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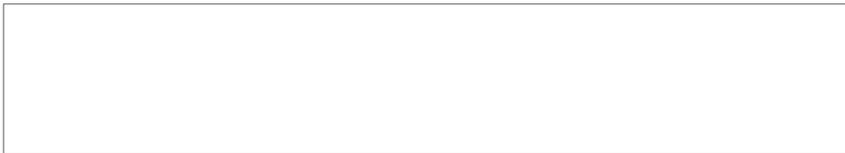


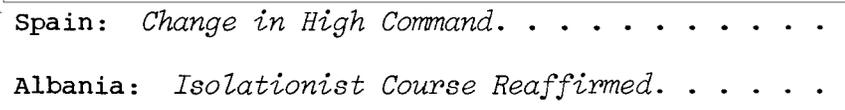


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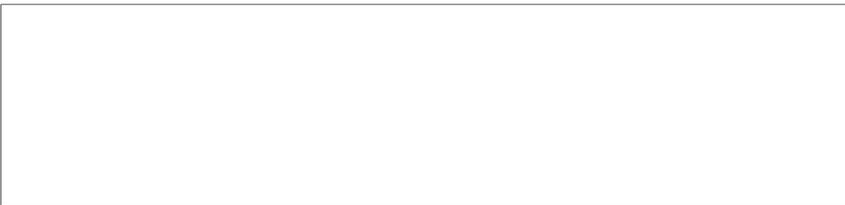
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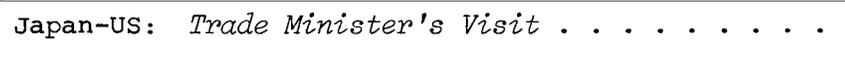
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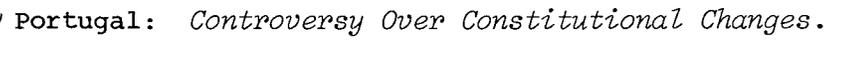
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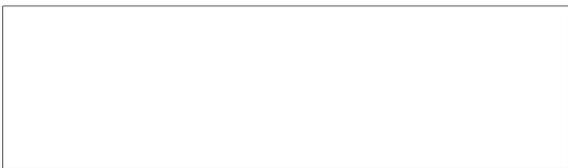
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① POLAND: Parliament Session Postponed

1
7 Postponement of the session of parliament scheduled for next Wednesday may indicate that Premier Jaruzelski is having difficulty formulating a program. Polish efforts, meanwhile, to improve relations with West European governments have encountered rough going.

The first full session of the parliament since the imposition of martial law has been delayed until 25 or 26 January, when Jaruzelski presumably will make his scheduled major address setting forth government policies.

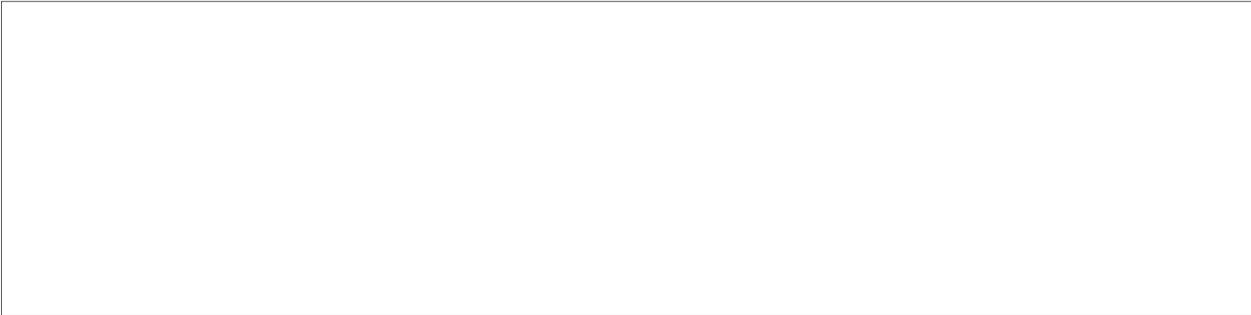
The official Polish Army newspaper yesterday called for sweeping purges of the party and other institutions.

Some prisoners, especially recalcitrant Solidarity activists, apparently are receiving progressively harsher treatment.

Comment: Postponement of the parliamentary session may be a sign that the predominantly military government-- which considers its primary responsibility the maintenance of order--is having problems devising a broad political-economic program. Jaruzelski probably is not receiving much helpful advice from the Communist Party, where moderates and hardliners remain divided.

2 While deliberations about future policies continue, hardliners may be using concerns about maintaining control to push for tougher actions. The Army newspaper's demands were harsher and more far-reaching than those proposed earlier this week by the head of the party's Central Control Commission but do not necessarily indicate a rift between the military and the party. The paper has long been known for its stern tone and may only be supporting an overall hardline campaign of repression.

