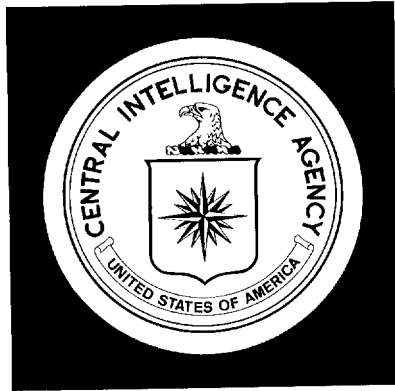


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# Weekly Summary

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June 4, 1976

The WEEKLY SUMMARY, issued every Friday morning by the Office of Current Intelligence, reports and analyzes significant developments of the week through noon on Thursday. It frequently includes material coordinated with or prepared by the Office of Economic Research, the Office of Strategic Research, the Office of Geographic and Cartographic Research, and the Directorate of Science and Technology.

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Comments and queries on the contents of this publication are welcome. They may be directed to the editor of the Weekly Summary, [redacted]

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Middle East

LEBANON 1-2

Syria sent more troops and tanks into Lebanon this week, dropping all pretense that it has none of its own military forces there. The Syrians apparently moved to defuse the increased fighting in the north and east that was endangering president-elect Sarkis' delicate negotiations with the various warring



Lebanese factions and his eventual installation in office.

A Syrian armored battalion broke up leftist Muslim sieges on the two Christian villages of Andaqat and Qubayyat in northern Lebanon. An armored brigade, which had been astride the border since mid-April, entered the Bekaa valley to separate Christian and Muslim forces battling around the encircled Christian town of Zahlah.

Initial reactions of Palestinian and

Lebanese leftist leaders were sharply negative, although their forces did not offer any significant resistance. Yasir Arafat and Kamal Jumblatt sent an urgent appeal to Soviet Premier Kosygin, then visiting Damascus, to intercede with the Asad regime to withdraw its forces.

Despite the outcry, the move appears to have given a boost to Sarkis' efforts at reconciliation. After temporarily suspending his political consultations over the weekend because of the heavy upsurge in fighting, Sarkis—who has astutely dissociated himself thus far from the latest Syrian intervention—won the endorsement of several leftist leaders for his peace proposals this week.

More importantly, Sarkis finally gained Jumblatt's public support for round-table discussions after a joint meeting on

June 2 with Jumblatt and Bashir Jumayyil, the militia chief of the Christian Phalanges Party. It was the first such high-level meeting between the Christian and Muslim sides in several months.

For the time being, Syrian forces have stopped their advance and dug in near Zahlah. Damascus apparently hopes its show of force will convince the leftists and Palestinians to cooperate with Sarkis, but Syrian leaders are probably prepared to send in more forces if necessary.

Prime Minister Rabin and other Israeli leaders, meanwhile, played down the latest Syrian move into Lebanon as they had the initial crossing of Syrian regulars in April. Defense Minister Peres observed that Israeli intervention at this point would only aid Arafat's Palestinians—the Israelis' arch foes.

Kosygin Visit to Iraq and Syria 3-5

Soviet Premier Kosygin this week was on a hastily arranged visit to Iraq and Syria to reassert Soviet influence in the Middle East and to prevent a further deterioration in Moscow's relations with its remaining clients, particularly Syria.

Kosygin's first stop, in Baghdad from May 29 to June 1, appeared to be incidental to his visit to Syria. Public coverage of the Baghdad stop suggests that Kosygin was only partly successful in smoothing over differences arising from Iraq's growing economic ties with the West, its intransigent opposition to a negotiated Arab-Israeli settlement, and its harsh treatment of local Communists.

If the Soviets sought to ease strains in Syrian-Iraqi relations, it was not apparent from the rhetoric surrounding the visit. Nor did it seem that Kosygin was trying to fashion a "rejectionist front" as some diplomatic and press speculation has held. Although Kosygin probably hoped to forestall improved Iraqi and Syrian ties with Egypt, the Soviets have long been wary of basing their Middle East policy on the militant Iraqi and Libyan ap-

proaches to the Arab-Israeli conflict.

Kosygin probably received an unpleasant shock when he learned that Syria had stepped up its intervention in Lebanon on the eve of his arrival in Damascus on June 1. The Soviets have been complaining that Damascus has kept them in the dark regarding its policy in Lebanon, and the Syrians probably decided to confront Kosygin with an accomplished fact.

The Syrian action immediately produced stronger pressure on Moscow from its clients among the Palestinians and the Lebanese left to rein in Damascus. Kosygin did issue a veiled public criticism of Syrian actions in Lebanon, saying that Moscow opposes "imperialist interference" there in "any form whatsoever."

