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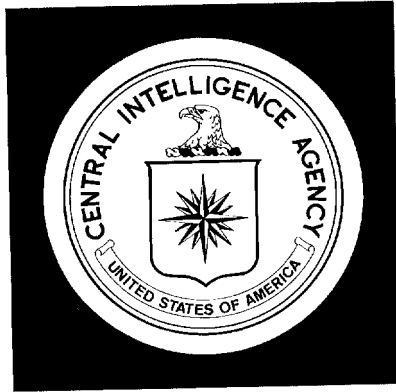
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Weekly Summary

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September 10, 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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Middle East-Africa

LEBANON 1-2

Arab League representatives decided on September 4 to put off an Arab summit conference on Lebanon until the third week in October, apparently to give president-elect Sarkis time to form a government and for League officials in Beirut to try to win broader support for their peace plan.

Syria doubtless welcomed the postponement, which frees the Syrians to concentrate on their preparations for Sarkis' assumption of office on September 23 and their next move after that. Judging by the low level of military activity over the past few weeks, the Syrians are still undecided whether to press their military advantage against the Palestinians and Lebanese leftists before or after Sarkis becomes president.

The Syrians are apparently confident, however, that the transfer of power will take place on schedule. They announced on September 4 that President Asad, Jordan's King Husayn, and Sarkis would

meet in Syria on September 27. The announcement immediately sparked speculation in Beirut that the three leaders plan to form some sort of alliance, and the subject has subsequently become the target of leftist propaganda attacks.

Asad, meanwhile, conferred this week with top Lebanese Christian leaders, including the extremist Camille Shamun. The leftists' radio in Beirut said Asad and the Christians talked about the timing of a possible Syrian military move as well as the problems of rebuilding the Lebanese army and choosing a new prime minister and cabinet to serve under Sarkis.

The radio also contended that the Syrians are urging that the swearing-in ceremony be held at Shaturah, a Lebanese town well within Syrian-controlled territory. The Syrians may want Sarkis to take his oath of office somewhere under their control both to ensure his safety and to underscore the legitimacy of their presence in Lebanon.

Palestine Liberation Organization chief Yasir Arafat sent three of his closest aides to Damascus last weekend in an apparently unsuccessful attempt to resolve his problems with Asad.

[Redacted]

The Syrians

[Redacted] do not appear to be taking Arafat's latest entreaties very seriously. Indeed, Asad—who has come deeply to distrust Arafat—probably sees some advantage in encouraging these divisions in order to undercut Arafat's position. (An assessment of the Syrian strategy in Lebanon appears on page 7.)

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EGYPT-LIBYA 3-5

President Qadhafi's unruffled reaction to Egypt's threats against him and to the Egyptian military buildup on the border seems to have baffled Cairo. The Egyptian

MAO'S DEATH

The death of Mao Tse-tung, announced on September 9, will not come as a traumatic surprise to the Chinese people; the regime has been preparing the public for this event for some time through wide dissemination of photographs showing an increasingly aged and infirm Chairman. The political repercussions of his demise, however, may well last for years. These are discussed on page 12.

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tians have barely mentioned his conciliatory speech on September 1, and they have toned down their own threatening statements.

An Egyptian diplomat in Tripoli in fact recently characterized the Qadhafi speech—in which the Libyan tried to portray himself as the reasonable party to the dispute—as a clever move that had effectively boxed Egypt into a corner. The Egyptian reasoned that his government could not afford to back down from its plans to move against Qadhafi but, because of his speech, will look like the aggressor if it does move.

The diplomat's judgment that Egypt has gotten itself into a no-win situation and that Qadhafi has been able with relative ease to put himself across as the innocent party may be shared by other Egyptian officials. They may now be assessing how best to reconstruct a credible case against the Libyan leader.

Qadhafi, for his part, seems to think that an outwardly reasonable approach is his best course. He repeated in an interview published last weekend a promise he had made in his speech—that in the interests of Arab unity he would not use Libyan forces even to repel an Egyptian attack. He also offered to meet with Egyptian President Sadat in a neutral country to resolve their differences without mediators. Sadat is unlikely to respond.

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President Asad

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SOUTH AFRICA

Recent incidents in Cape Town have dramatized the possibility that anti-apartheid demonstrations might eventually trigger serious violence in white business or residential areas.

Police in Cape Town used tear gas on September 2 to disperse some 3,000 colored (mulatto) high school students holding a demonstration in the downtown area to denounce apartheid. The clash occurred when the authorities suddenly ordered the demonstrators to disperse. This week, smaller groups of colored students persisted in staging demonstrations in the downtown area but were dispersed, apparently without much bloodshed.

The death toll from urban rioting since June—almost 300 blacks but only 3 whites and fewer than 10 coloreds—reflects the fact that major violence has been confined to the black townships. Within the last week or so, however, relatively small-scale rioting has spread among the colored townships in

the vicinity of Cape Town. In several instances, rioters have damaged property in adjacent white communities.

Although government leaders have avoided any publicized meetings with blacks since July, it was announced last week that Prime Minister Vorster will meet with the leaders of the tribal homelands on October 8. Official commentary has implied that Vorster will discuss the tribal leaders' recent demand for the release or fair trial of all the urban blacks who have been arrested since June—more than 800 blacks are under detention.

Vorster apparently intends to maintain a tough stance until calm is restored in an attempt to show that the government is not yielding to dissidence. Vorster probably also wants to defer dealing directly with the blacks until after the special caucus of his political party that is to convene on September 10 in Pretoria. The caucus will be attended by some 300 leaders of the ruling National Party.

The South African press is speculating that the caucus will try to develop a con-

sensus on some limited modifications of the apartheid system.

Vorster will probably also use the caucus to report on his recent meeting with Secretary Kissinger in Switzerland. Vorster, however, is clearly avoiding any move that would suggest he is bowing to foreign criticism.

12-14

USSR-US-SOUTH AFRICA

Soviet commentary on the US-South African talks in Zurich has stressed the role played by Secretary Kissinger and betrays Moscow's apprehension over the possibility that "shuttle diplomacy" may come into play in southern Africa.

Writing in *Pravda* on September 7, senior political commentator Yury Zhukov charged that the US role in Africa may cause "new dangerous complications" in the area and that the Secretary is trying to maintain "racists" in power. During the Zurich talks, Soviet media accused the US of resorting to "illusory compromises, dubious half measures, and political maneuvers" to create the "semblance" of a solution. The message to black African leaders is to be wary in dealing with the US.

The Soviets are already concerned that Secretary Kissinger's efforts may bear fruit. The chief of the USA Institute's Foreign Policy Department, G. A. Trofimenko, remarked to a US embassy official on September 7 that he personally viewed the Secretary's activities in Africa as a "carbon copy" of the US approach in the Middle East.

The selection of Zhukov—a well-connected commentator who usually deals with major East-West issues—to write the *Pravda* commentary strongly suggests that more than just African interests are involved. Zhukov's comments appear to be part of an increasing inclination on the part of the Soviets to find fault with the US administration in general and the Secretary's role in particular.



