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National Intelligence Bulletin

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March 3, 1976



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PORTUGAL

A bitter disagreement among Portugal's top military officers could foreshadow an open split between left- and right-wing factions in the Revolutionary Council.

Conservative newspapers yesterday published a strong attack by air force Chief of Staff Morais da Silva on President Costa Gomes and Foreign Minister Melo Antunes, both left-leaning members of the Council. The criticism focused on the role played by the President and foreign minister in gaining recognition for the Soviet-backed government of the Popular Movement for the Liberation of Angola. The Revolutionary Council remained deadlocked on this issue for weeks before authorizing Costa Gomes to extend recognition. In his speech, Morais da Silva publicly disassociated the air force from the President's action.

Criticism of Melo Antunes also appears to have been prompted by the foreign minister's recent efforts to tout army Chief of Staff Ramalho Eanes as the military candidate for the presidency. The air force chief denounced attempts to present an "armed forces candidate" as "paternalistic" and said such a move would provoke a deep split in the armed forces. Earlier, Prime Minister Azevedo, another leading contender for the presidency announced he would not run as a "military" candidate.

Morais da Silva also warned that unnamed left-wing forces, rather than "wait to be routed at the ballot box," might foment a coup attempt from the right, and then put it down by a well-prepared counter-coup. He offered no evidence for such a plot, but abortive coups have shifted the political momentum in Portugal twice in the past 12 months.

Council members until now have papered over their differences in order to present a united front against the communists and the far left. Morais da Silva's attack may mean that such bitter controversies as that over Angola have now made unity impossible. Rightist officers may have decided to press for the removal of Costa Gomes and Melo Antunes now, even though the coming elections are expected to sweep both of them from power.

If the air force chief is being used as an agent of change, he has good credentials. He was the first top military figure to call for the removal of former prime minister Goncalves last summer and had a hand in the removal of former security chief Otelo de Carvalho.

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USSR

Events at the Soviet party congress have confirmed the growing distance between Moscow and the significant West European communist parties on such benchmark issues as "Maoism" and "proletarian internationalism"—the catchword for Moscow's primacy in the communist movement. The public display of differences clearly came as no surprise to the Soviets, and rather than fighting the independents head-on, the Soviets appear determined to do what they can to minimize the differences and avoid any sense of irreversible estrangement.

The Soviets have not tried to conceal the existence of this dispute. They have reported the speeches of both sycophants and independents, and Brezhnev has met with both Cunhal of Portugal and Berlinguer of Italy, who respectively epitomize extreme examples of the two tendencies. *Pravda* even put a photo of the Brezhnev-Berlinguer meeting on its front page. The Soviets can thus make a plausible case that they have treated everyone with something like even-handedness.

At the same time, the Soviets—beginning with Brezhnev's opening speech—have not hesitated to make their own views clear. Their reaction to the various shades of opinion has been made evident in the congress "applause meter"—the frequency and duration of applause for each speaker.

The emphasis placed by the Soviets and their sycophants on the dangers of "Maoism" suggests that the Soviets want to avoid a proliferation of ideological factions so they can concentrate on one enemy at a time. The Soviets do not want to revive the image of themselves as a beleaguered giant lashing out at heretics and traitors on all sides, an image that would clash with the positive mood they are trying to create at the congress.

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CHINA

The Chinese leadership still seems locked in a struggle over how to resolve the status of Teng Hsiao-ping. This impasse is reflected in conflicting signals from Peking.

An article in *People's Daily* on February 29, co-authored by the authoritative political commentator, Liang Hsiao, marked an escalation of the attacks on Teng. The article, while not identifying the "capitalist roader" it attacked, cited one of Teng's well-known statements, thus leaving no doubt who the target was. Several provincial radio broadcasts since then have also used this formula.

