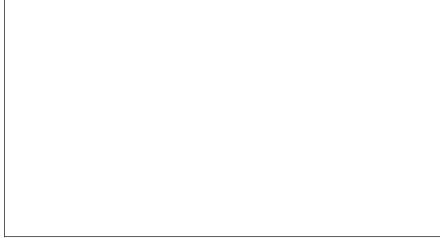




Director of
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*Wednesday
28 December 1983*

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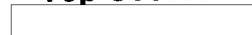
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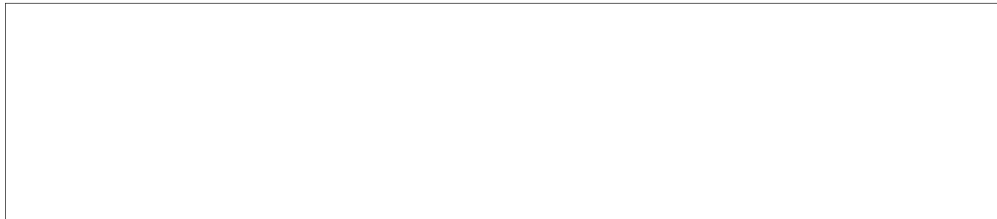
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SOUTH AFRICA-ANGOLA: South African Attacks

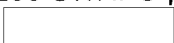
The pace of fighting in southern Angola appears to be quickening.




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The South Africans said on Monday that they had moved some 140 kilometers into Angola in a preemptive attack on a dispersed SWAPO force they claim totals some 1,400 guerrillas. Pretoria says that guerrilla units are protected by Angolan and Cuban forces and that some 200 SWAPO personnel had sought shelter at the garrison in Cahama. 

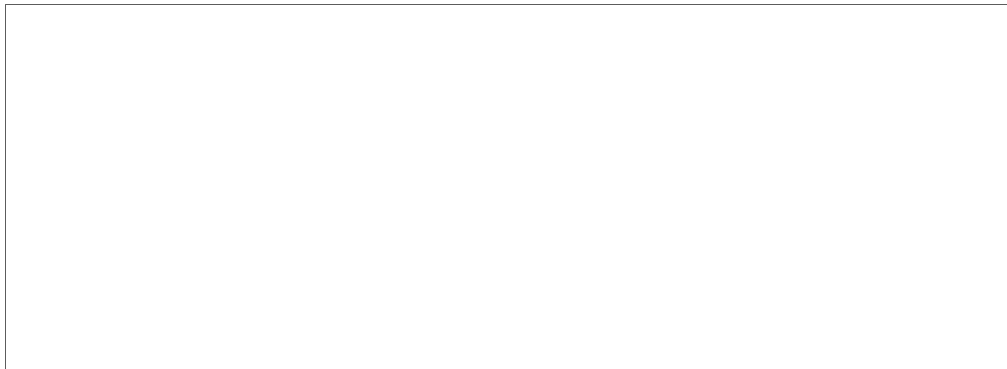
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The South African defense chief has publicly asserted that, while South Africa does not want to engage Angolan or Cuban troops, it would do so if the Angolans continue to protect SWAPO or interfere in South African operations against SWAPO. The Angolans reportedly did intervene last week in a clash near Caiundo. 

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Luanda announced on Monday that the South Africans had captured the town of Kassinga and had launched combined air and ground operations against Cahama, Cuvelai, and Caiundo. Angola claims to have shot down four South African aircraft. Pretoria denies losing any aircraft, but it confirms that SA-8 missiles were fired at its planes during operations over the weekend. 

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SURINAME: Labor Strikes

Violence is likely if the military intervenes to stop a week-old strike among bauxite workers. [Redacted]

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The wildcat strike protesting proposed tax increases has spread to Suriname's other major bauxite facility. According to the US Embassy, the government's failure to address the workers' demands prompted frustrated strikers to shut down a major source of electric power to the capital yesterday. [Redacted]

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Meanwhile, the government announced that it decided to make some unspecified concessions on taxes. It is also willing to negotiate some of the other demands of the strikers with the labor unions.