It seemed unlikely that the Soviets would go much beyond this kind of jawboning lest they alienate Damascus. They still value Syria as a counterweight to Egypt and want to avoid any action that might encourage Damascus to rely on the US to arrange a settlement with Israel.

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INDIA

16-17

Prime Minister Indira Gandhi is continuing to marshal political support for the emergency she imposed a year ago and for constitutional changes that will clip the wings of India's judiciary.

National and state Congress Party leaders again endorsed Gandhi's emergency rule at a meeting in New Delhi last weekend. Party leaders also approved a package of proposed constitutional changes. The approval was pro forma, but cleared the way for easy parliamentary approval of the package later this year.



Prime Minister Gandhi (OCI)

The proposed changes represent a major effort to diminish the review powers of the judiciary. Gandhi wants to eliminate this potential obstacle to her programs. Included is a proposal that would prevent the Supreme Court from reviewing constitutional amendments approved by parliament.

This will in effect give Gandhi a free hand to amend the constitution, since she has compliant majorities in both houses of parliament and controls most of the state governments. Amendments must be ratified by the two houses of parliament and at least half of the state legislatures.

In one of her speeches during the party conference, Gandhi noted the continuing efforts of several opposition parties to unite in a single party and warned that no group would be allowed to stand in the way of the nation's progress.

There was no mention of elections, and Gandhi seems to lean toward further delay. Gandhi shared the limelight with her increasingly prominent son, Sanjay, endorsing his efforts to hasten implementation of such programs as family planning and slum clearance.

Gandhi also stressed her commitment to socialism despite some concessions by her government to private enterprise during the past year. This probably was meant, in part, to reassure the USSR, as was her denial that India would repudiate old friends following its recent decision to improve relations with China. Gandhi is scheduled to arrive in Moscow on June 8 for an official visit.



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General Eanes (UPI)

Europe

PORTUGAL 26-28

Five candidates registered by the deadline last Friday to compete in Portugal's presidential election on June 27, but the real contest will be between only two, Prime Minister Azevedo and army chief General Eanes.

Eanes is widely believed to have an early edge over Azevedo because he has been endorsed by the three major political parties—the Socialists, the centrist Popular Democrats, and the conservative Social Democratic Center—as well as by three groups on the far left. He may be hampered, however, by his reticence and rigid bearing, which inhibit quick rapport with an audience.

Prime Minister Azevedo, whose easygoing public demeanor contrasts with Eanes' awkwardness before a crowd, plans to build on his widespread reputation as the man responsible for repulsing Communist-backed power plays last year. He also hopes to overcome his lack of organizational backing by portraying himself as independent of party pressures.

Even though the bulk of the vote will undoubtedly be divided between the two front-runners, the three remaining candidates could play the role of spoilers. If

their share of the vote is large enough that neither Eanes nor Azevedo wins an absolute majority, a runoff vote must be held within three weeks.

Former security chief Otelo de Carvalho appears to be the only one of the three planning to campaign on the same scale as Eanes and Azevedo, but his appeal is expected to be limited to the far left. Carvalho, currently on conditional liberty pending trial for his role in the abortive military uprising in November, was granted special permission by the army to engage in political activity.

The other two candidates, Communist Party central committee member Octavio Pato and Angolan refugee Pompilio da Cruz, had different motives for entering the race. The Communists hope Pato's candidacy will help them to negotiate a position in the new government, while Pompilio da Cruz wants to take advantage of the free media coverage allotted to presidential candidates to publicize the plight of the more than 600,000 refugees in Portugal.

20-22

ICELAND-UK

Iceland and the UK signed a six-month interim agreement in Oslo in June 1 ending the protracted cod war for the time being. The new accord followed nearly two months of intermittent secret

diplomacy by the Norwegian foreign minister, acting in part as mediator for NATO.

The agreement, which is almost identical to the Icelandic offer made in April, allows a daily average of 24 British trawlers to fish inside the 321-kilometer (200-mile) limit. The presence of fewer trawlers on a given day will allow a greater number to operate within the fishing waters at another time but never more than 29 on the same day.

The trawlers must remain from 32 to 48 kilometers (20 to 30 miles) offshore, depending on which of the six fishing zones around Iceland they are plying, and no British vessels may fish in the special conservation areas. Icelandic patrol boats have the right to stop any British trawler suspected of violating the agreement.

If there is an infringement of the fishing regulations, the nearest British support vessel will be summoned to escort the trawler from Icelandic waters and the ship's name will be struck from the list of vessels permitted to fish under the agreement.

The British also have agreed to allow Iceland to enjoy tariff concessions under an EC agreement drafted in 1972.

The fishing agreement will remain in force for six months. London hopes during that time to initiate negotiations aimed at extending the agreement in case the Law of the Sea conference fails to agree on new fishing limits for coastal states. To facilitate these talks, both countries restored diplomatic relations, which were broken in February.