Political wall posters attacking Teng appearing in the streets of Peking still do not use his name, but posters attacking Teng by name have appeared in universities in Peking and in several provinces. Some provincial officials who, like Teng, were brought back from political disgrace after the Cultural Revolution, are also being criticized by name in provincial posters. Moreover, those Chinese leaders most likely to be supporting Teng are not making public appearances, but those who are probably among his main opponents have appeared frequently.

The attacks on Teng, whether indirect or explicit, have thus far stopped short of calling for his removal from office; significantly also, Teng's brother appeared in public on February 23. The *People's Daily* article of February 29 stated that the pro-Teng forces in the party "have enormous power in their hands" and "congratulate each other," suggesting that Teng's current status may be less bleak than it appears on the surface. Some officials abroad have said Peking has sent no official guidance on the Teng Hsiao-ping question—an indication that Teng's enemies have not yet fully had their way with him.

In contrast to earlier statements that Teng retained his party, government, and military posts, Chinese officials late last week ducked the issue with statements of "no comment." On March 1, however, a Defense Ministry spokesman said there had been no personnel changes in the army's leadership, indicating Teng still holds the title of chief of staff. This would suggest that he also continues to hold his other important party and government titles. Moreover, the spokesman again denied the existence of a directive announcing the replacement of the defense minister, a man who presumably is supporting Teng. Whether Teng is actually exercising authority in his various positions, however, is far from clear.

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The importation of foreign technology has long been a subject of debate in the leadership even before Teng Hsiao-ping returned to power. Some leaders seem concerned that China will become overly reliant on foreign countries, but Teng Hsiao-ping and others in the leadership support the current policy of purchasing technology from abroad. An attack in *People's Daily* on those who seek to modernize China's economy by "asking foreign countries for assistance" suggests that the foreign trade policy—and the larger question of rapid modernization raised by Chou En-lai in January 1975—is indeed at issue and that, depending on the outcome of the current leadership struggle, some adjustments in the current economic plan may be made.

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WESTERN EUROPE

Speeches by delegates from major West European Communist parties at the Soviet party congress have reflected the West Europeans' growing disposition to dissociate themselves from Moscow's style of communist rule.

The West Europeans stressed their own parties' national identity and the need to form alliances with non-communist forces. They played down the international aspects of communism and the Soviet leadership role. The standard condemnations of anti-Sovietism, for example, were not made by the Italian, French, or Spanish delegates.

The Italians were the most heretical. Party leader Enrico Berlinguer emphasized that his party's autonomy was the reason it had captured the support of an increasing number of Italian voters.

The congratulations Berlinguer offered to the Soviets for their progress on East-West issues were marred by his failure to express full "solidarity" with the Soviet party, as he did at the last Soviet congress in 1971.

He also implied that his own party's acceptance of certain features of Italian foreign policy—including membership in NATO—had contributed toward better East-West relations. The same passage also suggested that Italy's "international alliances" help protect the Italian people from "foreign interference." By not specifically mentioning the US in this regard, Berlinguer was ambiguous enough for his audience to conclude that he was talking about both the US and the USSR.

In an apparent attempt to improve the atmosphere between the two parties, General Secretary Brezhnev met with Berlinguer on Monday. The two leaders issued a joint statement recognizing the need for international cooperation and mutual respect for each party's autonomy. The full statement is not available, but an Italian spokesman said differences of opinion were evident in the talks.

The French Communist Party reinforced the independent line taken at its own congress last month by not sending party chief Georges Marchais to Moscow. It was the first time the leader of the party has not attended a Soviet congress.

His substitute, French Politburo member Gaston Plissonnier, did not, as Marchais did last month, accuse the Soviets of abusing human rights, but he called for guarantees for individual and collective freedom and defended "French-style socialism."

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Plissonnier criticized the Soviets for being too lenient on Giscard's foreign policy, which the French Communists see as being more Atlanticist than that of his Gaullist predecessors. By raising this issue, the French party is again indicating that it expects Moscow to halt what it sees as interference in French politics designed to bolster the French left's opponents.