Police beat student during protest in Cape Town

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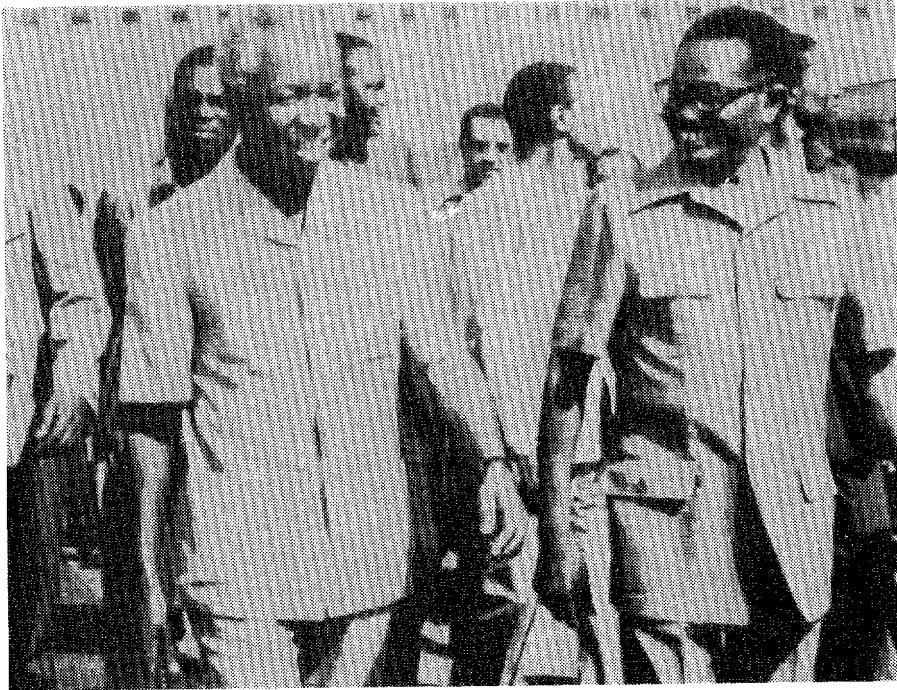
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Presidents Nyerere of Tanzania (l) and Neto of Angola arrive at summit meeting

SOUTHERN AFRICA 15-17

The five African presidents most directly involved in southern African problems met this week in Dar es Salaam, Tanzania, with black nationalist leaders from

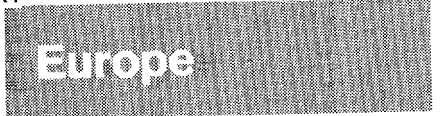
Rhodesia, Namibia, and South Africa. Much of the two-day meeting apparently focused on strengthening the black African military effort against Ian Smith's white regime in Rhodesia.

A brief statement issued at the conclu-

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tion of the talks mentioned only that the liberation struggle would be intensified. The five presidents—Nyerere of Tanzania, Kaunda of Zambia, Khama of Botswana, Machel of Mozambique, and Neto of Angola—probably held off making any final decisions until they assess the results of Secretary Kissinger's meeting with South African Prime Minister Vorster last weekend.

Statements by rival Rhodesian nationalist leaders confirm that no progress was made either at the Dar es Salaam gathering or at a preliminary meeting among the Rhodesians in Mozambique last week toward uniting their badly fragmented movement. The summit meeting marked a broadening of the role of Nyerere, Kaunda, Machel, and Khama. They had previously focused almost entirely on Rhodesia, but at this meeting they apparently also discussed ways to aid nationalists aiming to overturn white control of Namibia—an area of particular concern to Angolan President Neto—and South Africa itself.



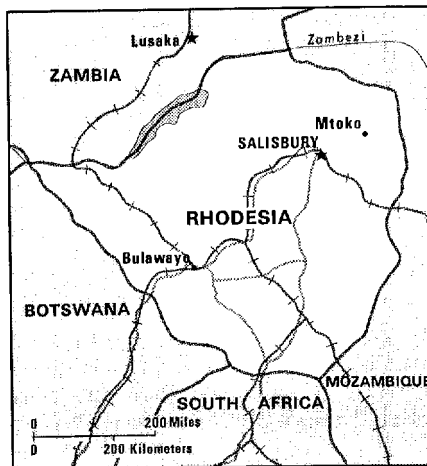
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Rhodesian Insurgency Intensifies

Rhodesian security forces say they have been inflicting very heavy casualties on the guerrillas, but the level of insurgent activity appears not to have been affected.

According to government figures, 131 guerrillas were killed in Rhodesia during August—the highest monthly total since the fighting began in 1972. Press reports, however, indicate that the insurgents last week made one of their largest attacks ever. Some 100 guerrillas are said to have followed up a mortar and rocket barrage by raiding a Rhodesian army outpost near Mtoko in northeast Rhodesia.

In southeastern Rhodesia, the guerrillas, according to press reports, shot down a helicopter.



GREECE-TURKEY 30-34

Greece has apparently decided once again not to interfere with the activities of the Turkish ship Sismik I in contested waters of the Aegean.

The latest mission of the Sismik I began last week and is expected to run through September 25. The Turks say the ship will be operating in an area that encompasses large portions of the continental shelf claimed by Greece and in zones where the two countries have granted overlapping oil concessions.

The Greeks expressed concern in a demarche to the US, but have not requested any new action by the US. Athens may also have made similar demarches to the UN Security Council and several

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West European governments.

In a weekend speech in Thessaloniki, Prime Minister Caramanlis hinted that despite the sensitivity of the Turkish ship's present area of research, Greece would be ready to resume a dialogue with Turkey when the ship completed its mission. His conciliatory approach—which has included a recent public admission that Turkey does have some rights in the Aegean—leaves him open to domestic criticism, and Caramanlis sought in his speech to assure his audience that he would defend national interests and honor.

The Turkish government appears to be trying to induce the Greeks to accept bilateral negotiations on Turkish terms, which include withdrawal of the current Greek appeal to the International Court of Justice. The Court has announced that it will rule September 11 on the Greek request for a preliminary injunction against the Sismik's activities in disputed waters. The Turkish ambassador in Washington told US officials earlier this week that a Court ruling against Turkey would be "detrimental" to the future course of talks.

Turkish Prime Minister Demirel seems to be trying to undercut charges by the opposition that his Aegean policy lacks boldness. In his pushing and probing, however, Demirel could eventually force Caramanlis to react in kind and possibly set the stage for a military confrontation.

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CYPRUS 35-36

A three-party alliance supporting President Makarios and his handling of the Cyprus issue scored a decisive victory over former House of Representatives president Glafkos Clerides' party in the parliamentary election on September 5.