[Redacted]

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The strikers presented a list of 13 grievances to government ministers at a meeting last week. [Redacted]

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[Redacted]

Comment: The government's delay in dealing with this crisis indicates that Army Commander Bouterse wants to avoid a showdown and that he probably is looking for a way to calm the situation. Although Bouterse's first step has been to offer concessions to strikers, if the situation continues to deteriorate or causes widespread social unrest, he probably will not hesitate to act forcibly.

[Redacted]

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The absence of military action so far suggests Bouterse may try to appease the workers, even at the expense of the faltering economy. Meanwhile, the continuing strike will lead to losses in tax revenues and foreign exchange earnings. [Redacted]

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EL SALVADOR: Military Activity

Fighting continued over the weekend in the east and the north, and both sides are planning more operations. [Redacted]

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Government sources say the Army has killed at least 200 guerrillas in northern Morazan, while the insurgents claim at least 30 government troops were killed near Ciudad Barrios. [Redacted]

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[Redacted]

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The government plans to continue operations during the holiday period. [Redacted] the elite Atlacatl battalion will sweep central Usulután, and the US defense attache reports that the offensive in Morazan is ending. The Army also will increase security measures to protect the sugar harvest in the central part of the country. [Redacted]

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[Redacted]

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Comment: The Army's decision to sustain operations is a sign of a more aggressive strategy, particularly in the east. The insurgents, however, apparently plan to take advantage of the concentration of government forces in that region to strike elsewhere. They also may hope that renewed offensive activity near the capital will provide them with a more secure base of operations, which they are likely to use to disrupt the presidential election scheduled for late March [Redacted]

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ALGERIA: Results of Party Congress

Algeria's only political party, the National Liberation Front, reelected President Bendjedid as secretary general at its fifth congress last week, making him the sole candidate in the presidential election scheduled for 12 January. [Redacted]

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The congress strengthened the role of the Front in policy matters and called for improving and expanding the private sector of the economy. It gave agriculture the highest priority for development funds and imposed new and more rigorous standards for state officials. Changes in the Central Committee—the key decisionmaking body—strengthened the positions of Bendjedid and of the top military command, which provides key support for the regime. [Redacted]

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Comment: The congress marked a watershed for Bendjedid. After five years of low-profile leadership, he is making substantial doctrinal and personnel changes that should quicken the pace of his liberalization of the regime's policies. [Redacted]

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Algiers presumably will continue to pursue regional stability and to develop relations with the West. It will reduce the socialist restraints that have kept economic policy focused on heavy industry for almost 20 years. The regime also will try to cultivate public support by giving more attention to social and consumer needs and by reducing security controls. [Redacted]

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Several leftist party stalwarts—notably the head of the Front's foreign affairs committee—failed to be reelected to the Central Committee, as did many lesser leaders with close associations to members of previous regimes. The housecleaning represents the final phase of Bendjedid's slow and judicious consolidation of personal power. It should strengthen the policymaking apparatus of the party, which Bendjedid has regularly circumvented because of pockets of resistance to his new course. [Redacted]

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COSTA RICA: New Foreign Minister

President Monge has named Justice Minister Gutierrez to head the Foreign Ministry. Gutierrez replaces anti-Sandinista hardliner Volio, who resigned last month. At a press conference yesterday, Gutierrez said there will be no changes in foreign policy. [Redacted]

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Comment: The appointment of Gutierrez should reassure Monge's conservative backers that Volio's resignation did not portend a relaxation of Costa Rica's tough stance toward Nicaragua. Gutierrez has taken a firm line in negotiations with the Sandinistas, and he has been a competent participant in the Contadora peace process. Nevertheless, he probably will be less aggressive than Volio in his public posture toward Nicaragua. Monge is under pressure from the left wing of his party to maintain the channels of communication with Managua. [Redacted]

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SWEDEN-USSR: Soviets Expelled for Espionage

The Swedish Government last week expelled three Soviet citizens, including two diplomats, because of their involvement in espionage. A brief government statement, which did not name the expelled Soviets, stated that Swedish interests would have been damaged if the Soviets had continued their activities. The Soviet Embassy spokesman in Stockholm has denounced the charges as groundless. [Redacted]

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Comment: Stockholm's discreet handling of the expulsions is designed to restrict the damage on already cool relations. Nonetheless, this latest incident—along with previous submarine incursions into coastal waters and the interception by Swedish officials of sophisticated computer equipment bound for the USSR—will dampen Prime Minister Palme's hopes for normalizing ties.