Plissonnier made clear that while the French Communists are aiming for more independence in their domestic activities, they are not renouncing cooperation with Moscow on foreign policy issues. He pointed out, however, that "proletarian internationalism" no longer means that the Soviets can expect acceptance of their interests as the common good at the expense of the interests of the other parties.

Spanish party leader Santiago Carrillo attended a meeting of Spanish and Italian leftists in Rome rather than the Moscow conclave. Dolores Ibarruri, who has been in exile in Moscow as honorary president of the Spanish Communist Party, delivered the Spanish address to the congress. She gave only a lukewarm endorsement of the Soviet party in contrast to her laudatory remarks in 1971, when she praised it as the "vanguard in the world's advance toward socialism."

Portugal's party chief Cunhal gave a more traditional performance. He pledged the eternal friendship of the Portuguese party and insisted that Moscow's leadership is essential for the world communist movement. Anticipating his continued loyalty, the Soviets scheduled Cunhal as the first West European speaker on the second day of the congress. In 1971, Cunhal spoke on the tenth day.

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EASTERN EUROPE

Speeches by the East European leaders at the Soviet party congress highlight the political differences that exist in the "socialist camp."

The Bulgarian, East German, and Czechoslovak spokesmen continued to court Moscow's favor by stressing across-the-board fidelity. The Hungarians still rely on their ability to extract both Soviet economic assistance and a degree of tolerance of their domestic policies in return for faithfully following Moscow's lead in foreign policy.

The remarks of the Polish, Romanian, and Yugoslav delegates reflected their particular national circumstances. Poland, for example, has carved out a special position for itself as the "second" socialist state; Romania remains impudent enough to stand alone; and Yugoslavia, not a member of the Soviet alliance system, rarely hesitates to voice its disagreements with Moscow.

Poland's Gierek said most of the right things at the congress, including endorsement of the European and world Communist conferences, but paid only slight attention to ideology. Instead, he stressed the amalgam between socialism and national interests and traditions that the Poles claim to have achieved.

He also called for "common action with other democratic movements," a formulation included in other East European speeches only by Romania's Ceausescu and Yugoslavia's Dolanc.

Speeches by Ceausescu and by Stane Dolanc, Tito's number-two man in the party, closely resembled each other both in structure and content. The similarity of their speeches strongly suggests that the two men completed coordination of their views on February 25, when Ceausescu talked with the entire Yugoslav delegation at the Romanian embassy in Moscow.

The Romanian and the Yugoslav speakers had some cautiously optimistic words for bilateral relations with Moscow. Throughout their speeches, however, they emphasized the right of each party and state to develop its political line independently and in a "creative" manner. This emphasis—together with their downgrading of proletarian internationalism, the codeword for Soviet leadership of world communism—was designed to undercut Moscow's pretensions to hegemony.

Dolanc and Ceausescu praised nonalignment, a topic Brezhnev had only lightly touched on. Furthermore, Dolanc chose to use the congress to assert that it was the Yugoslavs themselves—not the Red Army—who had liberated Yugoslavia during World War II. Although he acknowledged that the Soviets had made the "decisive contribution" to the overall victory in Europe, Dolanc quickly added that the

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Yugoslav war effort, also, helped the "general cause of the anti-Hitlerite coalition." He also made a half-hearted effort to balance his defense of "workers' self-management" and "direct socialist democracy"—concepts alien to Soviet doctrine—with a passing reference to the Yugoslav party's efforts to secure the "ruling position of the working class."

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DENMARK

The Defense Ministry will soon issue a decree tightening restrictions on access of foreign naval ships and military aircraft to Danish territory in peacetime. It is designed largely to discourage encroachment by Warsaw Pact forces conducting surveillance and exercise activities in Danish territorial waters and airspace.

Innocent passage through waters designated as international straits—the Sound and Great and Little Belts—has been somewhat liberalized. Advance notification is the only requirement for simultaneous passage of more than three warships of the same nationality.

