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SURINAM ACHIEVES INDEPENDENCE

Surinam will become South America's second non-Latin independent nation on November 25. The country has weathered a parliamentary impasse that threatened to upset the established timetable, but enmity between the two major ethnic groups, the creoles (blacks) and East Indians, endangers prospects for future stability.

Centrist Minister-President Henck Arron heads a predominantly black coalition of both militants and non-militants. The actions of the leader of the left wing of the coalition, rabid black nationalist Edward Bruma, have exacerbated the fears of East Indians—the country's largest ethnic group with 37 percent of the population—as well as of the less numerous Javanese and Chinese, that Surinam is rapidly following the path of its neighbor Guyana toward becoming a creole-dominated state.

Jagernath Lachmon, leader of the Hindustani Reformed Party (VHP) that represents the East Indian community, has steadily opposed independence, for without Dutch protection his group's interests will be even more ignored. In a last ditch effort, he delayed independence preparations for six weeks by persuading three legislators from Arron's ruling coalition to defect, thereby stripping the government of its majority. The political deadlock handcuffed the Staten (parliament) until mid-October, when George Hindorie, a prominent Hindustani Reformed Party member, announced that he would cooperate with the government long enough to permit enactment of necessary pre-independence legislation.

The Netherlands has been determined that there would be no delay in granting independence. The government is under domestic pressure to end the influx of poor Surinamers into Holland's urban slums. Over the past few years approximately a fifth of Surinam's population of 400,000 has gone to the Netherlands. Most of

them are East Indians, who are lured by visions of economic improvement, fearful of their future in a creole-run Surinam, and aware that emigration to Holland will be far more difficult after independence.

The final debate in Surinam's Staten got under way this week, with the major items on the agenda consisting of the adoption of a constitution that would protect the civil liberties of the East Indian community and the reaching of an agreement that would alleviate economic discrimination against certain non-creole groups. A grievance that has aroused especially bitter feelings is the charge that Minister of Economics Bruma has used the state purchasing and distributing agency to squeeze East Indian farmers and Chinese merchants in order to gain popularity with poor urban blacks.

Arron's coalition now has a two-vote majority because of resignations and absences, and the government appears ready to make concessions to placate the Hindustani Reformed Party. Even Bruma has agreed not to interfere. While there is still a possibility that isolated disturbances will mar the festivities, the US consulate expects the celebration to come off as planned.

The next major step is likely to be elections to the Staten. Arron is reported to have promised early elections in return for Hindorie's support in breaking the parliamentary impasse. The party alignment for an election is uncertain at this time. In view of the popularity of the government with the creoles and the disunity of the East Indians, Arron may reason that continuing the present ruling coalition offers the greatest assurance of success. The Minister-President played a major role in creating the alliance of parties that brought the creoles to power in 1973, and he is not likely to dismantle it lightly.

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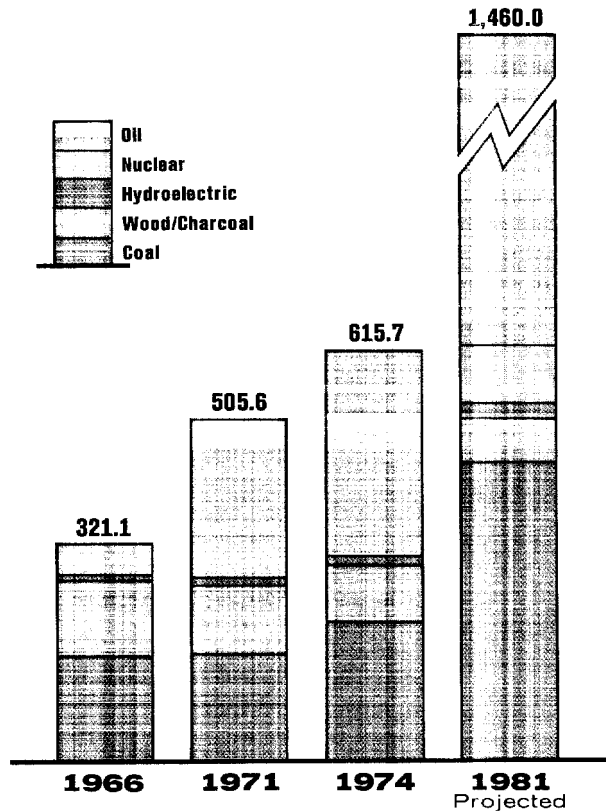
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SOUTH KOREA: THE ENERGY PROBLEM

During the past decade, South Korea has emerged as a major oil consumer and now ranks as the third largest importer among developing countries. While total energy consumption rose 8 percent annually in 1967-74, oil usage increased three times as fast. Oil, with 300,000 barrels now consumed per day, supplies about half of all energy used. Industry uses about 50 percent of the oil. The transport and household sectors take most of the remainder.

Growth in oil consumption slowed to 3 percent last year, largely because of an industrial slump. This year, faced with mounting

SOUTH KOREA Energy Consumption*



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balance-of-payments pressures largely reflecting greatly increased oil prices, the government is enforcing tougher conservation measures that should hold growth in oil consumption under 10-percent. Normally oil consumption would rise faster than industrial output, which will jump 12-percent this year. Commercial consumption appears to be rebounding after last year's slump, and unusually dry weather has required a sharp rise in the use of fuel oil by the electric power industry.

Over the longer term, Seoul expects oil consumption to increase rapidly. According to government estimates, requirements will reach about 850,000 barrels per day in 1981, nearly triple the current level. The pattern of consumption is not likely to change much; the industrial share will be buoyed by the requirements of several major petrochemical plants now under consideration. Plans now call for oil to supply nearly 60 percent of total energy needs by the early 1980s.

Because all oil requirements are met from abroad, import patterns have closely followed consumption trends. In 1974, and earlier this year, however, oil imports increased somewhat faster than consumption because of government efforts to increase stocks. In addition to normal commercial inventories, Seoul wants to increase energy stocks to a 45-day supply. At the time of the 1973 oil embargo, South Korea was caught with little more than a 20-day stockpile.

Saudi Arabia supplies 60 percent of crude imports; Kuwait and Iran supply the remainder. Small amounts of petroleum products are purchased abroad, chiefly from Japan. South Korean hopes to reduce dependence on imported oil by developing offshore fields in the Yellow and East China Seas have been damped by conflicting territorial claims. Only a few wells have been drilled so far on the East China Sea continental shelf, which is claimed in part by the Japanese. Chinese claims have interfered with work in the Yellow Sea.

Although of declining importance in recent years, coal remains a major energy source. Government aid is expected to boost coal production by a million tons annually through 1981. Imports are expected to provide 35 percent of coal supplies by 1980, compared with only 5 percent at present.

Nuclear energy plans are highly ambitious. Although no nuclear power plants currently are in operation, Seoul expects nuclear power to provide 6 percent of total energy needs by the early 1980s.

Financing a nuclear program of this scale will be most difficult. The cost, now estimated at \$32 billion, is sure to rise substantially. Seoul already has borrowed heavily to finance record trade deficits in 1974 and 1975 and will continue to need foreign credits for several years even without large-scale imports of nuclear equipment.

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