The fact that the dispute was settled through the good offices of a NATO member should reduce pressure in Iceland for removal of the US-manned base at Keflavik. The base issue could come up again, however, in the context of Iceland's desire for fast US patrol boats for enforcing the agreement, or as leverage on other issues. During an emotional high point in the recent fracas, Icelandic Foreign Minister Agustsson threatened that, whatever the outcome of the cod war, foreign troops should leave Iceland.

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### EURO-ARAB DIALOGUE

Ambassadors from the 9 EC and 20 Arab League states, along with representatives of the Palestine Liberation Organization, recently agreed in Luxembourg to take several modest—but important—steps to expand economic ties.

The participants at the conference on May 18-20 set up permanent committees to monitor cooperative efforts in agriculture, industry, government services, finance, trade, science and technology, and cultural and labor matters. They agreed to concentrate initially on projects in areas such as telecommunications, vocational training, trade promotion, foreign investment, port congestion, and agricultural development.

Only limited progress was made on the more complex issues of trade diversification, benefits for migrant Arab workers, the transfer of technology, and financial cooperation.

The EC avoided a potentially divisive political debate on the Middle East, while the Arabs came away satisfied that they had succeeded in promoting the political character of the dialogue. The EC's refusal to acknowledge in the joint communique that attitudes toward the political situation in the Middle East had been discussed threatened at one point to disrupt the conference, but the issue was resolved by noting in the communique that "each side had studied carefully the other's view"—a reference to the intensive and generally constructive exchanges that dominated informal conversation in Luxembourg.

The Nine held to their decision not to move beyond previously expressed EC positions on the problem, although some EC members had argued strongly for a more forthcoming community stance.

The conciliatory line taken by the PLO representative, speaking for the Arabs, surprised the EC delegates. He demanded EC recognition of the PLO, but also invited the Nine to play a role in the Middle East commensurate with the Community's prestige and economic power.

The next session of the dialogue will be

held in an Arab capital later this year, and the Arabs will probably push for a ministerial-level conference.



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### ROMANIA-USSR

Moscow is putting pressure on Bucharest, presumably in reaction to party chief Ceausescu's intensely nationalistic campaign in late April and early May challenging the Soviets publicly on "proletarian internationalism."

The Soviets initiated a series of talks with the Romanians on April 29 and 30, when Vadim Zagladin, first deputy head of the Soviet party's international department, visited Bucharest. Zagladin met with Stefan Andrei, Romanian party secretary for foreign relations.

On May 19, Soviet party secretary Katushev, who specializes in inter-party relations, called in Romania's ambassador in Moscow, probably to reiterate the Kremlin's view of inter-party relations. Five days later, General Yepishev, chief of the Soviet armed forces' main political directorate, arrived in Bucharest. He left on May 28, the day Katushev arrived for a three-day "friendly



Party Chief Ceausescu (GAMMA)

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visit" at the invitation of the Romanian party central committee. An invitation from the central committee is highly unusual, and suggests that Ceausescu wanted to stage a show of unity and of collective accountability in case he must yield to Moscow.

Ceausescu generally maintained a low profile last month, but he did use an unannounced mobilization and alert exercise to show Romania's determination.

The Romanians have recently become somewhat defensive about preparations for the European party conference. Bucharest will try to avoid giving its independent friends—particularly the Yugoslavs—the idea that it has "caved in" to Moscow. Until Soviet pressure eases, however, Ceausescu will probably have to rely on the other independents to fight his battles.

ing of four Uruguayan political exiles in Buenos Aires, for example, is certain to call into question President Videla's ability to control the security forces. The assassinations are widely believed to have been the work of off-duty officials using vigilante-style tactics.

The incident is the most dramatic of several that worry those who fear the junta will not be able to adhere to the moderate course it had promised to follow. There have been other vigilante-style killings and kidnappings, and the number of political arrests has exceeded the junta's own earlier promise. The federal government has taken over more labor unions than it had said it would, and press censorship was reimposed after a brief suspension.

Some military officers have been pressing Videla to adopt much harsher policies. These officers are convinced that Videla's preferred approach is inadequate to deal with entrenched terrorists, undisciplined

workers, and irresponsible politicians. Videla is committed to solving national problems without recourse to violent repression, but he is in for a difficult struggle with aggressive subordinates bent on proving that his approach cannot work.

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### Far East

THAILAND 50-51

Foreign Minister Phichai announced in a nationwide address on June 1 that the Seni government had decided to adhere to an earlier policy of calling for the withdrawal of all US security installations from Thailand.

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The foreign minister reaffirmed that all US personnel stationed at Ramasun, as well as equipment at the site which cannot be operated by the Thai, must be removed by July 20.