According to unofficial results, the alliance, composed of the centrist Democratic Front, the Communists, and the Socialists, won 69.5 percent of the vote and 34 of 35 seats. The Democratic Front—which acted as Makarios' sur-

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rogate—ran first in the popular vote and won all 21 seats it contested. It will have control of the House. The Communists ran second in the popular vote and won all 9 seats they contested; the Socialists won 4 of 6 seats.

Greek Cypriot negotiator Tassos Papadopoulos, who ran as an independent and is likely to be the next House president, won the remaining seat with the support of the pro-Makarios parties.

Clerides' center-right Democratic Rally made a respectable showing. It won 24.1 percent of the popular vote but failed to gain any seats because of the winner-take-all election system.

Makarios, who has long advocated internationalization of the Cyprus issue in order to bring pressure on the Turks, called for Greek Cypriot unity and respect for the electorate's verdict. Clerides vowed to continue to work for a more conciliatory approach to negotiations.

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USSR 41-43

The appointment last week of Nikolay Tikhonov as Soviet first deputy premier is an initial step to deal organizationally with the serious illness of Premier Kosygin. The Soviet ambassador to Czechoslovakia told the US ambassador on September 1 that Kosygin, 72, had suffered a heart attack and was resting in a sanitarium. Kosygin continues to be absent from leadership and state functions.

Tikhonov becomes one of two first deputy premiers; the other is Kirill Mazurov who has held the post since 1965. Tikhonov, 71, is General Secretary Brezhnev's protege. He made his early career in metallurgy and as deputy premier has been responsible for that field and the coal industry.

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The leadership may have promoted Tikhonov to help with the heavy workload that Kosygin has carried. Brezhnev undoubtedly welcomed the opportunity to place an ally that high in the government to counterbalance the more independent Mazurov. Tikhonov may also be elected to the Politburo; Mazurov is a member, as was former first deputy premier Polyansky.

If Kosygin should retire or die, his successor appears to be an open question. Mazurov has the clearest claim to the job. Brezhnev may have wanted to ensure that



Nikolay Tikhonov

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his man, Tikhonov, served as first deputy in such an eventuality. Mazurov, 62, is in indifferent health, however, and was absent from public view from early June until last week.

Tikhonov could replace Kosygin but probably only after serving a period on the Politburo. His close association with Brezhnev would probably not sit well with Kosygin and other collective members.

Other choices for the premiership are possible, but do not seem prefigured by the Mazurov-Tikhonov pairing.

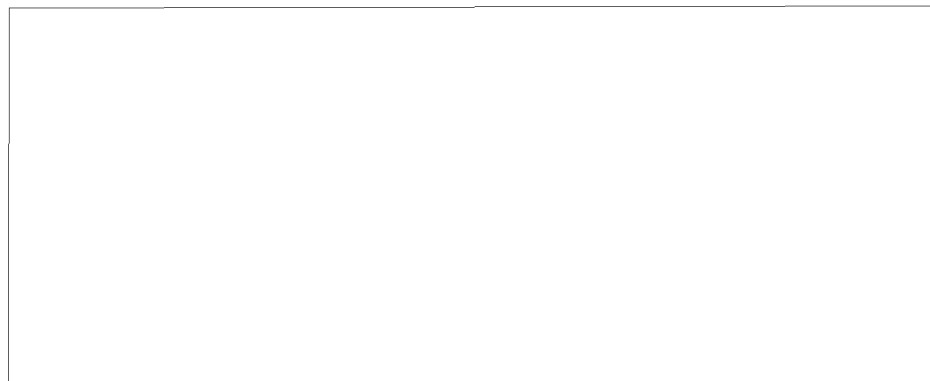
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million in communist trade credits and \$220 million in hard currency balance-of-payments support from the U25X1. Drawings of \$550 million in Western trade credits will cover the remaining deficit.

Western Hemisphere

CUBA 50-52

Reduced earnings from sugar exports will help push Cuba's trade deficit to more than twice the level of 1975.

We estimate Cuba's sugar production from the 1976 harvest at six million tons—7 percent below last year and only slightly higher than 1974. Cane production remained stable, but sugar content declined as a result of a prolonged drought that delayed planting and abnormally heavy rains during the harvest.

The drop in sugar output was held to a minimum by improved harvesting and transportation of the cane to the mills. Approximately one third of the crop was harvested mechanically, compared with one quarter in 1975.

The reduced sugar harvest, coupled with lower world sugar prices, is likely to cut total export earnings this year by 11 percent to about \$3 billion. With imports increasing, we expect the total trade deficit to exceed \$850 million. The deficit with noncommunist countries will probably rise 10 percent to \$770 million, despite a probable 10- to 15-percent decline in the value of imports from the West.

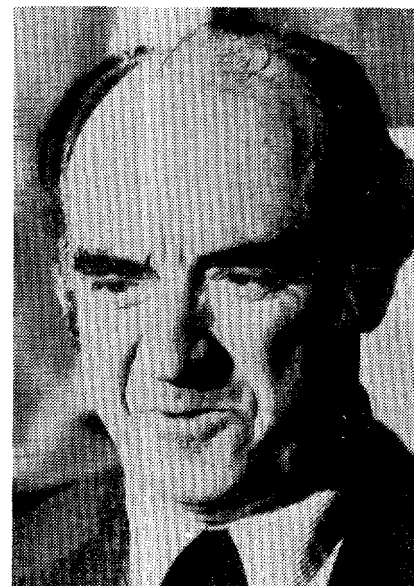
The trade deficit underscores Cuba's continuing dependence on massive foreign economic assistance despite the brief respite caused by soaring world sugar prices in 1974. In addition to an estimated \$1.2 billion in Soviet subsidies for sugar and petroleum, Cuba will need \$90

MEXICO 53-58

Mexico floated the peso on August 31 to curb large speculative capital flight and to correct distorted foreign-domestic price relationships. The regulated float has resulted in an immediate 39-percent devaluation of the peso. The government will try to stabilize it at the current level of about 20 pesos to the dollar. Before the float, it was 12.5 pesos to the dollar.

The peso has been under severe selling pressure for most of this year, primarily because Mexico's inflation rate has outpaced the US rate. Persistent rumors that devaluation was imminent led to an estimated \$200-million monthly capital outflow.

President Echeverria, in his state-of-the-republic speech on September 1, gave only token attention to curbing inflation. He stressed measures to protect the incomes of the working class from the



Lopez Portillo

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adverse effect of the devaluation.

Excessive stress on maintaining real incomes will increase inflationary pressures, retarding the improvement of business confidence and hampering new private investment in export industries. We believe president-elect Lopez Portillo, who will take office on December 1, will give greater priority to controlling inflation and to strengthening the role of private business.