The new restrictions will apply to internal waters and those within the 3-nautical-mile limit. Foreign warships that previously could transit these waters or anchor close to shore for up to 48 hours without advance notification will be required to provide prior notice and request special permission to stay. In addition, military aircraft must receive prior permission to fly in Danish airspace, including that over the Sound and Great Belt, previously a free-passage area.

Denmark has become increasingly concerned over expanded Warsaw Pact naval and air activity during the past decade. Danish and NATO naval exercises are frequently monitored by Warsaw Pact ships, and Denmark has registered complaints of harassment. There also have been cases of deliberate violation of territorial waters by Pact warships, particularly those of East Germany and Poland. Recent incidents involved two Polish training ships that made unannounced calls at two Danish ports on February 19 and 20.

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ITALY

The Italian Socialist Party's national congress opens today in Rome. The decisions taken by the Socialists, together with the results of the Christian Democratic congress later this month, will determine whether the two parties can avoid early elections and settle on a formula for a new coalition—still the only realistic alternative to Communist participation at the national level.

Socialist leader De Martino is hoping to use the congress to unify his party behind a strategy aimed at protecting and enhancing its pivotal role in Italian politics. Only the Socialist Party, Italy's third largest, can guarantee the Christian Democrats a non-Communist majority in parliament, but the Socialists have concluded that they may ultimately be relegated to a marginal role unless certain political trends are reversed.

Specifically, the Socialists want to force the Christian Democrats to abandon the practice of seeking behind-the-scenes support from the Communists in parliament, while professing opposition to the Communists publicly. In the Socialist view, this informal coordination process allows the Communists to put their stamp on government programs while retaining their freedom to criticize from the opposition. The Socialists see themselves as tainted, meanwhile, by their participation in Christian Democratic - led governments during most of the last 12 years—a situation which the Socialists believe to be largely responsible for the Communists' ability to outpoll them with Italian voters who are moving to the left in increasing numbers.

The Socialists see in these trends the potential for their own decline and for the eventual consummation of the alliance that Communist chief Berlinguer wants with the Christian Democrats, i.e., the "historic compromise."

The Socialists therefore will try at their congress to distinguish themselves from both the Christian Democrats and the Communists. Comments by various party leaders over the last few months suggest that to accomplish this the Socialists will seek to draw a distinction between the party's long-range goals and its short-term tactics. The Socialists are likely to say that their long-term goal is a grouping of leftist forces, including the Communists, that would replace the Christian Democrats as the dominant political force. That proposal is intended to stand in opposition to Berlinguer's strategy of seeking cooperation with the Christian Democrats—a concept that still troubles more militant leftists.

Socialist chief De Martino has repeatedly said, however, that the leftist alternative will not be feasible until the Socialists have increased their electoral strength with respect to the Communists and until the latter have severed their remaining ties to Moscow.

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For the near term, the Socialists are willing to collaborate with the Christian Democrats, provided that the Christian Democrats:

--give the Socialists more influence over policy in a new government, possibly to the extent of dumping the two smaller parties, Social Democrats and Republicans, who have always participated in center-left coalitions;

--agree to consult the Communists openly, in order to make them accept more responsibility for government actions.

The Christian Democrats have so far been unable to reconcile internal differences over how to respond to the Socialist Party's conditions, but they will have to do so at the Christian Democratic congress, which opens on March 19. Most Christian Democrats favor giving the Socialists more influence in the government but oppose actions that would publicly qualify the Christian Democrats' traditional opposition to the Communists.

The Christian Democratic position on that question will be influenced heavily by the outcome of a leadership struggle now under way between the supporters of Christian Democratic chief Zaccagnini, who favors an open "dialogue" with the Communist opposition, and the party's center-right leaders, who are convinced that such a policy would add to the Communists' increasing respectability and lead inevitably to broader collaboration with them.

