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Director of
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POLAND: Church Criticism of Western Sanctions

//Archbishop Glemp is concerned that Western economic sanctions will aggravate the volatile situation. British Foreign Secretary Lord Carrington wants the US to drop restrictions on existing contracts with Poland and the USSR. Meanwhile, the Polish ruling party is cautiously preparing to implement price increases.//

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//The Church yesterday implicitly criticized foreign economic sanctions by agreeing in a communique issued after the meeting of the Church-State joint commission that such sanctions "hamper" the "process of renewal."

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//Glemp also stated the Church's primary mission now is to prevent bloodshed. He fears that radical Solidarity activists will go underground and initiate violent resistance. Glemp evidently is annoyed at Solidarity chief Walesa for not heading off resistance by beginning negotiations with the regime.// 25X1

//In addition, Glemp apparently views Premier Jaruzelski as a moderate under siege from hardliners. He believes that differences within the regime are delaying formulation of necessary reform policies and thus increasing the chances of instability.// 25X1

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the Pope seems to share Glemp's view that sanctions help to make matters worse. Some Catholic intellectuals in Poland, however, have expressed strong approval of sanctions. 25X1

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Comment: Glemp's pessimism and concern about the volatility of the situation are in line with recent comments of other Church officials. None of them, however, are predicting any imminent outbursts. They seem to be concerned that if current trends continue unchecked, a hungry populace might cause disturbances or give impetus to extremism. 25X1

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//If Glemp's opposition to Western sanctions becomes widely known, it will strengthen the hand of those West Europeans who want to maintain or increase the flow of economic assistance to Poland. This would then make it even more difficult to construct an Allied consensus on Poland, particularly if the West Europeans believe that the Pope shares Glemp's views.// 25X1

//Glemp's view of Jaruzelski as a moderate may not be accepted throughout the Polish episcopate. 25X1 25X1 Differences within the Church hierarchy may have been aired at the meeting of all the bishops yesterday. They did agree on a statement to be sent to Jaruzelski--the contents of which are not yet available.// 25X1

//The Archbishop also may exaggerate the possibility that hardliners have Jaruzelski on the run. The Premier is likely to retain his strong grip on the reins of power as long as concern over maintaining control is paramount and the party is in disarray.// 25X1

//There probably are considerable differences, nonetheless, over policy as hardliners and moderates in the leadership maneuver for political advantage. These differences are likely to grow because Jaruzelski has few concrete ideas about "reform" and because he is not a skilled political tactician.// 25X1

//British Foreign Secretary Lord Carrington has expressed his concern over future Allied responses to Poland. He doubts that the West Europeans will impose sanctions similar to US measures because they would affect West European - Soviet commercial ties. Carrington specifically noted West European resistance to dropping the natural gas pipeline from Siberia 25X1 25X1 25X1

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//Carrington also raised the issue of Alliance policy in the event authorities in Poland create the impression that "dialogue" has resumed by releasing more detainees and creating a puppet version of Solidarity. He wants the Allies to discuss this possibility now in order to avoid embarrassing and debilitating splits later.// 25X1

The martial law regime has amended its proposed price reforms to give full compensation to almost all consumers for price increases on meat, flour, and other rationed goods. It has also scaled back energy price hikes, which originally were scheduled to more than double. The authorities, however, are still proposing to implement the increases on 1 February. 25X1

Comment: Many in the government will favor going ahead with the price changes as soon as possible because they realize that the increases are necessary if the regime is to have any chance of stabilizing the market. Although the amended price reforms will absorb less excess purchasing power, the government probably believes that it must soften the financial blow to the populace and try to reduce consumer hostility. 25X1

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FRANCE: Attack on Nuclear Reactor

The attack on Monday on the fast-breeder nuclear reactor under construction in southeastern France caused only minor damage. 25X1

An antinuclear group calling itself "Peace-Loving Ecologists" has claimed responsibility for the incident. Small antitank rockets of a type readily available on the black market reportedly were used. There is no evidence linking either the incident or the group to a known terrorist organization. 25X1

Comment: The attack is unprecedented among the normally pacifist antinuclear groups. It probably was intended to demonstrate the vulnerability of the plant rather than cause substantial damage. No radioactive fuel has been installed at the facility, and the attack was carried out when few workers were present. 25X1