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Chancellor Schmidt, meanwhile, engineered passage of a parliamentary resolution on Poland similar to NATO's and the EC's condemnation of martial law, but only after a vitriolic and partisan debate. The coalition parties defeated an alternative Christian Democratic Union - Christian Social Union resolution calling for economic sanctions against Warsaw and Moscow unless the Polish situation improves. 





(2) WESTERN EUROPE - POLAND: Labor Support Faltering

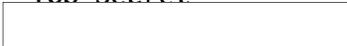
Most West European trade unions quickly condemned the suppression of Solidarity, but the effort of the leading international labor confederation to coordinate regionwide trade union reactions appears to be faltering.

1
2 The International Confederation of Free Trade Unions sponsored a meeting last week of the Zurich-based Solidarity Action Committee, but it is reluctant to campaign actively for the Committee's proposed International Solidarity Day on 30 January. The meeting highlighted the difficulties of the International Confederation in coordinating actions on Poland with the Catholic-affiliated World Confederation of Labor. The latter helped organize the Solidarity Committee meeting but at the last minute withdrew staff support and did not send its ranking leadership.

3
1 Comment: Since the beginning of martial law, the International Confederation of Free Trade Unions has tried to lead joint action on Poland by all non-Communist West European trade unions through its affiliates and by cooperating with the much smaller World Confederation of Labor. Close cooperation between the confederations will be difficult, however, because the World Confederation has adopted the cautious approach advocated by the Vatican.

1
4 Even the International Confederation's actions, moreover, are constrained by its more cautious members. Its decision not to promote Solidarity Day reflects its fear of alienating or embarrassing its most important West German affiliate, which is the financial mainstay of its European wing and one of the members least inclined to take a hard line on Poland.

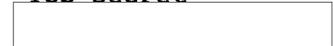
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4 The reticence of the West German affiliate springs from its close ties to the ruling Social Democratic Party and its economic stake in good relations with Eastern Europe. The affiliate's bank has substantial loans outstanding in Poland, and the jobs of many members of the affiliate are dependent on trade links with the East.



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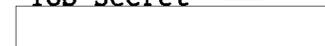


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⑤ SPAIN: Change in High Command

The replacement yesterday of the Joint Chiefs of Staff probably will help the government deal more effectively with military restiveness, but other serious problems remain a threat to its survival. [redacted]

Prime Minister Calvo Sotelo declared the action would be helpful before Spain begins negotiations on entry into NATO. The move follows months of antigovernment agitation by junior and field-grade Army officers. [redacted]

[redacted] The approaching trials of those implicated in the coup attempt of February 1981 are bound to heighten civil-military tensions. This prospect also impelled the government to act. [redacted]

Comment: The new chiefs probably will have greater support from the ranks than did their predecessors. They probably also will enjoy a closer relationship with the King [redacted]

1-5 [redacted] The new chiefs of staff tend to be strongly nationalistic, but they are not likely to oppose plans to join NATO or to push for changes in relations with the US. [redacted]

The staff changes should help Calvo Sotelo weather controversy produced by the trials, but his cabinet still faces other challenges. Imminent decisions on public education and regional autonomy threaten to split his minority government and cost him the parliamentary support of regional parties. [redacted]