Phichai said that the Seni government would continue negotiations to retain other equipment that can be operated by Thai personnel and to obtain additional US military supplies. Phichai emphasized that the cabinet had reached its decision on Ramasun unanimously after studying recommendations by the Thai National Security Council.

In offering last month to reopen talks with the US over a residual security presence, both Prime Minister Seni and the foreign minister hoped to put Thai-US relations back on a more positive track. The Seni government clearly hoped Thailand would get increased US military assistance in return for Thai permission to operate at least a portion of the Ramasun facility under US control.

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[Redacted]

### Western Hemisphere

ARGENTINA 47-48

Political violence by the left as well as the right is spreading, and the inability of the government to stop it is causing widespread concern.

Since last weekend security forces killed 20 presumed leftist terrorists in 3 separate clashes. One battle reportedly involved the storming of a Buenos Aires police headquarters by a group of guerrillas; the others occurred in rural areas. Leftists also kidnaped the military administrator of the nation's main labor confederation while another military man, abducted weeks ago, remains captive.

After more than two months in power, the regime has made little demonstrable progress toward carrying out its pledge to curb leftist terrorism, and rightist excesses also are posing problems. The recent kill-



President Videla (OCI)

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*Chinese military procurement, measured in terms of the dollar cost of reproducing the Chinese program in the US, rose significantly last year. The principal factor in the magnitude and pattern of estimated dollar costs has been aircraft procurement.*

*Not Sourced*

## China: Military Procurement Costs

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The estimated dollar costs of Chinese military procurement in 1975 rose some 12 percent over the almost constant level of the preceding three years.

Procurement as used here is a measure of what it would cost to reproduce the Chinese programs in the US. It includes only the cost of producing military equipment, not any costs associated with research, development, testing, and evaluation, or those for facilities, personnel, operations, and maintenance.

The estimated annual dollar costs of Chinese military equipment have fluctuated sharply over the past 10 years. The changing political situation has been partly responsible. During 1967—the first full year of the Cultural Revolution—military equipment procurement declined by about 25 percent to \$2.2 billion. When the Cultural Revolution ended and Sino-Soviet tensions heightened, military procurement rose rapidly to a level of almost \$5.5 billion in 1971.

In 1972, military procurement again declined, to about \$3.2 billion, where it remained until it rose again to about \$3.6 billion last year. At present, Chinese military procurement in dollars is less than one third that of the US, and about one sixth of the estimated dollar cost of Soviet procurement.

The major factor in both the magnitude and the pattern of the estimated dollar

costs has been the variation in China's aircraft production. Between 1966 and 1975 procurement of aircraft exceeded that for any other type weapon. Much of the decline after 1971 resulted from a sharp drop in aircraft production, but there was some slowdown in almost all of the Chinese weapons procurement programs.

The distinct rise in estimated procurement costs in 1975—although the level is still much below the 1971 peak—was caused largely by procurement of more costly aircraft and by some increase in ship production.

China's past history of sudden bursts

and reductions in defense production makes it difficult to judge whether the upturn in 1975 is a temporary phenomenon or the beginning of a long-term trend. Over the next several years, as the Chinese begin to replace obsolescent equipment with more modern systems, procurement costs can be expected to grow somewhat even if production in terms of numbers of units does not increase. In 1975, for example, the increased production costs of a few relatively more modern and expensive weapon systems more than offset savings from the reduced production of older and cheaper weaponry.

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US, USSR and China:  
Estimated Military Procurement in 1975



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*Political leaders in other West European countries are uneasy about the possibility that communists will be brought into the next Italian government. Most believe that outspoken opposition on their part would only make matters worse, and they are looking for less visible ways to influence events in Italy.*

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## West Europeans View Italian Election

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Most West European governments have decided for now to deal with the threat of Communist participation in the next Italian government by avoiding public statements, quietly funneling economic and financial aid to Rome to help stabilize the internal situation, and using well-established party ties with Italian democratic parties to urge quietly that the Communists be kept out of the government if possible.

The low profile is deliberate and reflects a number of considerations:

- Many West European leaders question whether they can reverse a trend that has developed over decades in Italy and at this point influence Italian internal affairs in any fundamental way.
- Many are highly critical of Christian Democratic rule in Italy and cannot envisage a viable political combination that does not include the Communists or Communist support in some form.
- Some fear that crude intervention might bring a strong nationalist backlash from the Italians that could enhance the Communists' prospects in the election.
- They believe that open interference would undermine the "democratic process" that Italy has strived to restore since the fascist era. The "democratic process" argument is

particularly strong among European Socialists and Social Democrats who for years have criticized right-wing, non-democratic regimes in or associated with NATO.

A sign of the low profile policy is the small number of West European leaders who have openly or frankly expressed their fears on the Italian situation.