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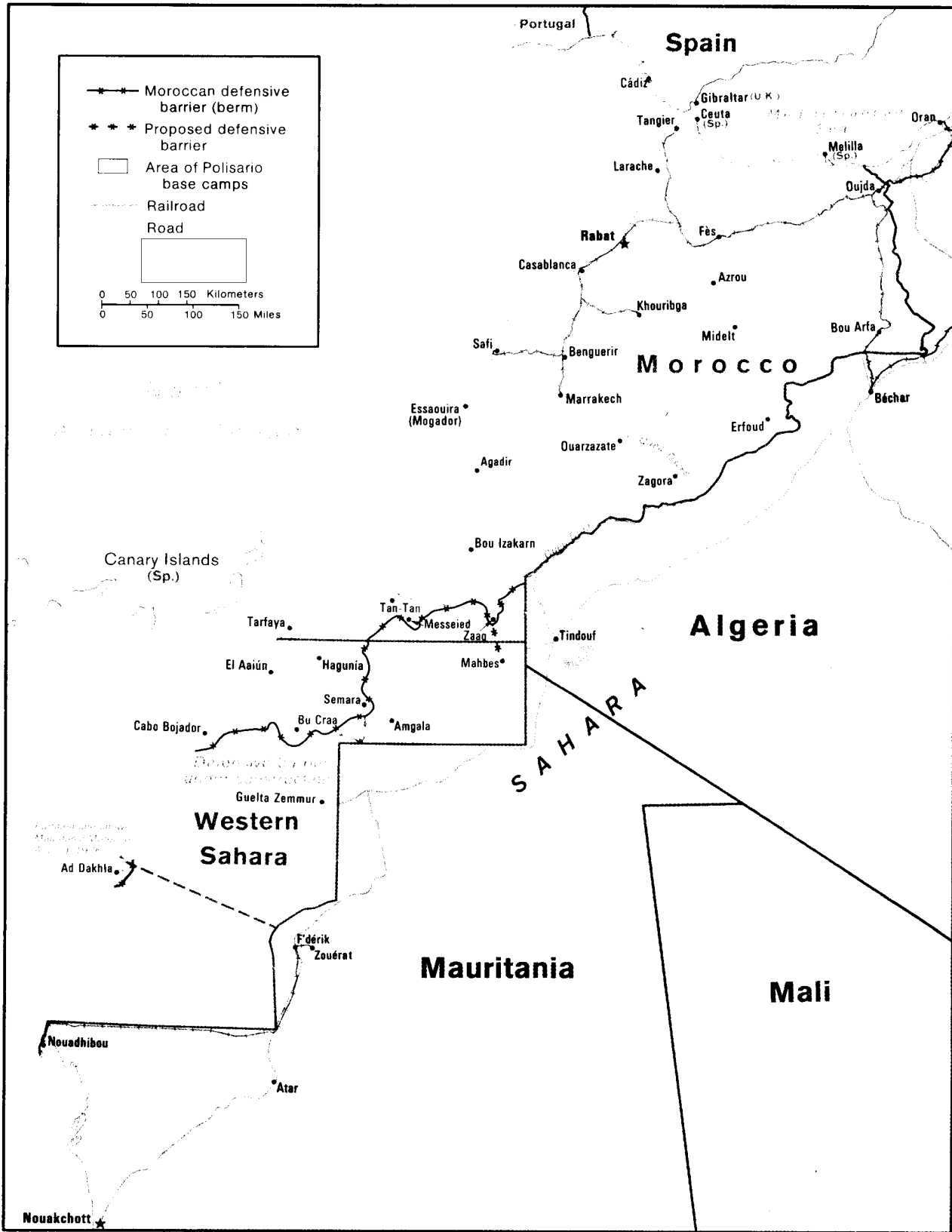
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Special Analysis

MOROCCO-ALGERIA-WESTERN SAHARA: The War Grinds On

The chances of a political resolution of the eight-year-old war in Western Sahara, which were increased somewhat by a rapprochement between Morocco and Algeria earlier this year, have diminished in recent months. As the deadline for an OAU-sponsored referendum this month runs out, the disputants have stiffened their positions. King Hassan remains under pressure to find a solution to the conflict, however, and Algeria is anxious to keep alive prospects for a settlement. [Redacted]

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Hassan tacitly accepted an OAU resolution last summer that named Morocco and the Polisario Front as the parties to the conflict, but he has steadfastly refused to hold public talks with the insurgents.