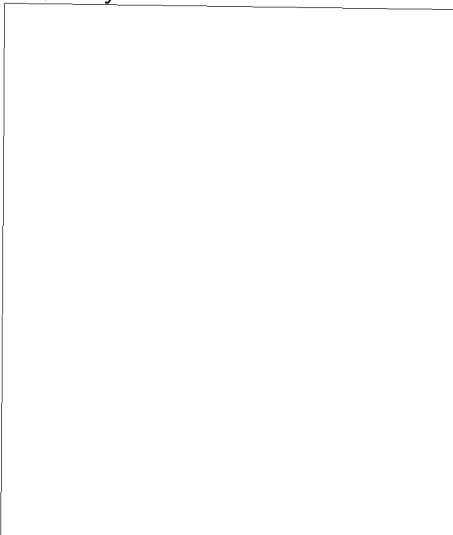
The 1977 budget, now being prepared with a direct contribution from Lopez Portillo, reportedly will be far more austere than the present one. Lopez Portillo is likely to place more restraint on government spending and to increase the productivity of government workers through a major reorganization of the executive branch. These actions will temporarily slow economic growth.

Initial benefits from the devaluation will be the curtailment of capital flight and greatly increased net receipts from tourism and border transactions. Tourism—Mexico's main foreign exchange earner and largest industry—has slumped sharply since 1974.

Mexico's trade deficit this year will still be more than \$3.0 billion, down only modestly from last year's \$3.7 billion. Mexico will not be able to cut imports much without substantially reducing

economic growth, and exports cannot be increased significantly soon because of capacity constraints.

The outlook for the trade deficit in the medium and long term could be much brighter. Devaluation will increase the competitiveness of many Mexican products, especially in the US, its natural market. If Lopez Portillo succeeds in restoring business confidence and investment spending, devaluation is likely to lead to a sharp upswing in Mexican manufactured goods exports, which, along with growing oil exports, will substantially reduce the trade deficit.



63-66

Uruguay: New Government Tightens Controls

Uruguay's military leaders, working through newly appointed President Aparicio Mendez, have freed many political prisoners. Almost simultaneously, they have tightened their hold on the government and deprived many Uruguayans of their political rights.

The government recently announced that it had freed 1,359 persons who had been "processed for seditious offenses." The US embassy has estimated that previously there were about 2,000 political prisoners.

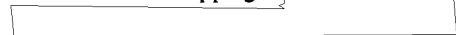
At about the same time, Mendez signed two institutional acts that the military had made conditions of his appointment. One

of these creates a new ministry of justice to "harmonize relations" among the various branches of government; gives cabinet rank to members of the national security council (thus, to service commanders); creates a secretariat of planning, coordination, and information under the presidency; and provides for military management of city governments until a new constitution is adopted.

The other institutional act denies for 15 years the rights of both voting and political activity to all Marxist candidates for public office in 1966 and 1971 and to all persons "processed" for crimes against the state. It denies the right to political ac-

tivity for 15 years, but not the right to vote, to the candidates for president and vice president in 1966 and 1971, all legislators elected in 1971 except those holding "political posts," and board members of the political parties. This act also creates an "interpretive commission" that will rule on cases involving the prohibition of political activity.

There has been little public reaction to the new decrees, probably because they are confusing and open to wide interpretation. For the most part, Uruguayans have become complacent about military rule with civilian trappings.



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The Syrians remain determined to stay in Lebanon until at least most of their objectives are met. They want a political balance in Lebanon that keeps any one of the contending groups, including the Christians, from exerting dominant control. Above all, their aim is to prevent Egypt or the radical Arab states from gaining influence in Lebanon.



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Syria: Intentions in Lebanon

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The Syrian-Palestinian dispute has become the priority issue in the Lebanese crisis. Until that conflict is resolved, there is little prospect for any serious peace



President-elect Sarkis

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negotiations among the contending Lebanese Muslim and Christian factions.

The Syrians do not believe the Palestinians are serious in their recent pledges to abide by past Lebanese-Palestinian accords regulating fedayeen activities in Lebanon. Damascus therefore is pursuing a course aimed at sharply limiting the Palestinians' military capabilities, splitting the Palestinians from their Lebanese leftist allies, and, perhaps, securing the removal of Yasir Arafat as head of the Palestine Liberation Organization.

Damascus is making contingency plans for increased Syrian military activity in Lebanon. The Syrians presumably feel confident they can continue to press the Palestinians without serious constraints being imposed on them by the other Arabs or the Soviets. Syria also may calculate that the Palestinians cannot withstand a renewed Syrian offensive for long without suffering major splits in their ranks.

The Syrians are considering whether to move before or after Lebanese president-elect Sarkis has taken office on September 23. Their apparent determination to bring the Palestinians to heel is already posing serious problems for Sarkis, whose candidacy was strongly backed by Syria. Sarkis is known to believe that Lebanese problems cannot be attacked in earnest until the Syrian-Palestinian quarrel is resolved.

Sarkis, moreover, has been under pressure from moderate Muslim leaders

to secure some commitment from Damascus for an eventual Syrian withdrawal, and he may have to distance himself from the Syrians to establish his own credibility. The Syrians presumably want him to have sufficient stature to conduct meaningful negotiations among the Lebanese factions, and they may give him a pledge of an eventual phased withdrawal of their forces.

Syria might conclude that it can best ease Sarkis' problems by launching expanded military action against the Palestinians before he takes office. In any case, the Syrians' determination to chasten and control the Palestinians may lead them to act quickly without reference to Sarkis' negotiating efforts or interests.

Recent Hesitation

Until now, the Syrians have not wanted to take any action that would fundamentally change the situation in ways that would prompt President Franjyah or other Christian extremists to try to prevent the transfer of power to Sarkis. Syria presumably has believed that there is at least some possibility that the replacement of the intransigent Franjyah with the relatively pragmatic Sarkis will make all sides to the conflict more willing to compromise.

Syrian President Asad apparently has also been delaying a major new military push out of concern that the military balance in Lebanon might swing too far toward the Christians. Asad does not want the Christians to make so much progress on the ground that they seriously

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attempt to pursue their preferred strategy of driving the fedayeen out of Lebanon.

The Syrians would be pleased to see the Palestinians' conventional military capabilities sharply limited and to have fedayeen units forced into the refugee camps and commando bases that Damascus can control or monitor. Syria does not favor complete destruction of the fedayeen movement, however, and will not back the Christians in unrestricted warfare against the Palestinians.

Despite their distrust of the Palestinians, Syrian leaders probably would still be satisfied with a Palestinian commitment to adhere to the 1969 Cairo and 1973 Melkart accords regulating fedayeen activities in Lebanon.

Seeking Balance

Syrian leaders apparently believe what the Syrian media consistently emphasize—that there must be “no victor, no vanquished” in Lebanon. This conviction is based on the assessment that Syria's ability to control events in that country is greatest if none of the major factions, including the Palestinians and the Christians, is able to win a decisive military victory.

Syria believes such a standoff provides the greatest chance for reviving the influence of the traditional Muslim politicians. These Lebanese leaders have generally cooperated with Syria, but are militarily and politically weak.

