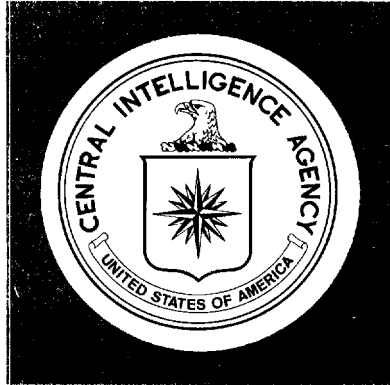


**Secret**

25X1

25X1



# Weekly Summary

State Dept. review completed.

**Secret**

CG WS 77-018  
May 6, 1977

Copy **No** 69

SECRET



## CONTENTS

May 6, 1977

The WEEKLY SUMMARY, issued every Friday morning by the Current Reporting Group, reports and analyzes significant developments of the week through noon on Thursday. It frequently includes material coordinated with or prepared by the Office of Regional and Political Analysis, the Office of Economic Research, the Office of Strategic Research, the Office of Scientific Intelligence, the Office of Weapons Intelligence, and the Office of Geographic and Cartographic Research.

**1 Asia**

Pakistan; India; North-South  
Korea; South Korea; Japan;  
China

**4 Africa**

Zaire; Zambia; Mauritania

25X1

**6 Western Hemisphere**

Chile

25X6

**7 Europe**

Portugal

25X6

**8 Kuwait: Arms Procurement Policy****9 Italy: Communists Seek New Concessions****11 Rhodesia: Problems of Black Rule****13 Jamaica: Manley Turns to the Moderates****14 Philippines: Marcos and the Muslim Problem**

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

25X1

25X1

**Page Denied**

Next 1 Page(s) In Document Denied

SECRET

## Asia

## PAKISTAN 1-5

Prime Minister Bhutto and leaders of the opposition Pakistan National Alliance continued this week to discuss proposals designed to end the country's two-month-old political crisis. As the negotiations drag on, Bhutto appears to be becoming increasingly confident that his position has improved and less inclined to accept any compromise that could threaten his career.

Bhutto believes public support for him is increasing because of the charges he began making last week that the US is conspiring with the opposition; the government-controlled press has been echoing his allegations in a massive anti-American campaign. The Prime Minister has also been encouraged by the failure of an opposition demonstration last weekend to match in size some earlier ones, by the military's continuing support for the government, and by a disagreement among the opposition leaders over Bhutto's future role.

The disagreement surfaced early this week when former air force commander Asghar Khan, who emerged as the leading opposition spokesman during the campaign for the disputed parliamentary election held in March, released a statement calling for Bhutto's resignation as a precondition for negotiations. Other opposition leaders were reportedly considering a compromise, offered by Bhutto, that provided for the new National Assembly election the opposition has demanded but would allow Bhutto to head a coalition government until the election. These leaders and Bhutto seemed close to agreement on such a settlement.

On May 4, the opposition announced a proposal essentially along the lines of Bhutto's proposal. In a possible effort to paper over the disagreement within the



Prime Minister Bhutto

alliance, the opposition proposal calls for Bhutto's immediate resignation, but would then allow him to be appointed head of an interim coalition government.

It is unclear whether Asghar approved the latest proposal. If he did not and the others conclude a separate compromise settlement with Bhutto, they risk splitting the opposition and greatly diminishing its chances for victory in a new election.

Bhutto, however, may now try to avoid such a settlement in the belief that his improved position will enable him to ride out the crisis. The opposition was claiming in midweek that the Prime Minister was deliberately delaying an agreement.

Bhutto's position could again deteriorate quickly if the opposition can show that it is still able to stage demonstrations as violent as those that took place last month. It plans processions on May 6 throughout Pakistan, including the three largest cities where such actions will be in defiance of martial law.

## INDIA 6-8

The Janata Party, which came to power in New Delhi after defeating the Congress Party in the parliamentary election in March, has moved to strengthen its political position by scheduling state elections in half of India's 22 states and the territory of Goa in early June. The elections will test the cohesion of the new ruling party as well as its ability to best the Congress Party at the state level where the issue of Indira Gandhi's national leadership may be a less decisive factor.

In March, the Janata Party and its allies swept nine of the states, all in northern India, in which balloting will be held next month. The Congress Party continued to control the state governments, however, until last weekend when the central government dissolved the legislatures of the nine states and imposed rule from New Delhi in order to pave the way for elections. Prime Minister Desai and other Janata leaders clearly believe that their party stands a good chance of winning in the nine states.