NATO Secretary General Luns, EC President Thorn, and West German Foreign Minister Genscher are among the few who have been vocally concerned about giving the Italian Communists a governmental role. British and French officials have chosen to temper their public remarks for fear of triggering a negative reaction among Italian voters.

French President Giscard spoke out recently on his deep concern over the threat the Italian Communists may pose for the European Community, but he emphasized that his government would adhere to the principle of noninterference.

Even West German Chancellor Schmidt has shifted recently in his public statements from all-out opposition to Communist participation in NATO governments to a less vocal opposition, stressing the need to minimize the political fallout should they come to power. Schmidt is one of the most conservative Social Democrats in Western Europe, but he does not presently consider that it would be necessary to expel Italy from NATO and cites the Alliance's

ability to deal with Communists in the Portuguese and Icelandic governments.

One reason for the position of officials is their belief that even if the Communists are in the government, the Christian Democrats and other democratic parties will retain control of key cabinet posts that deal with NATO and EC matters.

### Advantages vs Disadvantages

Most West European leaders, however, are in fact worried about the situation. They are torn between a desire to abide by a decision of Italian voters and the possible need to protect interests that may be adversely affected by that decision.

Many West European officials are privately apprehensive, for example, that if the Communists enter the government, Washington might "reassess" its commitment to Western Europe—perhaps even reducing US troop levels on the continent in response to Congressional pressure.

There are nevertheless West European leaders who are more optimistic. Many Socialists believe that the Italian situation could ultimately work to the West's advantage and are eager not to foreclose any such opportunities that may arise.

They argue that the Italian and French Communist decision to abandon traditional Marxist dogma and tactics could turn out to be another watershed in the disintegration of monolithic communism. They believe that the transformation of West European communism would be a severe setback for Moscow

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and could have a major impact on East European regimes which accept Soviet leadership.

#### Political Counsel

A number of West European governments have begun drafting contingency plans in anticipation of Communist entry into the Italian government. Given their reluctance to become too involved in the Italian situation, however, their options are quite limited.

Most West European leaders are working through party-to-party channels to influence the leaders of Italy's democratic parties. The West German Social Democrats have urged Italian Socialists to cooperate with the Christian Democrats to form the next government. Giscard has sent a representative to urge the Italian Christian Democrats to undertake internal reform.

Some also want to involve the Italian democratic parties more closely with pan-European federations—such as the Socialist International and the recently

formed Christian Democratic and Liberal associations—to prevent the Italians from drifting away from the European consensus.

Pressure is being exerted on the Italian Communists to demonstrate conclusively their commitment to the democratic process. In initial party-to-party contacts this month, the Dutch Socialists sharply questioned the Italian Communists on why they retain their ties with the Soviets and still call themselves Communists. The responses were not very convincing. The West Europeans can be expected to raise these questions again and again.

#### Economic Assistance

Consideration has also been given in Western Europe to whether economic pressure should be brought to bear on the Italians, but this approach was judged counterproductive and rejected.

Most West Europeans believe that Italy's political problems cannot be dealt with unless and until its economy is stabilized. Chancellor Schmidt, for exam-

ple, justified a \$2 billion loan to Italy in 1974 in large part on the grounds that it might enable the Christian Democratic government to reverse the deteriorating economic situation.

At present, no government appears to be planning large loans or credits as the Schmidt government did two years ago. West Germany is the only West European country economically strong enough to do so, but the approach of its own election campaign, plus Bonn's previous generosity, makes a new loan unlikely in the near term.

The European Community, however, is moving to help the Italians. The 90-day Italian import deposit scheme approved by the EC Commission plus the previous Community decision to halt the conversion of high denomination Italian lira banknotes in other member states have helped buoy the lira during the past few weeks.