In Syria's view, the traditional Sunni Muslim politicians must be strengthened to prevent the further increase in power of socialist leader Kamal Jumblatt and

leaders of the smaller and more radical leftist and communist groups. This is fundamental to Damascus' aim of limiting the influence in Lebanon of Egypt and the radical Arab states, especially Libya and Iraq.

Asad's original goal in Lebanon was to prevent partition and thereby avoid an unstable situation likely to prompt large-scale outside military intervention threatening to Syria. He must now recognize that almost complete Muslim and Christian local autonomy—de facto partition—is inevitable even if a unified central government is eventually re-established.

Military Moves

Syrian forces in recent weeks have been attempting to strengthen their control over large areas of eastern and northern Lebanon, to bolster Christian forces and enable them to secure the central mountains, and gradually to constrict Palestinian and leftist strongholds in Tripoli and in the south.

Syrian commanders—seeking to avoid Syrian casualties and international political problems—have also sought to create a new Lebanese security force made up of Shia Muslims and Christians, hoping that it can relieve Syrian forces of most ground combat in the disputed areas of south-central Lebanon. We consider that this force will be of limited use for at least several months, however, and is not likely at any point to be able by itself to sustain the military initiative in Palestinian- and leftist-controlled areas of the country.

If Syria continues to believe that the Palestinians are not negotiating in good faith, it is likely to take more aggressive military action. Given Syria's reluctance to endure heavy casualties and the inability of the Christians to increase their military pressure significantly, however, Damascus probably will stop short of all-out attacks on Palestinian and leftist positions in the major port cities. Syrian forces presumably would first launch large new offensives in central Lebanon and the Jazzin area of southern Lebanon.

If it became necessary in order to force

Palestinian capitulation, Syria probably would try to destroy the two airstrips recently constructed in Palestinian- and leftist-controlled areas, and attempt to interdict all supplies moving northward and inland from the ports of Tyre and Sidon.

International Constraints

International political and military considerations are not likely to restrain Asad from taking more aggressive action in Lebanon if he concludes that such a policy is required to force an end to the conflict.

The possibility that the USSR might end its military assistance to Syria is the most worrisome consideration Asad thinks he faces. His behavior in recent weeks suggests, however, that reports of Soviet threats have been exaggerated or that Damascus believes it can or must ignore those threats.

Asad presumably believes that Soviet statements calling for a Syrian withdrawal from Lebanon are designed partly to please the Palestinians and the radical Arabs and are not threats that will be quickly carried out. Syria probably is prepared to accept further deterioration in its relations with the USSR, apparently believing that Moscow's overall interests in the Middle East would prevent it from taking any action that would destroy its relations with Syria.

Pleas or demands from the other Arabs are even less likely to inhibit Asad. He takes satisfaction in the recent restoration of large-scale Saudi financial assistance to Damascus, in Egypt's inability to counter Syria's involvement in Lebanon, and in preliminary signs that Iraqi forces opposite the Syrian border may be withdrawing. The large-scale deployment of Iraqi troops to Syria's eastern border did not significantly alter Asad's course.

Having demonstrated that it can prevent Arab League forces in Lebanon from damaging Syria's essential interests, Damascus apparently considers that it can now endure or even wring political advantage from an Arab summit on Lebanon. Syria is privately skeptical that anything constructive will emerge from a summit.

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Kamal Jumblatt (l), Yasir Arafat (c), and Syrian Foreign Minister Khaddam during meeting earlier this year

Security and administrative problems within Syria continue to increase as a result of Damascus' heavy involvement in Lebanon. So far, however, these do not appear to pose a serious threat to Asad.

Domestic Considerations

Asad probably concluded from Syria's earlier involvement in ground combat in the Sidon area that the Syrian public and Palestinian residents of Syria will protest actions resulting in heavy casualties, but will tolerate even extended and large-scale involvement if it does not result in many casualties. Thus Syria is likely to avoid direct attacks on Palestinian strongholds in urban areas, but to intensify its shelling and attempt to expand its control in all other areas.

There have been numerous bombings in Syria in the past two months—carried out mostly by Palestinians and Iraqi agents—but the incidents have not diminished Asad's determination. Damascus in recent weeks has imposed tight control on entry to Syria from Lebanon and has arrested many fedayeen suspected of terrorist activities.

Security services have had less success in apprehending dissident Syrian Sunni Muslims believed responsible for several recent political assassinations. The regime presumably recognizes that these conser-

vative opponents are objecting primarily to Alawite control of the army and the security services. It is probably convinced that their opposition would not end even if Syrian forces withdrew from Lebanon.

Asad apparently intimidated most high-ranking military officers into endorsing or at least acquiescing in his policy in Lebanon by arresting or transferring a number of officers early this summer.

Significant opposition to Syria's involvement in Lebanon presumably still exists among powerful military and civilian leaders, but we have no evidence that any opposition group is plotting to overthrow Asad. Assassination is always a possibility, but security precautions for Asad and other principal leaders have been significantly strengthened in recent weeks.

We know that Syrian leaders are disturbed by the economic costs to Syria of the continuing Lebanese crisis—inflation is becoming worse, and approximately one million refugees from Lebanon are now in Syria. All evidence suggests, however, that Damascus considers these costs can be eliminated only by a forced

end to the conflict rather than by a Syrian withdrawal that might open the way for the fighting to continue indefinitely.

Syrian planners presumably recognize that the bulk of the refugees, who are Lebanese, Palestinian and Syrian, would not be able or willing to return to Lebanon for several months even if the war ended.

The installation of a new Syrian government last month was not directly related to Asad's Lebanon policy. The principal members of the cabinet—including those most closely identified with Syria's intervention in Lebanon—retained their positions.

Focus on Lebanon

The appointment of a more able and active prime minister apparently was designed only to ensure that domestic and economic problems would be adequately treated while the President continues to focus on Lebanon. The decision of the Arab League foreign ministers on September 4 to postpone the Arab summit until the third week of October is a measure of the Arabs' inability to put concerted pressure on Asad. The delay, in effect, is an acknowledgement that Syria still holds the key to a political solution, and it leaves Asad free to pursue his military options further if necessary.

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President Giscard has taken another step in trying to build a viable centrist coalition able to deal with the nation's economic and social problems.

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France: Giscard's Strategy

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The French cabinet changes in late August disclosed more clearly than before the President's strategy for reshaping the political system—and his vulnerability if he fails.

President Giscard:

- Reduced the Gaullists' role.
- Brought a maverick leftist into the cabinet.
- Named more technicians, whom he listed as members of the "presidential majority" loyal directly to himself.
- Assumed more obvious personal responsibility for the government's actions.

The Gaullists

Giscard's relationship to the Gaullists has always been parasitical. His hopes for putting a lasting mark on French politics have presupposed the exploitation of Gaullist strength to develop a power base from which Gaullist dominance of the non-communist political forces could be weakened. In his two years as president, Giscard has tried both to divide and control the Gaullists, and to isolate their less pliable members by making them seem merely spokesmen for an outmoded rightist ideology.

