interviewed in New York after the vote pledged that the organization would now actively seek to apprehend Palestinian terrorists in furtherance of its official opposition to the use of violence against "third parties." The PLO, however, probably cannot restrain more radical Palestinians devoted to armed struggle. Such groups are even now plotting to disrupt future international conferences.

Strengthening the moderate leadership of the PLO and enhancing its stature are part of

Egyptian President Sadat's overall strategy of building a united Arab front for negotiations with Israel. The success of the recent diplomatic effort at the UN should give Sadat and Syrian President Asad greater leverage in persuading the PLO and some of the radical Arab leaders of the virtues of compromise, moderation, and united political effort in pursuing overall Arab goals.

Sadat will use the UN vote to ease the way toward implementing his strategy at the Arab summit that convenes in Rabat on October 26. At the summit, Sadat intends to press for Arab recognition of Jordan as the party that must conduct negotiations with Israel over the West Bank. He can point to the fact of international recognition for the PLO—and to Egypt's role in gaining it—as a guarantee that turning the negotiating role over to Jordan does not signify an abandonment of the Palestinians or a denigration of the PLO. Israel will negotiate with no one but Jordan over the West Bank, Sadat will tell the Arabs, and the PLO's UN recognition will be meaningful in the long term only if in the short term the Arabs accept this role for Jordan.

Although the Israeli government anticipated the outcome of the vote, it nevertheless appeared surprised at the overwhelming majority. A Foreign Ministry spokesman expressed particular dismay over the affirmative votes cast by France, Italy, and several other West European states that have experienced Arab terrorist acts against their own officials or on their soil.

Prime Minister Rabin reacted angrily to the UN action, calling it a surrender to the power of Arab oil and money. Israel, he said, will only meet terrorist organizations on the battlefield. Earlier this month, in a speech to the General Assembly, Foreign Minister Allon said that Israel would not consider such a resolution in any way binding. The opposition Likud bloc, meanwhile, has called for a special Knesset session to discuss the UN vote. Former prime minister Meir probably expressed the feeling of most Israelis when she said that the vote further put into question

the value of any UN guarantees of Israel's security that might be offered as part of the effort to reach a Middle East peace settlement.

The PLO also received a boost during the week from Soviet General Secretary Brezhnev. In a widely reported speech, he included the PLO leadership along with the Arab states with whom the USSR is developing "friendly cooperation" and demanded that "the legitimate interests of the Arab people of Palestine be met and their right to a national homeland be satisfied."

ISRAEL: WEST BANK CONTROVERSY

Controversy over the future of the Israeli-occupied West Bank of Jordan continued to be the focus of much attention in Israel for the second week in a row. This time it was fueled by former defense minister Dayan, who signed a petition sponsored by the right-wing opposition Likud bloc calling on the Knesset to oppose the return of the West Bank to "foreign" rule. Dayan later defended this position in a television interview.

Dayan and three of his colleagues from the Rafi faction of Prime Minister Rabin's Labor Party, who also signed the Likud petition, were roundly criticized by some Labor deputies at a meeting of party leaders and Knesset members on October 15. No action was taken against them, however, and party leaders are apparently attempting to avoid a major confrontation, which could threaten the survival of the Rabin government.

The Likud petition was precipitated by Rabin's suggestion earlier this month that Israel should be ready to give up parts of the West Bank in return for a Jordanian guarantee of non-belligerency. Dayan, adopting an uncompromising stance, said he would vote for any Knesset resolution opposing the reversion of the West Bank to non-Israeli rule, including that of "Jordan, the Palestinians, or even the British."

Dayan's move again raised the possibility of a break between his conservative Rafi faction, which controls seven Knesset seats, and the major segment of the Labor Party led by Rabin, who favors territorial concessions. Defense Minister Peres, Rafi's other principal leader, has yet to be heard from, but he is likely to try to prevent a party split, which would bring down the Rabin government. If the Rafi faction did decide to break away from Labor and team up with Likud and the religious parties, such a coalition would control a slim majority of 61 seats in the 120-member Knesset. That would be the same number of votes Rabin's coalition now controls, but Rabin can count on additional leftist votes that a conservative government led by Likud would not get. Without more Labor defections, therefore, a Likud-dominated government would not be viable for long and new elections would probably have to be called.