The immediate political impact of the incident is likely to be limited because the damage was slight and because no major terrorist group apparently was involved. On the other hand, West European antinuclear protest groups are frustrated by their inability to influence government nuclear energy policies through political action. 25X1

The protest groups probably hope that the popular reaction to this attack will be strong enough to retard nuclear power development. If it does not and more attacks occur, a logical next step would be sabotage of the nonnuclear part of an operating power plant or a takeover of a nuclear facility. Either would be more certain to create widespread alarm. 25X1

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GREECE-USSR: Naval Repair Agreement

//The Greek Government has confirmed press reports that it has renewed a commercial agreement with the USSR permitting repair of Soviet noncombat naval auxiliary vessels at the state-controlled shipyard on the Aegean island of Siros.//

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//Athens has not revealed the financial terms or the number of ships that may be serviced. The government, however, is stressing the financial benefits of the accord for the economically depressed shipbuilding industry, which reportedly earned $15 million from the original agreement.//

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Comment: //Prime Minister Papandreou probably hopes that the move will help prod NATO into accommodating Greece's demand for a guarantee against Turkey. The Allies, however, are not now likely to be more forthcoming.//

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President Karamanlis approved the repair of Soviet naval supply vessels in Greek ports in 1979--when he was Prime Minister--partly to show displeasure with the slow pace of Greek reintegration into the military wing of NATO. Greece, in response to Western concerns and because of Moscow's failure to live up to the terms of other bilateral economic accords, subsequently refused Soviet overtures to renew the one-year agreement. It nevertheless has allowed a few vessels to be repaired.

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USSR-JAPAN: Resumption of Official Contacts

The talks opening in Moscow today between the Soviets and the Japanese are the first official working-level discussions since the invasion of Afghanistan in late 1979.

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Tokyo would like to reestablish regular official contacts. Its first priority, however, is to persuade Moscow to discuss the Northern Territories--an issue made more sensitive by the presence of a Soviet division there.

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Comment: Japan's participation in official talks does not signal a major policy change, and Soviet intransigence on the territorial and Polish questions makes a thaw unlikely. The Soviets nonetheless are encouraged by the resumption of contacts and will try to focus the discussion on the expansion of bilateral economic ties.

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The USSR, while maintaining that Tokyo is responsible for the deterioration in relations that followed the invasion of Afghanistan, probably will try to improve the diplomatic atmosphere. It may instruct its new Ambassador--one of only a few members of the Central Committee posted to non-Communist countries--to behave in a less offensive manner than his predecessor. A meeting of Foreign Ministers is likely later this year if the working-level talks proceed without polemics.

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FINLAND: Presidential Election

The 145 electors secured by Prime Minister Koivisto in the voting on Sunday and Monday leaves him only six votes short of the majority he will need when the electoral college convenes next Tuesday to choose a successor to President Kekkonen.

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Comment: Koivisto's strong popular appeal enabled him to draw votes away from parties across the political spectrum, and his drive to become the first Social Democratic president appears virtually unstoppable. His large lead probably will create a bandwagon effect sufficient to secure him the presidency on the first round of electoral college balloting as individual electors representing several parties throw support to him.

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Koivisto's fiscal conservatism and his lack of ties to any political machine have helped him to win the support of many nonsocialists. His victory also reflects the general desire for a president not strongly connected to the existing political power structure.

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Soviet officials avoided explicit criticism of Koivisto before the election, but they had made clear their preference for other candidates. Koivisto has stated he would continue the foreign policy of his predecessor, which carefully balances Finland's neutrality with the obligation to recognize Soviet security interests. His relations with the Soviets have not been close, however, and the Soviets may call on him to demonstrate in some manner his commitment to good bilateral relations.

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SUDAN: Nimeiri Threatens To Resign

President Nimeiri told senior civilian and military officials on Sunday that he would resign if they failed to endorse his economic austerity program. Nimeiri also said that the imposition of additional austerity measures in coming months will lead to an increase in the price of flour as well as another increase in the price of sugar. Most of those at the meeting favored supporting Nimeiri.

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Comment: Any major increase in the price of bread and other basic commodities could cause demonstrations similar to those staged by students to protest the hike in sugar prices on 31 December.