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MIDDLE EAST

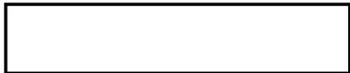
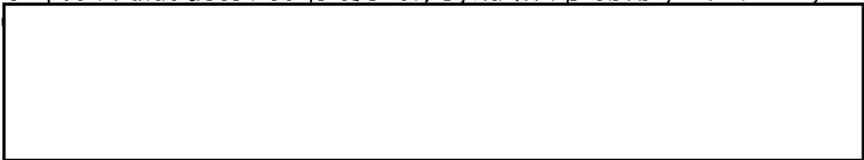
Palestine Liberation Organization and Fatah leader Yasir Arafat is concerned about Syrian activities in Lebanon and Jordan, but an overt move by Damascus to oust him from his position appears unlikely.

When Syria promised to guarantee that the Palestinians would adhere to regulations governing their activities in Lebanon, Syrian President Asad did not seek Arafat's concurrence but merely informed him of the decision. If necessary, Damascus would logically use the Palestine Liberation Army—which it largely controls—to enforce adherence. Arafat therefore views the PLA presence in Lebanon as a potential threat to his leadership.

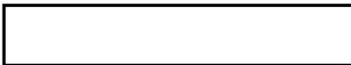
The Syrian-backed Saiqa fedayeen group has also been at odds with Fatah on several occasions, and its leader, Zuhair Muhsin, may be a contender for PLO leadership. Saiqa has reportedly increased its size and has probably also sought to acquire more influence in fedayeen councils. Nevertheless, Fatah is considerably larger and more effective, and Saiqa alone cannot seriously mount a political or military challenge to its position. Saiqa can pose serious problems for Fatah only as an instrument of Syrian policy.

Fatah is also suspicious of Syria's developing cooperation with Jordan. Fatah leaders fear that Syria has agreed to a Jordanian move to regain the west bank and represent the Palestinians there. If this should happen, Arafat would suffer a major setback that could unseat him as the Palestinian leader.

To demonstrate his independence of Damascus, Arafat has courted Rejection Front fedayeen to form a unified front and has enlisted Egypt's support in claiming that moves by Jordan are counter to resolutions of the 1974 Rabat summit conference. Nevertheless, Arafat still depends on Syria for logistic as well as political support, and he is not likely to risk open confrontation now in order to maintain independence. As long as Arafat does not go too far, Syria will probably not overtly move against him.



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MOROCCO-ALGERIA-SAHARA

The US defense attache in Rabat reports that the Moroccans may soon begin a new phase of military clean-up operations against the Polisario Front.

The purpose would be to eliminate the large number of Polisario forces which Rabat believes are located in the Zemmour mountains around Guelta in Spanish Sahara and in the area north of Bir Moghreïn in Mauritania. The Moroccans reportedly also are planning to clean out small pockets of guerrilla forces in southern Morocco as far east as the Algerian border.

[REDACTED] Rabat believes Polisario forces are also poised for operations in these areas. King Hassan ordered all forces involved in the January and February sweeps in northeastern Spanish Sahara to regroup at El Aaiun, Semara, and Tan Tan. These forces probably would be used should the sweep be resumed.



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MOROCCO

King Hassan today marks his 15th anniversary on the throne with his domestic position stronger than it has been in many years as a result of his success in forcing Spain to relinquish its Saharan territory to Morocco and Mauritania.

Hassan probably will devote much of the major speech he is scheduled to give to Morocco's plans for Sahara. Among other things, he may announce how the territory is to be partitioned with Mauritania; most of Sahara north of the 24th parallel, including the rich phosphate deposits, reportedly will come under Moroccan control.

Almost all Moroccans, including those who oppose the King's autocratic style of rule, have supported Hassan's campaign to annex at least part of Sahara. His success in the face of Algerian opposition has, at least in the short run, enhanced the security of his throne. The opposition political parties, which have long sought political liberalization in Morocco, are weak and divided and pose no threat to the King.