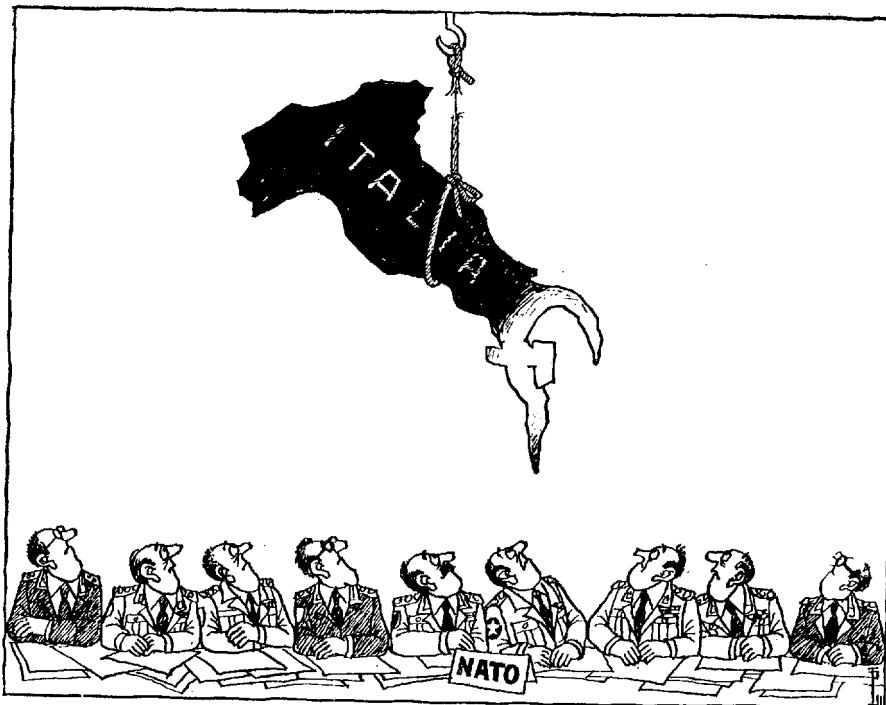
EC Central Bank governors agreed on May 11 to lend Rome \$485 million from the Community's short-term borrowing facility. In conjunction with this loan, the Bank for International Settlements has also authorized a short-term credit of \$600 million to Italy.

This short-term financial assistance package is designed to place at the Christian Democratic government's disposal adequate resources to keep the lira stable on foreign exchange markets during the delicate period leading up to the national elections on June 20-21. The EC may link the potential conversion of the \$1.1 billion in short-term loans into a medium-term credit with an Italian commitment to end the import deposit scheme after the national elections.

#### Impact on the EC

EC officials generally doubt that Communist participation in the Italian government would have a major impact on the workings of the Community in the short run.

In fact, the succession of weak and ineffectual governments in Rome has been a problem for the EC. The Italian Communists would support calls for desirable institutional changes and reforms, both



Suddeutsche Zeitung, Munich

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for reasons of efficiency and balance, and probably join those who urge a stronger EC regional development policy.

A Communist presence in the Italian government, however, would undoubtedly pose difficulties for the EC. Communist support for import restraints could strengthen protectionist pressures throughout the Community. A Communist presence could also greatly complicate the Community mechanisms for coordinating the members' foreign policy.

**Impact on NATO**

On security matters, the European view is of course much less sanguine than it is on EC affairs.

NATO officials are deeply concerned that Italy might fail to fulfill its responsibilities as a full participant in the Alliance. Italy's strategic importance has been enhanced in recent years by uncertainty over the willingness of other NATO

members in the area to meet their Alliance obligations and by the growth of Soviet forces in the Mediterranean.

NATO's southern tier theater headquarters is in Italy, as are four of five regional sub-commands, and a large US military contingent. Italy's armed forces constitute a major portion of the southern theater's military capabilities, and Italian officers hold key subordinate commands. Most West European leaders seem prepared to adopt measures to limit the damage to NATO's internal security.

These leaders might request Italy to withdraw from the Nuclear Planning Group, the body that deliberates on the deployment and use of tactical nuclear weapons. They would also support proposals to exclude Italy from sharing sensitive political and military intelligence, most of which relates to the USSR. Limiting access to sensitive

NATO material was done when the Communists entered the Portuguese and Icelandic governments.

Should the Communists put pressure on Rome to reorient its foreign policy or withdraw from the military side of the Alliance—an unlikely event at least in the short run—NATO officials would have to consider whether to:

- relocate the headquarters of NATO's southern command currently stationed in Naples;
- discontinue the US Sixth Fleet's use of Italian facilities.

Few West European officials at the moment are willing to discuss such eventualities—keeping their fingers crossed that Italian Communist leader Berlinguer will stand by his public commitment to maintain Italy's membership in NATO so long as the Warsaw Pact exists.

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*The General Assembly of the Organization of American States convenes today in Santiago, Chile for a session that will probably last two weeks. Latin American members will examine US attitudes toward the region and take a hard look at Chile under the Pinochet government.*

71-79

## The OAS Meeting in Chile

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The venerable but ineffective Organization of American States (OAS) does not receive much concrete backing or continuing interest from its 24 member states, in spite of efforts by Secretary General Orfila to turn its lumbering bureaucracy into a responsive and dynamic staff. Yet there is considerable interest in the next meeting of the OAS General Assembly, which opens in Santiago, Chile, on June 4 and which will probably last two weeks.

Some view the session as an opportunity to gauge the state of relations between the US and Latin America, a relationship most Latins feel has been neglected by Washington.

Even more interest will focus on the conference hosts; it will be a chance for the many delegates, observers, and media representatives to take a closer look at Chile, which had become the pariah of the hemisphere. Whether this special attention will be helpful to Chile—or to the OAS, which is also in dire need of a boost—is questionable.