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CHINA: New Foreign Minister Selected

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Vice Foreign Minister Zhang Wenjin will replace Huang Hua as Foreign Minister after Zhang concludes his part in the current discussions with the US on the Taiwan arms issue.//

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Comment: Zhang is closely associated with the opening to the US, and his career has followed the ups and downs of US-Chinese relations. Although a tough negotiator, Zhang has demonstrated a firm commitment to a pragmatic, outward-looking foreign policy. His selection at a time of sensitive discussions with Washington indicates that Beijing expects an eventual upturn in US-Chinese relations. Huang Hua has recently undergone surgery, and the leadership is using his illness and the impending reorganization of the bureaucracy as the occasion to limit him to the less demanding and less visible position of Vice Premier. His rigid and sometimes harsh negotiating style has alienated many Western officials.//

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UK: Miners Rebuff Leadership

//The refusal yesterday by British coal miners to accede to union President-elect Scargill's call for a nationwide strike averts a possible showdown with Prime Minister Thatcher. By refusing to authorize a strike, the miners have turned their backs on Scargill's demands for a nearly 24-percent wage hike.// 25X1

Comment: //The miners are now likely to reach a settlement near the government's final offer of around 9 percent. They are generally recognized as a bellwether of trade union militants, and the vote is a major victory for Thatcher's efforts to avert crippling strikes and hold down excessive wage demands. The miners evidently were concerned that other unions would not support them during this time of high unemployment; they probably also suspected that political motives dominated Scargill's effort to take a hard line.// 25X1

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SAINT LUCIA: Government Falls

Prime Minister Cenac was forced to resign early this week after months of political agitation for the removal of his weak and corrupt government. The stage is set for new elections, probably within three months. A caretaker "unity government" has been installed under Michael Pilgrim, a compromise choice. 25X1

Comment: Pilgrim's mentor, party leader George Odlum, who represents a small leftist opposition party, probably will be a candidate but has little support. Former Prime Minister Compton, a moderate who supports the "unity" arrangement, is widely expected to be swept back into power by the Saint Lucian electorate. 25X1 25X1

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SPECIAL ANALYSIS

USSR-CUBA: Implications of MIG-23 Deliveries

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//The eight MIG-23 aircraft that recently arrived at San Antonio de los Banos airfield are part of a surge in Soviet military deliveries to Cuba during the past year. The aircraft give the Cuban Air Force a modest increase in combat capability that is consistent with other recent improvements in Cuba's ground and naval forces. MIG-23s can carry more weapons and operate at greater ranges than Cuba's MIG-21s.//

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//In addition to aircraft, the USSR has provided Cuba with a new air defense missile system and radars, several small naval surface combatants, nearly 100 major items of ground force equipment, and large quantities of small arms and ammunition.

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//The surge is the result of several factors:

--Moscow is seeking to meet President Castro's concern over US intentions.

--Havana is embarking on a new five-year cycle of military modernization and also wants arms for the recently established territorial militia.

--Cuba serves as a transshipment point for military aid to Nicaragua, although the amounts detected so far are small.//

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//Additional deliveries of MIG-23s may occur in the near future.

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//Cuba already possesses the strongest and best equipped Air Force in Latin America. While the Cubans could strike some targets in Central America from their home bases, deployment of combat aircraft to Nicaragua would be far more effective. Even one squadron of 12 to 15 of the older MIG-21s in Nicaragua--operated by Cubans or Sandinistas--would outclass the Honduran Air Force's 15 obsolete Super Mystere fighters.//

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//The delivery of the MIG-23s indicates that Moscow has decided to take new measures to strengthen Havana's military capabilities even at the risk of creating new frictions with the US. Although the Soviets almost certainly were aware of the possibility of a sharp US reaction, they probably concluded that the precedent of the first shipment of MIG-23s in 1978 would make it difficult for the US to exploit the recent delivery as a violation of the terms of the bilateral understanding on weapons deliveries to Cuba.// 25X1

//In 1978, the Soviets were firm in rebuffing US efforts to link future deliveries of MIG-23s with the bilateral understanding. They probably will take a similar tack regarding the current shipment.// 25X1

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