[Redacted]

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In a recent letter to African heads of state, Hassan reaffirmed his willingness to hold a referendum in Western Sahara. He insisted, however, that the OAU first has to arrange a cease-fire. [Redacted]

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The Algerian Position

During the past year, Algeria has begun to direct its policy in North Africa away from confrontation with Morocco in an effort to promote stability in the region. [Redacted]

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[Redacted]

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A high-level Algerian Government official reports that Algeria no longer favors an independent Saharan state because it could introduce a new element of instability in the area. Instead, the official suggested that the solution to the Western Sahara problem could be found in some kind of confederation scheme with Morocco and Mauritania. Another Algerian official has said that Algeria is willing to assist in negotiations by "working on the Polisario." [Redacted]

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Algerian President Bendjedid, however, is constrained by the Army and other less conciliatory elements in the government and by Algeria's longstanding commitment to the principle of self-determination for the territory. As a result, Algiers will continue to support the Polisario's position that Rabat deal directly with the insurgents rather than through Algeria, as Hassan would like. [Redacted]

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While the recent fifth party congress of the National Liberation Front strengthened Bendjedid's authority, he is still unlikely to adopt policies that offend the Army—his main power base. [Redacted]

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In any event, Algiers is unlikely to take any new initiatives in the next several months. Among other things, the Algerians are increasingly preoccupied with the presidential election to be held next month. [Redacted]

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Other Pressures

African states are anxious to see progress in settling the conflict before the OAU summit scheduled for May in Conakry, Guinea. The interim Secretary General of the OAU says the Polisario leaders have agreed not to attend a ministerial conference in February to avoid further disrupting the organization. He expects, however, that the insurgents will insist on attending the summit and claiming a seat. [Redacted]

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Morocco's moderate African supporters, who thus far have gone along with Rabat's insistence that the Polisario not be seated at the OAU, are restive over Morocco's position on implementing the OAU resolution. If the Polisario's self-declared "republic"—recognized by 27 of the OAU's 50 members—is admitted as a member state at the summit, only a few other members would be likely to follow Rabat in its probable walkout. [Redacted]

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Rabat's serious financial difficulties, which are caused in part by the cost of the war, may eventually add to the pressures on Hassan to compromise. Although acquisition of Western Sahara remains a popular cause among Moroccans, the continuation of economic austerity measures could cause political problems for the King. [Redacted]

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Aid from Saudi Arabia, which earlier had helped offset military expenses, has dropped off over the past two years. In recent months, the Saudis reportedly have [Redacted] encouraged all parties to seek a solution to the conflict in the interest of regional unity. [Redacted]

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Military Outlook

Polisario insurgents are likely to continue the sporadic but well-organized military attacks they began in July in the hope of forcing Morocco into direct, public negotiations. Their tactics have included efforts to breach the Moroccan defensive barrier, but they do not have the ability to hold territory actively defended by Moroccan forces. [Redacted]

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The guerrillas also probably will increase harassing attacks with the intention of luring Moroccan forces outside the barrier. In addition, they may continue efforts to shoot down Moroccan aircraft, which frequently attack Polisario camps in Western Sahara. [Redacted]

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The recent start of Moroccan construction to extend the barrier to the Mauritanian border will further frustrate the Polisario and reinforce its determination to fight on. Without increased support, however, the Polisario is unlikely to be able to put enough military pressure on Morocco to force it to compromise any time soon. [Redacted]

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Algeria probably will not increase substantially the Polisario's military capabilities or loosen the controls that inhibit the insurgents' access to Moroccan territory. On the other hand, the Algerians are likely to have approved heightened guerrilla activity in the past six months. They may calculate that Rabat will not be ready for a compromise solution until after Moroccan resources have been strained further by the conflict. [Redacted]

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