In Giscard's first cabinet, maverick Gaullist Jacques Chirac, who had supported Giscard, won the prime ministry. This was the Fifth Republic's most broadly based cabinet, and Giscard excluded major Gaullist leaders who had supported Jacques Chaban-Delmas in the first round of the presidential race. The minor shuffle in January 1976 further reduced the Gaullist role.

The appointment of Olivier Guichard as justice minister and minister-of-state in

the new cabinet was obviously designed to mollify the Gaullists, with whom Giscard cannot yet afford a definitive break.

On September 3, Guichard was also named head of a committee formed of the senior representatives in the cabinet of each of the four groups in the governing coalition to oversee the majority's campaign in the 1977 municipal elections. This is a step-down from Chirac's role as sole "coordinator" of the majority's political activity. Although the committee format will diffuse responsibility somewhat, the President may be setting up Guichard and the Gaullists to be the scapegoats if the governing coalition does not do well in the elections.

Guichard's appointment to the cabinet also exploits Gaullist divisions. Guichard, a moderate who has been considered prime ministerial and presidential timber, has been associated for the past two years with the more conservative "barons," the Gaullists' long-time major figures. Both profit from this relationship. Guichard is the only serious rival the barons can use against Chirac—never completely forgiven for deserting to Giscard. Guichard, in turn, needs the barons' support to advance his own political ambitions.

Giscard, for his part, had resumed contact with the barons several months ago when he saw that Chirac was not in complete control of the party.

With the barons rallying around Guichard—magnifying earlier Gaullist refusals completely to follow Chirac's lead—the former prime minister will not find it easy to become the party's spokesman. Chirac is probably hoping, however, that his earlier success in

revitalizing the Gaullists after their humiliating loss to Giscard and his recent challenge to Giscard's policies will allow him to become the leader of the party in the Assembly and challenge Giscard's leadership. If only a third of the 175 Gaullist deputies challenge a government proposal, it would face likely defeat.

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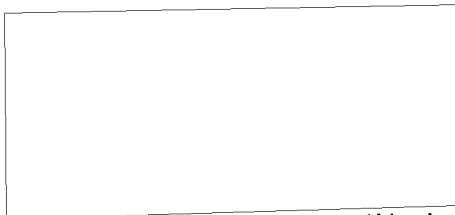
President Giscard

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All this depends, however, on Chirac's return to the Assembly. A by-election will soon be held in his district, but 58 percent of its votes went to the left in the local election last spring.

Chirac resigned mainly over Giscard's efforts to "presidentialize" the government, specifically over the President's refusal to grant him the power he wanted to guide the government. The constitution was on Chirac's side, but Gaullist practice was solidly on Giscard's. Chirac would have temporarily made the French system more parliamentary as he strengthened his own role as prime minister in preparation for a presidential race against Giscard in 1981. Giscard's plans imply maintaining the Gaullist presidential system, but without Gaullist dominance.

Chirac wanted an early legislative election, in which he believed the Gaullists would have a better chance than they would in March 1978. The President refused because one of the keys to his plan to tame the Gaullists is his expectation that they will lose at least one third of their deputies in the 490-seat Assembly in the next election. He hopes his initiatives over the next 18 months will enable those seats—and, he hopes, some now held by leftists—to be picked up by his Independent Republicans, the centrists, technocrats, and co-opted leftists all running under the "presidential majority" banner.

The President

Giscard's introduction of "presidential majority" technicians and a token leftist into the new cabinet do not mean he is succeeding in his proclaimed desire to broaden his political support. He still has only marginal influence among Gaullists, and he has even greater problems on the left.

Opinion polls show centrist and Gaullist voters slipping leftward, but no

sign of significant shifts to the governing coalition by leftist voters or politicians. The President has so far failed to mold the centrists into a dynamic grouping, and his own Independent Republicans do not seem to be gaining much ground.

Giscard often refers to his national mandate, but his edge over Socialist Francois Mitterrand was razor thin in 1974 and remains fragile. His personal popularity has not increased, and his efforts



Olivier Guichard

to explain his aims to the electorate do not spark enthusiasm.

Ignoring all this, Giscard has steadily increased the emphasis on his role as the arbiter of government action, even going so far in the latest cabinet shuffle as to combine the posts of spokesman for the government and the president.

He seems confident that his programs will deal effectively with the nation's economic and financial problems and pave the way for an "advanced liberal

society"—one that can eradicate social and economic differences in France and remold the political system. If he can convince the voters that he is moving in the right direction his coalition will have a better chance to win in the 1977 municipal elections and to retain its parliamentary majority in 1978. As a fallback, he apparently expects to be able to work with a leftist majority. Details of his policy proposals will be announced in two to three weeks.

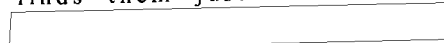
Giscard apparently believes that French political dynamics are on his side, and that they can help him move France toward a system in which conservative and social democratic groups can hold power while excluding the Communists and extreme rightists. He hopes to bring about the "opening to the left" by decreasing the power and cohesiveness of the right, by letting it be known that he desires a dialogue with less radical leftist leaders, and by proving his sincerity by enacting reforms similar to those advocated by the left.

In the coming months, Giscard will probably try:

- To intensify contacts with Socialists, left Radicals and independent leftists.
- To prepare the way for a harmonious working relationship if the left should win in 1978, in part by trying to keep the presentation of his programs and his campaign issue-oriented rather than confrontational.
- To mold centrist and Independent Republican policies in such a way as to encourage the Socialists to accept these parties as attractive alternatives to the Communists as allies.

- To emphasize when possible those aspects of his proposals that conform to Gaullist traditions in order not entirely to alienate that party.

Giscard has a long way to go, and his course opens him to serious vulnerabilities if he is unsuccessful. His handling of the economy will be crucial. So far, his efforts have irritated the left, which sees them as too little too late, and the right, which finds them just the reverse.



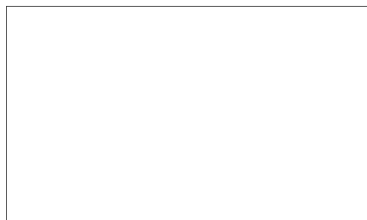
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Mao Tse-tung's most conspicuous shortcoming was his failure to provide for a widely recognized successor. A struggle among various rival factions now seems all but inevitable.

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The Succession Problem in China

Chairman Mao had been an important member of the Chinese Communist Party since its founding in 1921, and Chairman since the mid-1930s. He has been the most important man in China since the Communists took power in 1949 and the central reference point in the often confused politics of the party for much longer. Even when his will was partly thwarted by others in the Chinese leadership whose policy views differed from his own, his personality and programs could never be ignored; even his opponents claimed to be speaking in his name and to be carrying out his commands.

As the dominating force in Chinese politics, a founder of the party, the formulator of the "Chinese way" to communism, and the man who led the Chinese revolution to triumph, Mao will be irreplaceable. There is no one on the Chinese scene today who even remotely commands the authority that has been accorded to him or who can easily assume the charismatic role of leader of the Chinese people he exercised for years.