The armed forces, from whose ranks came the leaders of two abortive coup attempts in 1971 and 1972, remain the chief threat to Hassan. While the military has supported the Sahara campaign and morale seems to be high, its commitment to Hassan personally is questionable. Moroccan officers chafe under their direct subordination to him and resent his continuing distrust of them.

The military probably views its role in securing Sahara primarily as an opportunity to vindicate its honor and recoup some of the prestige it lost following the two coup attempts. If the Moroccans get bogged down in a long and costly counterinsurgency effort or suffer a defeat in a confrontation with Algeria, the military might well again turn on King Hassan.

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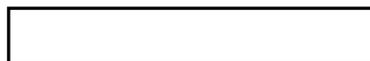
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SOUTH AFRICA

The South Africans are preparing contingency plans in the event of an insurgent threat from Mozambique and Angola.

South African defense forces began preparations for identifying targets in Mozambique and Angola during a conference in Pretoria on February 23. The target list included transportation hubs and junctions, ports, and all military facilities including barracks. Defense officials have apparently concluded that expanded assistance from Mozambique to Rhodesian guerrillas and the potential for increased conflict in Namibia present a significant threat to the security of South African borders. Pretoria does not believe that there are Cuban military personnel in Mozambique at this time. There is concern, however, about unconfirmed reports of large Soviet or Cuban weapons deliveries—including tanks—to Mozambique.

The South Africans are undoubtedly concerned about their own security in the face of expanded Mozambican assistance to Rhodesian guerrillas. They are also worried about the likelihood of the Popular Movement for the Liberation of Angola supporting insurgents in Namibia or entering into direct confrontation with South African forces in the buffer zone established in Angola by the South African government. South African forces in the Angolan-Namibian border area have recently been organized as a unified tactical command to improve command, control, and administration in order to counter a possible Cuban-Popular Movement offensive there.



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USSR

The impact of last year's harvest failure is being increasingly felt by Soviet consumers. The embassy has begun to receive reports that food shortages in rural areas have become a topic of conversation in Moscow. Residents of Moscow are being appealed to by friends and acquaintances to "bring or send bread, meat, and milk." Grumbling by the Moscow "man on the street" is said to be widespread because the problem is not receiving attention at the party congress.

Other recent reports confirm that food supplies in rural areas continue to deteriorate, while supplies in urban areas still appear adequate. Recent embassy visits to Riga, Baku, Kishinev, and Irkutsk found most foodstuffs available, including meat and a reasonable assortment of bread.

On the other hand, reports from scattered rural areas refer to poor food supplies, including the total absence of sugar, potatoes, macaroni, butter, or milk and little or no meat. Bread is usually available, but quantities are sometimes reported as "barely adequate." Meat and milk supplies in rural areas may be tight for some time, since there are also reports of acute shortages of hay and grain to feed private livestock.

Moreover, despite massive imports of grain, feed shortages are still causing slaughtering of livestock in the socialized sector. The latest official statistics on the number of livestock on collective and state farms indicate that cattle herds—whose numbers had been largely unaffected by feed shortages—are now beginning to decline. In addition, hogs and poultry, which bore the brunt of the harvest shortfall last fall, were 23 percent and 9 percent respectively, below last February's level. Nevertheless, our evidence does not point to a crisis situation, although further deterioration in the next few months is expected.

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BRAZIL-ANGOLA: The Popular Movement for the Liberation of Angola reportedly has offered to buy Brazilian heavy trucks and armored cars. The Brazilian Foreign Ministry does not believe that its industry can supply vehicles in the time or quantity desired by the Angolans. It expects the Popular Movement will eventually deal with the French, although a small number of Brazilian armored cars may still be purchased. Foreign Ministry officials look on the arms offer as a gesture of appreciation for Brazilian recognition, which was at first heavily criticized by conservatives within the military/security establishment. The Foreign Ministry may also point to the arms request as an indication of a possible desire by the Popular Movement to become less dependent on the Soviets and the Cubans.

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