### The OAS Meeting

The Chileans hope for an amicable, frictionless display of inter-American cooperation. Despite the routine nature of the formal agenda, however, and despite agreements to limit the private meetings among foreign ministers to informal,

businesslike procedures, hazards abound. Mexico is boycotting the conference because of the venue, and legislators in Costa Rica and Venezuela have advised their governments to do the same.

Opponents of the Pinochet government might try to provoke incidents to embarrass Chile during the meetings. Some of Chile's security measures could play into their hands. The curfew, special documentation procedures for conference delegates and for journalists, and possible limits on what journalists may cover are

likely to guarantee a generally bad press. A number of issues may place countries or blocs of countries in conflict:

- OAS reform and the Panama Canal, both on the agenda as cursory status reports, are touchy issues which some delegates may decide to raise for immediate discussion.

- There are rumors that one or more governments might re-introduce the Cuban problem, whose divisiveness has been revived by Cuba's African adventures. A recent round of discussions among Chile, Uruguay, Paraguay, Bolivia, and Argentina about the need to strengthen the inter-American security system lends substance to these rumors.

- Discussions of the US Trade Act of 1974 may broaden the criticism of the US role vis-a-vis the developing countries already expressed by Brazil and Venezuela in other forums. Latins doubt whether the US wishes to be helpful to the region and question any administration's ability to follow through on commitments in the face of congressional resistance.

- The Commonwealth island states of the Caribbean may make an issue of the Latin countries' wariness about admitting Guyana, Belize, and emerging island mini-states that would further anglicize the OAS.



President Pinochet (OCI)

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- Accounts of brutality toward dissidents in a number of member states will induce others to take a strong stand opposing such abuses.

To a large degree, the mood of inter-American gatherings depends on the momentary state of the region's mercurial relations with the US. Notwithstanding the many divisions within the Latin-Caribbean bloc, its members agree on the need for cohesiveness in dealing with the US. How the bloc reacts to various US positions at the conference will largely determine the tone and utility of the General Assembly.

#### **The Chilean Setting**

One item on the agenda—the issue of human rights—is bound to focus a large amount of attention on the host country. Despite the serious foreign policy problems caused to Chile by the controversy over human rights, the leaders have been slow to deal with the situation, in part because they believe their hard-line approach is working to keep down dissidence inside the country.

Nevertheless, the government has taken some steps to reduce the repression.

A decree of the Chilean government in January 1976 purported to put teeth in earlier edicts regulating the conduct of arrests and the treatment of prisoners. The frequency of torture appears to have diminished. Following Secretary Simon's visit in early May, the junta seemed to be speeding up the release of detainees. Chilean spokesmen have made public the trial and conviction of some security officials for grave abuses of human rights and said others were standing trial for similar offenses. Pinochet has authorized his interior minister and the president of the Supreme Court to investigate possible violations of human rights.

On the other hand, the government has given no indication that it may lift the state of siege that gives security forces wide latitude in exercising their authority. Draconian measures continue to be used against opponents, although there are signs of greater selectivity. Reports of illegal detentions and disappearances are still being heard, albeit on a reduced scale,

as officials either circumvent or openly disobey the laws governing their conduct.

Political and economic pressures may force the government to adopt more effective safeguards against future infractions of human rights, but there is little reason to believe that it will ease its heavy-handed restrictions in other areas.

#### **Politics Downgraded**

The junta's attempts to eliminate the political system that existed before the coup are consistent with its announced aim of building a new society based on vague concepts of nationalism, Christian humanism, and authoritarianism. The military has made little headway toward creating a popular or institutional base for its new society, but there is no real challenge to its domination. The military clearly plans to play a prominent role for the indefinite future.

Public support for the junta has waned notably since its take-over, but not enough to have a decisive impact on the overall political situation.

Military attitudes toward the Christian Democratic Party—the country's largest—had long been hostile, and its leader, former president Eduardo Frei, is regarded with almost as much hostility as that focused on the communists. The armed forces harbor deep suspicions of politicians generally, and the Christian Democrats have been blamed in large part for Allende's accession to power.

Chances of reconciliation between the military and the Christian Democrats appear remote. The regime has used expanded censorship provisions to clamp down on the Christian Democrats' radio and press outlets, and apparently wants to destroy the party by splintering and weakening it.

As long as the junta continues on this course, the Christian Democrats, weakened by internal divisions, stand to be shoved further to the periphery of national life.

Friction has not been limited simply to opposition parties and the press. Relations with the Catholic Church are sharply antagonistic, but both sides have refrained from taking positions that

would force an open break. The church hierarchy believes—probably correctly—that the government is bitter about the church's role on behalf of human rights and considers it a rallying point for antigovernment agitators.