In the upper echelons of the party, however, the Chairman's death may come as something of a relief to a considerable number of second-level leaders. Mao's autocratic actions, suspiciousness, and sometimes erratic policy shifts were almost certainly resented by some of his associates and subordinates, particularly in the past decade. Some of these individuals are now likely to believe that more orderly and rational approaches to policy problems can be taken without fear of reprisals.

Although Mao's place in the three-thousand-year-old history of the Chinese state is likely to loom large, one conspicuous failure in his long domination of the political scene is already glaringly evident and is likely to have serious implications for the future. The Chairman did not succeed in providing for a widely acknowledged and recognized successor. Two designated successors, Liu Shiao-chi and Lin Piao, fell by the wayside in 1966 and 1971 respectively.

A third, Teng Hsiao-ping, who appeared in a position to inherit much of Mao's authority if not the formal title of party chairman, was removed from all his high positions in early April.

At the same time, the young Wang Hung-wen, who by virtue of his position in the hierarchy seemed to have a shot at succession to the formal title of party chairman—but probably without much of the authority that normally would accrue to that post—was passed over for promotion last April. Finally, Chou En-lai, who by virtue of his experience and the respect accorded him by most Chinese was perhaps the most logical of all possible successors to Mao, died last January.

A Collegial Group

For several years the Chinese have talked about post-Mao arrangements in terms of a collegial group that would in effect share the Chairman's authority among themselves. Such an arrangement is entirely possible, at least in the short run, since it seems clear that no single individual has the stature to replace Mao in his full leadership capacity.

It is possible, in fact, that the post of party chairman may now be retired as a

post that could only be held by the irreplaceable leader who has just died. The Nationalist Chinese on Taiwan followed a similar procedure at the death of Chiang Kai-shek last year. In this case, Peking would probably revive the post of party secretary general, which has been dormant since the start of the cultural revolution, in order to provide a manager for party affairs.

If the post of chairman is to be filled, however, the most likely candidate for the job is Premier Hua Kuo-feng, who is now



Premier Hua Kuo-feng, party first vice chairman

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"first" party vice chairman, a new post created in early April at the time of the fall of Teng Hsiao-ping. Hua is, however, a compromise figure who lacks a strong power base and who has operated at the center of power for only a few years.

In his hands the post of chairman would be less important than it was when Mao occupied the position. Moreover, there are almost certainly a number of senior leaders of the party who would prefer that additional power and prestige does not accrue to Hua. There have been occasional covert attacks on Hua in the media since January, and his deputy in Hunan Province, which he ran before coming to Peking, has been under heavy political pressure for several months.

Decision May Be Postponed

It is possible, therefore, that Hua's elevation to the chairmanship could be contested, and in fact any decision to fill the post might be put off for some time. It is also possible that if Hua were elevated to the chairmanship, he could be balanced by a reconstitution of the post of secretary general. In this case a leading candidate



Chang Chun-chiao, apparent de facto party secretary general

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for that job would be the leftist political boss of Shanghai, Chang Chun-chiao, who probably performs the functions of secretary general on a de facto basis at present. There is certain to be opposition to this appointment from the party's right wing, however.

If the post of chairman were abolished, that of the current party vice chairman would also have to be abolished. In addition to Hua, the other vice chairmen are Wang Hung-wen, whose youth makes him suspect to many older party members and whose alignment with the left wing of the party is a major disability in the eyes of the rightists, and Defense Minister Yeh Chien-ying, a long-time associate of the late Chou En-lai who has been identified with the party's right wing and who came under criticism earlier this year for his vehement support of Teng Hsiao-ping.

The balance these two men provide could be an argument for preserving the system of chairman and vice chairman. If, however, that system is scrapped, Hua Kuo-feng would be an obvious candidate for the secretary general's post. Since Chang Chun-chiao also has claims on this job, a clash between the two could easily develop.

Potential Friction

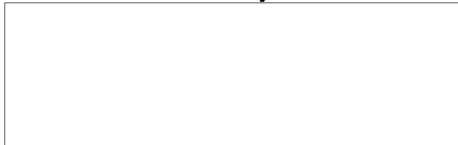
Insofar as the principle of collegiality is followed by the Chinese, the three current vice chairmen, plus Chang Chun-chiao and Peking Military Region Commander Chen Hsi-lien would almost certainly form the core of the collective. These five men are the most powerful in China today. They are not likely to work easily together, however. The left-right split between Yeh, on the one hand, and Wang and Chang, on the other, is already pronounced, and as already noted, there is potential for serious friction between Chang and Hua.

Chen, even more than Defense Minister Yeh, is likely to represent military interests in the collective. Many important military figures have resented the leftist leaders since the days of the cultural revolution, and to the degree that Chen speaks for these military men, he could come into conflict with Chang and Wang.



Wang Hung-wen, party vice chairman

Chen, however, appears to be an ambitious man whose personal interests could lead him into temporary and expedient alliances with any civilian faction.



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Latent factionalism among the ruling group is likely to come to the fore rather quickly, in fact. Mao's death occurs at a tense and rather fluid moment in Chinese politics. Repercussions from the Teng purge are still echoing throughout the country—in the provinces and in Peking. The fissure between the party's right and left wings is perhaps wider than at any time since the late stages of the cultural

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revolution, and the issue of relations between the military and civilian members of the party is still not fully resolved.

Since the attacks on Teng began, the army has begun to re-emerge as an important factor in political affairs; this tendency is likely to become more pronounced in the wake of Mao's death.

This confused situation makes a struggle among the various factions in the leadership all but inevitable, and this struggle is likely to make itself manifest sooner rather than later.

An Unpropitious Time

Mao has died at an unpropitious moment for the party's left wing, however. This group—a minority in the party and among the leadership—has not yet

managed to achieve a solid and largely unassailable position, as it clearly hoped to do before the Chairman's death.

Mao had his differences with the leftists in recent years, but they were at most times able to play on his obsessive concern for the development of an equalitarian China, and their enemies were inhibited by fear that Mao could intervene on their behalf in unexpected fashion. This inhibition has now been removed.

One likely victim of these changed circumstances is Mao's wife, the termagant Chiang Ching. She is widely disliked, and without the Chairman's potential protection she may well fall by the wayside rather quickly. The left as a whole is in fact now in a somewhat unenviable position. It is likely to be on the defense in

whatever struggle develops in the wake of Mao's death. Nevertheless, leftist leaders, although a minority, speak for a significant portion of the Chinese party, and the struggle, if it develops, is not likely to be resolved quickly.

This fact, plus the obvious difficulty the Chinese will have in adjusting to a China without Mao, is likely to inhibit the development of new policy initiatives and to slow the implementation of policies already adopted, both in the domestic and foreign policy spheres. If the military gains an increased voice in policy making, however, it is possible that Peking may become more receptive to the idea of moderating somewhat its unyielding opposition to the USSR.