Dayan's signature on the petition and his public defense of it are, at the least, an embarrassment to Rabin and a shot in the arm for efforts by Likud and the National Religious Party to place the Knesset on record as opposing Israeli territorial concessions on the West Bank. His actions also serve to strengthen the hand of those in the Religious Party who oppose joining the present government, thus further complicating Rabin's already difficult task of working out a compromise arrangement to bring the party back into the coalition.

On October 15, the Prime Minister reportedly extended an official invitation to the Religious Party to join the cabinet, saying that no decision on West Bank territorial concessions had been made and that, in any case, national elections could be held before any Israeli withdrawal from the area. Most Religious Party leaders are still anxious to join the government but may find it awkward to do so while Israeli military and police units continue to evict groups of Israelis attempting to establish unauthorized Jewish settlements on the West Bank. The would-be settlers apparently have been organized by militants associated with the party's ultra-orthodox youth wing.

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KENYA: ELECTION GAINS AND LOSSES

The general elections on October 14 offered Kenyans little chance to pass judgment on the policies of President Kenyatta's government. The generally peaceful campaign had centered on personalities, and Kenyatta's Kenya African National Union was the only party on the ballot. Nevertheless, with several people contesting each seat, over half of the incumbents in the 158-member National Assembly were defeated, and the stature of two prospective successors to Kenyatta was enhanced by the election results.

Vice President Daniel arap Moi was given a boost when his main rival, Foreign Minister Njoroge Mungai, lost his National Assembly race. The political future of the capable and well-respected finance minister, Mwai Kibaki, was also

improved by his effective campaign and landslide victory in his district.

Some politicians long at odds with Kenyatta also showed considerable strength. Kenyatta prevented former vice president Oginga Odinga, a leader of the Luo—the main tribal opponents of Kenyatta's dominant Kikuyu—from contesting the election himself, but Odinga's stand-in candidate easily defeated a member of Kenyatta's cabinet. Kenyatta's attempt to stifle the campaign of J. M. Kariuki, a maverick backbencher from the President's Kikuyu tribe, also backfired. Kariuki, long a critic of the government, was returned by a three-to-one margin.

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ANGOLA: DECOLONIZATION EFFORTS

The decolonization of Angola may be moving ahead on the basis of renewed efforts by the Portuguese and Zairian President Mobutu. The Portuguese are counting on Mobutu to promote a united front among Angola's three rival insurgent organizations.

Mobutu, who discussed Angola with former Portuguese president Spínola last month, met with a Portuguese delegation in Kinshasa on October 10. The Portuguese, led by the army's deputy chief of staff, reassured Mobutu that Lisbon remained committed to the united front plan.

The Portuguese delegation also met with Holden Roberto, leader of the Zairian-based National Front for the Liberation of Angola, and with Daniel Chipenda, a vice president of the Popular Movement for the Liberation of Angola. Portuguese officials described the meetings with the rebel leaders as "useful," but gave no indication that any agreements had been reached.

The US ambassador in Kinshasa subsequently reported, however, that Mobutu has privately stated that a provisional government will soon be formed in Angola and will include leaders

of the insurgent organizations. Mobutu expects Roberto to be appointed prime minister. Roberto had announced shortly after meeting with the Portuguese that his organization would soon open an office in Luanda.

Heretofore, a major obstacle to negotiations between the insurgents and the Portuguese has been the factionalism within the Popular Movement. Mobutu's comments suggest that the movement's factions will enter the provisional government on an individual basis.

Portugal is willing to accept representatives of the insurgent organizations in a transitional government for Angola. It is not, however, willing to discuss a transfer of power to only one insurgent group, as it did in Mozambique and Portuguese Guinea. The Portuguese, Mobutu, and the insurgents themselves all realize that no single insurgent group has the necessary military power or political support inside Angola to make it a logical successor to Portuguese rule. Moreover, Lisbon is under heavy pressure from Angola's 500,000 whites to implement a decolonization policy that will protect their interests. [redacted]

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**Dominican Republic
BALAGUER'S VICTORY**

The Balaguer government has gained a significant psychological victory out of its successful handling of the abduction by terrorists of USIS official Barbara Hutchison on September 27. The media have emphasized that the kidnapers achieved neither of their original goals: the freedom of 37 prisoners and a \$1 million ransom. In the end, Balaguer only granted the terrorists safe passage to Panama in return for the release of the seven hostages held in the Venezuelan consulate.