Labor leaders are increasingly outspoken in their opposition to the regime and frustrated over their inability to influence policies or protect the workers' interests. They are aware, however, of the futility of open protest. Fearing greater suppression, they will probably remain quiescent. Sweeping purges of the universities and other educational institutions have demoralized intellectual circles and intimidated student and faculty opponents.

Some other groups previously considered staunch supporters of the junta are becoming disaffected. Leaders of the conservative National Party and small businessmen are restive under the impact of the economic depression and the vacuum created by the curbs on political expression. This loss of confidence does not threaten the military regime immediately, but it does portend a significant long-term erosion that could leave the junta with only its hardcore following.

Government leaders nevertheless believe they are on the right track, and in the past few months, they have displayed fresh confidence reflecting their belief that the worse obstacles have been overcome.

Recent economic and political developments have confirmed—in the junta's eyes—the correctness of its policies. They see Cuban-Soviet moves in Angola as reinforcing their view of the dangers of communism. The coup in Argentina is being interpreted as yet another in a series of justified military take-overs in response to anarchic political conditions created by Marxists.

The generals in Santiago view with gratification and approval the growing ideological affinity with most of their South American neighbors. Pinochet's recent state visit to Uruguay, for example, underscored the creation of closer ties based on mutual antipathy toward communism.

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*Prospects are dim for early agreement on a world grain reserve. Major grain-trading nations disagree on the main purposes of such a reserve. International pressure for the development of a program to assure world food supplies has diminished since the World Food Conference in Rome 18 months ago.*

*Not Sourced*

## International Grain Reserves

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Chances of a world grain reserve for food security are virtually nil within the next year because of major disputes among the principal grain trading nations. The likelihood of success in the longer run is slim unless agreement is reached on the inclusion of a price stabilization mechanism in a grain reserve scheme.

Improved prospects for world grain production this year have apparently removed the international sense of urgency that prevailed at the 1974 World Food Conference. Wheat and coarse grain crops this year are expected to permit some rebuilding of carryover stocks. Rice crops were improved by good monsoon rains in Asia last year. Although some food-deficit developing countries, such as Egypt and India, are still concerned about stability of food supplies and prices, international pressure for a program to improve food security has faded.

To get discussions under way following the World Food Conference, the US formally presented the outline of a grain reserve plan to the International Wheat Council in London in September 1975. The key US proposal called for the establishment of a 30-million-ton grain reserve to be held by the member nations. Experts believe this amount would be sufficient to offset most of the decreases in world production. Accumulation and release of the reserves would be triggered by a combination of stock levels and deviations in production from long-term trends.

Criticism of the US plan by most other member countries has shown clearly that little can be decided until some agreement is reached on the fundamental purpose of the reserves. The World Food Conference merely urged all countries to adopt national policies that would maintain a minimum level of basic food stocks.

The US is proposing that the new International Wheat Agreement incorporate a mechanism to regulate the physical supply of grain. The present agreement—signed in 1971 and recently extended until mid-1978—only provides for an exchange of information on production, trade, and prices, and for some food aid.

Most members of the International Wheat Council believe that the heart of a new wheat pact should be a system to stabilize world grain prices and that reserves or buffer stocks should be built to support that concept. They are unwilling to build reserves without a mechanism to control prices. The poorer developing nations think of grain reserves mainly as a mechanism for aid and for providing low-cost grain.

The USSR, a member of the Wheat Council, is unenthusiastic about any international agreement that would control stocks. The Soviets contend that reserve stocks aimed at stabilizing the market could be built if desired on a voluntary basis. Moscow, however, would not provide information on the size of its stocks or make grain reserves available to other countries.

Although it has not presented a comprehensive plan of its own, the EC is the strongest advocate of the use of prices to trigger changes in stocks. Partly because it disagreed with the US approach, the EC postponed any discussion of the US plan at the meetings of the International Wheat Council last fall. The first discussion of the issues was held this January at a meeting of the Council's Preparatory Group in London and at the Multilateral Trade Negotiation's Grain Subgroup in Geneva. Discussions continued in London in late March at a technical working group level under the Council's auspices.

The EC has been a willing participant only at Geneva, where it is pushing for its own concept of buffer stocks for price stabilization. The Geneva meetings resumed this week; the technical working group met last week in London. Ways to meld the results of the two forums are still undecided.

No one expects it will be possible to conclude commodity agreements in the Multilateral Trade Negotiations before the end of 1977. Discussions will involve a wide range of topics related to world trade in wheat and other grains, including liberalization and stabilization of trade, preferential treatment for developing countries, and domestic subsidy programs. The USSR, moreover, is not a participant in the trade negotiations. Exclusion of the USSR, a principal source of world grain trade instability, would jeopardize the effectiveness of any reserve scheme.

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