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The evidence suggests a return to the harsher climate of the early 1960s in the USSR's grain-growing regions. This could mean a staggering shortfall in the country's annual grain requirements between now and 1980.

USSR: Climate and Grain

The severe Soviet drought of 1975 contrasted sharply with the unusually favorable conditions of 1969-1974, suggesting a return to the climate—that is, weather averaged for a year or more—of the early 1960s, when good and bad years alternated.

While good weather has returned to the USSR in 1976, there is evidence to suggest that a return to harsher average conditions is under way. The general climatic conditions in the Northern Hemisphere since 1974 show definite similarities to those of the early 1960s.

The well-publicized drought of 1972 was different from those of the early 1960s and 1975 because its effects were felt mainly in the winter grain areas of

European Russia rather than in the steppe regions of the New Lands.

Assuming the same climate as in 1962-1965, annual Soviet grain output would average no more than 200-million tons in 1976-1980. An output of this size falls a staggering 25 to 30 million tons short of estimated annual requirements. If the USSR chooses to cover the deficit by imports, these purchases would match those following the disastrous grain harvests of 1972 and 1975. Alternatively, Moscow could cut the already modest livestock program.

Environmental Limitations

Grain growing in the USSR faces severe environmental limitations. Because three fourths of the sown area is climatically comparable to the prairie provinces of Canada and the northern

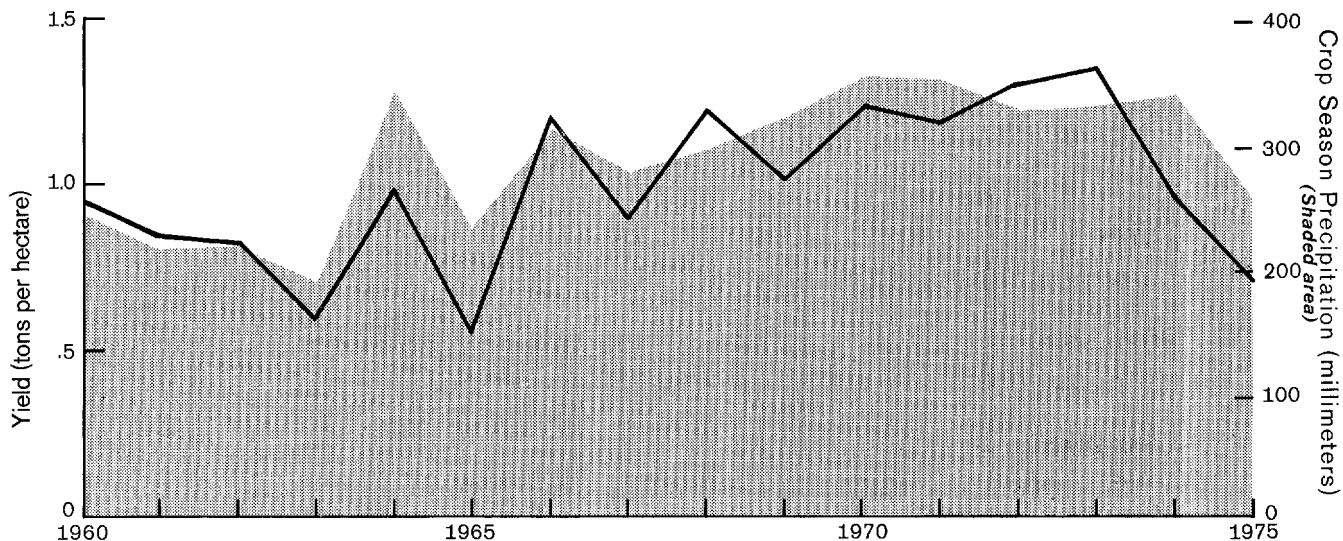
great plains in the US, the farmland of the USSR is less productive on the average than that of the US. As in analogous areas in North America, the Soviet Union's agricultural land is relatively lacking in adequate amounts of heat, moisture, and nutrients.

More than 30 percent of the USSR is too cold for agriculture, and an additional 40 percent is so cold that only hardy, early maturing crops can be grown. Even where warmth permits a wide range of grain crops—south of about 50 degrees latitude—low precipitation and high temperatures limit moisture so that, with few exceptions, grain can be grown only by irrigation.

Because of these unfavorable natural conditions, Soviet grain growing areas are particularly susceptible to longer term

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USSR: Spring Wheat Yields and Crop Season Precipitation



On this chart, the relatively higher level of growing season precipitation in the period 1969-74 is generally associated with higher spring wheat yields; the more normal pattern of precipitation of 1960-65 is related to lower yields.

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fluctuations in hemispheric conditions. Climatic fluctuations in the USSR, as well as in other regions, are related to the size of the circumpolar vortex, a dome of cold air covering the polar regions.

As the Northern Hemisphere cools in winter, the vortex expands, cooling the middle latitudes and moving the hemispheric weather patterns southward. In summer, it contracts, allowing warmer air to move north from the subtropics.

As important as the size of the vortex, is its pattern of waves that extend out from it and move with the wind patterns of the hemisphere. The size, shape, and number of these waves depend on the size of the vortex, the temperature difference between the pole and the equator, and the topography over which the air flows.

During the late 1960s, the cooling of the Northern Hemisphere moved the wetter northern climates in the Soviet Union southward. At the same time, the changed wind pattern associated with this cooling brought increasing amounts of air from

the North Atlantic rather than from Siberia.

This shift increased moisture, cooled summers, and prevented the bitter cold of the Siberian winter from penetrating into the grain belt. The net effect was to move the moist northern climate southward about 190 kilometers (120 miles), pushing back the desert and nearly doubling rainfall in Kazakhstan. The cooling of the Northern Hemisphere and the subsequent shift of the desert zone south of the Soviet grain belt apparently is also related to the Sahelian drought and failures of the Indian monsoon during this period.

Effect of Climate Change

The climate changes of the 1960s modified the normally harsh conditions and had a major effect on Soviet grain output. Between the early 1960s and 1974, total grain output increased at an average of 6.8 million tons annually. We estimate that about half of the increase since 1963 was caused by the more favorable climate.

The other half is apparently due to a

greater use of fertilizer and improved varieties of grain. The improvement was greatest in the southern fringes of the grain belt east of the Urals, where spring grain output is concentrated.

In the mid-1970s, the climate appears to have reversed itself. The southward shift of the desert, which had so benefited Soviet agriculture, ended. In late summer 1974 the hot dry winds, which were common in the early 1960s, reappeared in the eastern steppe regions of the grain belt. The dry weather lasted for more than a year, spreading over most of the grain belt by the summer of 1975.

Unlike previous droughts, which were concentrated in the New Lands area east of the Urals, the 1975 drought also hit the grain heartland in the European part of the country. In other parts of the world, the drought in the Sahel ended, and the monsoons returned to India. All three events seem linked to an apparent warming of the Northern Hemisphere during the early 1970s.

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