As the episode dragged on for nearly two weeks, a broad spectrum of the President's leftist opponents disavowed any connection with the kidnaping and went on record as opposing the use

of violence as a political tool. The left's action was taken in part because a substantial segment of it has been negotiating with the government to obtain legal status and feared the kidnaping could sabotage these talks. Thus far, Balaguer seems to be taking advantage of his favorable situation and has avoided a general crackdown on the left, which terrorists could use to justify reprisals.

The Panamanian government is treating its seven unexpected guests with considerable reserve. It accepted the kidnapers on humanitarian grounds, but almost certainly has no desire to have them remain. [redacted]

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JAPANESE FISHING: SHRINKING SEAS

The Japanese fishing industry is being threatened by coastal states that are restricting foreign fishing and by conservation measures that would reduce access to the available fish population. Japan is the world's leading fish-catching nation, operating a fleet second in size only to the Soviet Union. Tokyo's total catch last year was about 10.7 million tons—about 16 percent of the world total. Fish and marine products account for more than half of the animal protein in the Japanese diet—about 150 pounds of fish per person were consumed last year, compared with about 40 pounds per person in the USSR and about 10 pounds per person in the US.

Practically all of the fish caught by the Japanese fleet is taken from the northern Pacific and the Bering Sea, where Japan competes with Korean, Chinese, Soviet, Canadian, and US fishermen. Expanding operations into Southeast Asian waters and the Indian Ocean are bringing the Japanese into competition with fishermen from developing countries in these areas.

To help resolve conflicts with coastal states, Tokyo has negotiated a number of bilateral agreements and is a member of practically all of the two dozen or so international bodies that control fishing in various geographic areas. Tokyo is also extending aid to developing coastal states and has established a joint government-business "Overseas Fisheries Cooperation Foundation" to provide private credits and encourage economic and technical cooperation.

Serious conflicts with Soviet fishermen have been a long-standing irritant despite regular meetings to deal with the problems. Soviet naval vessels have seized hundreds of Japanese fishing boats operating in fishing grounds near the contested Northern Territories off the coast of Hokkaido.

Both the Japanese and Soviet whaling industries are also facing problems. Over the past decade, the International Whaling Commission, which regulates the industry world-wide, has reduced the catch quota by some 80 to 90 percent and has instituted a ban on catching en-



dangered species. Japan and the USSR together harvested about 85 percent of the approximately 35,000 whales caught last year. Whale meat provides about 2 percent of Japan's animal protein and some 10 percent of its meat consumption. This, according to Japanese claims, saves substantial amounts of hard currency that otherwise would have to be spent for imported beef.

Prospects for the continued growth of the Japanese fishing industry are not bright. The global catch—about 70 million tons last year—is nearing the maximum sustainable level of about 100 million tons annually. Tokyo argues that voluntary restraint by Japanese fishermen has often been negated by increases by other countries, notably the USSR and South Korea.

In addition, some countries, alarmed at the depletion of fish stocks and desiring to foster the development of their own fishing fleets, are asserting the right to control fishing within 200 miles of their shores, where most of the world's fisheries lie. Participants in the Law of the Sea Conference will almost certainly agree on a 12-mile territorial sea and an additional 188-mile economic zone wherein coastal states have some control over fishing. This would have a serious impact on the Japanese fishing industry, which in 1972 took about one half of its catch within 200 miles of foreign shores.

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CAMBODIA: UN MANEUVERING

The Lon Nol government continues to focus attention on the 29th UN General Assembly in New York, where Sihanouk's supporters have so far failed to press for a quick showdown on the credentials issue. Instead, they are continuing their efforts to nail down the votes of wavering nonaligned states such as Nepal. This persistent lobbying effort reflects the closeness of current voting estimates and also suggests that the question may not be put before the General Assembly until next month.

In the meantime, the Asian Working Group, which is spearheading the effort to preserve Phnom Penh's UN seat, has been given some much-needed time to tighten its own strategy and support. The working group has just completed some last-minute modifications of its resolution to defer the credentials issue for another year. It is hoped that these relatively minor changes will be enough to gain the support of Iran and possibly some other still-undecided states.

Since the last dry season, the Chinese reduced their personnel support to the Burmese Communists. The Communists have been trying to further "Burmanize" their organization, and the coming military campaign should provide some indication of their progress.