(6) ALBANIA: Isolationist Course Reaffirmed

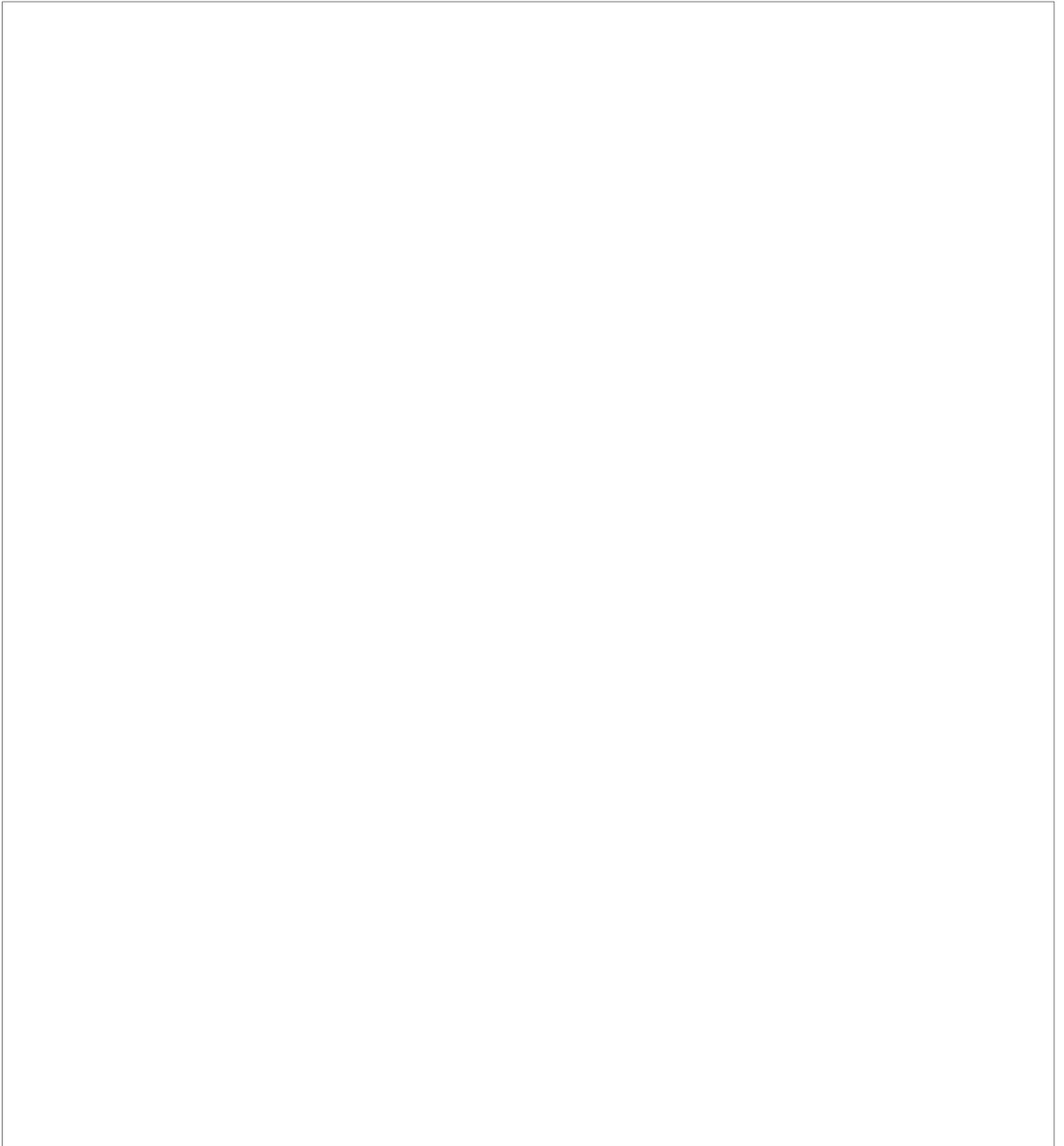
The new Premier, Adil Carcani, yesterday reaffirmed Albania's determination to pursue its isolationist policies and closed the door to any rapprochement with the USSR. [redacted]

Carcani called the Warsaw Pact countries "our most ferocious enemies" and vowed to resist their "aggressive aims." Yugoslavia also came under strong attack for its handling of its ethnic Albanian population in Kosovo Province. Carcani, however, expressed a desire to improve relations and restated the commitment by Albania to come to Yugoslavia's defense in case of attack. [redacted]

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The Premier, who is filling the top government post left vacant by the alleged suicide of Premier Mehmet Shehu, also announced his new cabinet. The most significant change is the removal of Fecor Shehu, nephew of the late premier, as head of the Ministry of Internal Security. [redacted]

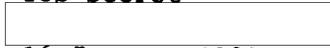
Comment: Carcani's speech confirms that party leader Hoxha remains firmly in control following Shehu's death. It also refutes recent speculation, largely from Yugoslav sources, that Albania is turning to the USSR. The replacement of Shehu's nephew suggests that a rift existed between the longtime government leader and Hoxha. [redacted]



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10 JAPAN-US: Trade Minister's Visit

Minister of Trade and Industry Abe's visit to Washington next week is a factfinding mission. [redacted] he views the visit as a fresh start in seeking solutions to bilateral economic problems. He expects "hard questions" on these issues and is especially concerned about Congressional interest in restricting imports from Japan unless Japan opens its markets to similar US goods. [redacted]

13 Comment: Although Abe is a strong supporter of the US-Japan partnership and is committed to easing trade friction, he is unlikely to announce new initiatives. In addition, Abe probably will have no definitive word on how Tokyo plans to handle future exports of pipelayers to the USSR. A prime-ministerial hopeful, Abe will be seeking to add to his established reputation for skillfully handling domestic political affairs by dealing with economic and trade issues. [redacted]



11 PORTUGAL: Controversy Over Constitutional Changes

President Eanes [redacted]

[redacted] does not plan to dismiss Prime Minister Balsemao's majority government [redacted]

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2 According to Eanes, such a move would delay indefinitely revisions of the Marxist-influenced constitution and would throw the country into turmoil. Eanes, however, did not rule out firing the government if its leaders misrepresented his opinions and engaged in "unfair" criticism. He also stated that he would resign and enter partisan politics if the constitutional revisions were to reduce the president to a figurehead, particularly if he were to lose the authority to dismiss a majority government. The governing Democratic Alliance and the opposition Socialists both agree on the need to strip the president of this power. [redacted]

Comment: The issue is likely to come to a head in April, when the parliament is scheduled to begin debate on the revisions. Eanes's resignation would create the turmoil that he says he wants to avoid because he is easily the most popular politician in Portugal. [redacted]

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