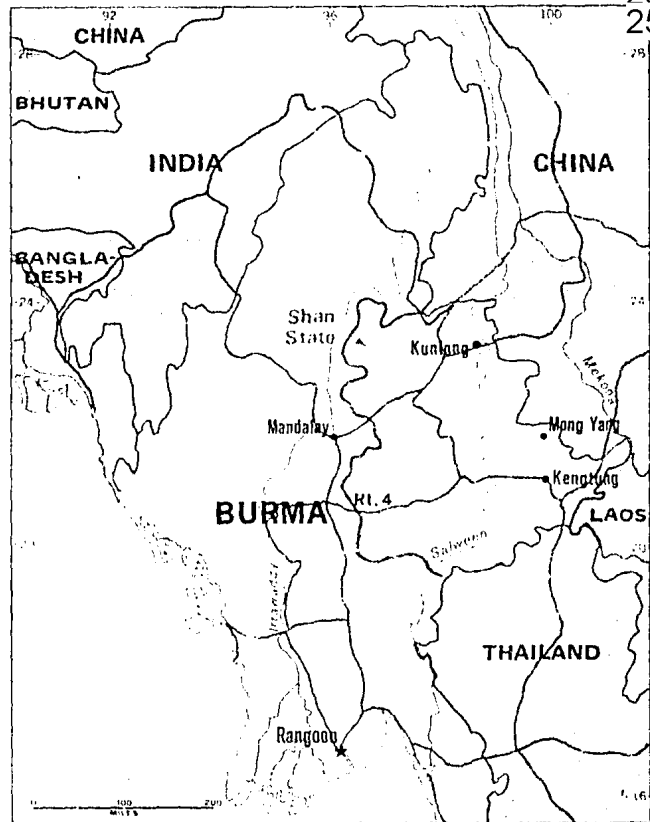
Rangoon's problems in the northeast are compounded by the presence of several ethnic insurgent groups that also operate in the area. Although these groups are smaller and generally not as well armed as the Communists, they add to the burden of the thinly spread government forces. Moreover, some of these ethnic insurgents may now be giving support to the Communists. A group of Shans claiming to be associated with the Communists recently attacked several villages south of Kengtung near the Thai border.

BURMA: NEW INSURGENT CAMPAIGN

The Burmese Communists are apparently preparing a new military campaign against the government in northeastern Burma. The insurgents have already staged small harassing raids near the important administrative center of Kengtung, their first activity in this area in several months. Communist forces reportedly are massing farther to the north and east, near the border with China.

The raids have been directed at points west of Kengtung along Route 4, Shan State's main road link with the rest of Burma. Some traffic along the road has been disrupted, causing concern among civilians as well as among Burmese army officers in the area.

The rainy season is about to end in northeastern Burma, and fighting often picks up at this time of year. During the last dry season, the Communists launched a major campaign in the Kengtung area, but government forces reacted aggressively and pushed them back. Rangoon will probably move forcefully again this year.



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PHILIPPINES: COMMUNISTS SURRENDER

In a well-publicized ceremony on October 11, the Philippine government wrote a virtual finish to the feeble attempt at insurgency by the moribund Communist Party of the Philippines. Responding to an offer of amnesty from the government, leaders of the Moscow-oriented party formally offered their cooperation to President Marcos, symbolically turned in 19 firearms, and promised to give up all arms still held by their military units.

The surrenders, while hailed as a breakthrough against subversion and a response to the effectiveness of the Marcos regime's social programs introduced under martial law, will have little impact on the current Communist insurgency situation in the Philippines. The party, with only about 500 active members and 200 men under arms, has long since been superseded by the better organized Peking-oriented party, whose New People's Army is the largest and most disciplined Communist insurgent group in the country. Marcos apparently hopes the surrender of the Moscow faction will spur defections from the Peking group, but this seems unlikely. The

Peking-oriented leadership has long considered the Moscow faction to be in the government's pocket.

The acceptance of the government's amnesty offer was the result of a series of negotiations conducted with government representatives last month. The formal ceremonies were delayed, however, until after Mrs. Marcos' trip to China in order not to detract from the publicity given to her visit. Under the amnesty agreement that was worked out, those who surrendered were required to pledge their support for the government and to renounce subversive activity. The amnesty offer, which will be kept open until late in the year, has prompted some insurgents in the provinces to follow the lead of the party hierarchy. The government will no doubt publicize these surrenders in order to induce more of the rank and file to turn themselves in. Although Marcos will get the most propaganda mileage he can out of the surrender, most Filipinos recognize that the staged affair will make no dent in the more troublesome activities of the Peking-oriented Communists.

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