Control of state governments is important in India's federal system. Considerable powers are reserved to the states; state legislatures play a direct role in electing members of the upper house of parliament and cast half the votes in elections for India's president. The upper house of parliament, currently dominated by the Congress Party, can delay legislation; a third of its membership will be elected next year.

Although the president is essentially a figurehead, he also can delay the implementation of government policy. The efforts of the current acting president—a Congress Party member—to block the state elections briefly threatened a constitutional crisis. A new president is to be elected by August.

Janata enters the new campaign with an outward appearance of unity. The four parties that initially joined together last winter in order to fight Gandhi more effectively in the parliamentary campaign formally merged on May 1. Additionally, the Congress for Democracy, a smaller

SECRET

SECRET



party led by Defense Minister Ram that had been allied to but not a part of Janata during the winter campaign, also merged into the larger organization.

Despite these moves, India's ruling party remains essentially a collection of disparate groups—bound together by little more than a desire to remain in power. The allocation of seats for the coming elections could severely strain that bond.

The Congress Party, on the other hand, has dominated north India in previous elections and lost there last March largely because of Gandhi's policies. Since then, the party has tried to shed itself of responsibility for Gandhi. In any case, local issues rather than her record will determine the results in many races.

## NORTH-SOUTH KOREA

The tranquility that has prevailed on the border between North and South Korea since the serious flareup at Panmunjom last August was broken by a new shooting incident this week in which a South Korean soldier was killed and

another wounded while patrolling along the Demilitarized Zone.

The incident occurred on the morning of May 3, when a small North Korean infiltration team apparently trying to return to the North encountered the South Korean patrol. Such North Korean teams, which conduct reconnaissance missions, have clashed with South Korean units on several occasions in recent years.

The clash this week took place near Chorwon in the central section of the Demilitarized Zone north of Seoul and involved an infiltration team from the North Korean 5th Army Corps.

North Korea began to increase armed reconnaissance in the South about two years ago after reducing such efforts substantially in the early 1970s. At least two North Korean armed reconnaissance teams were detected in the South in 1975. Last June, South Korean forces killed all

three members of a North Korean infiltration team in a clash south of the Demilitarized Zone.

Such teams usually conduct reconnaissance of conventional military targets and seek information useful in preparing commando-type attacks. The most favorable time for such operations is generally from mid-April through mid-November; cold weather and lack of foliage for cover inhibit infiltration attempts in winter.

The United Nations Command has protested the latest incident and called for a meeting of the Military Armistice Commission, which oversees the truce accord. The commission has not met for seven months. Pyongyang radio has labeled the South Korean account of the incident a "sheer fabrication" and will doubtless counter with a list of numerous alleged border violations by the South Koreans.

## SOUTH KOREA

President Pak, faced with the prospect of US troop withdrawals, has called for new measures to build up South Korea's defense capabilities. He reportedly is considering revising the five-year plan that begins this year so as to allocate additional funds for defense.

As drawn up, the plan calls for defense spending to increase from \$1.5 billion in 1976 to \$4 billion by 1981. Part of the money to pay for the increase is to come from a special surtax introduced two years ago. Last year, the tax generated about \$500 million in revenue; by 1981, revenues are expected to reach \$1.3 billion.

Some government planners reportedly are optimistic that the recent upturn in the economy will generate additional revenues that can be spent on defense. They also hope to apply more foreign capital to the defense budget. Part of the capital secured by Deputy Prime Minister Nam during his recent West European tour reportedly will be channeled to de-

fense. Funds obtained for the machinery industry—which is receiving top priority in the five-year plan—may be used for production of military equipment.

Allocating additional resources to defense above the levels of the five-year plan, however, might well cause serious disruptions in the economy. The government's current targets for defense expenditures are predicated on achieving the plan's goals, including \$12 billion in new foreign capital and a 9.2-percent annual growth rate. Diverting additional investment to defense would slow the growth both of gross national product and of exports; this in turn would make it more difficult for Seoul to attract the foreign capital it will need to repay existing foreign debts and finance economic development.

South Korea's annual debt service payments will increase from \$1.4 billion this year to \$2.6 billion in 1981. A substantial increase in defense spending, moreover, could generate apprehensions among foreign lenders and investors.

SECRET

## JAPAN

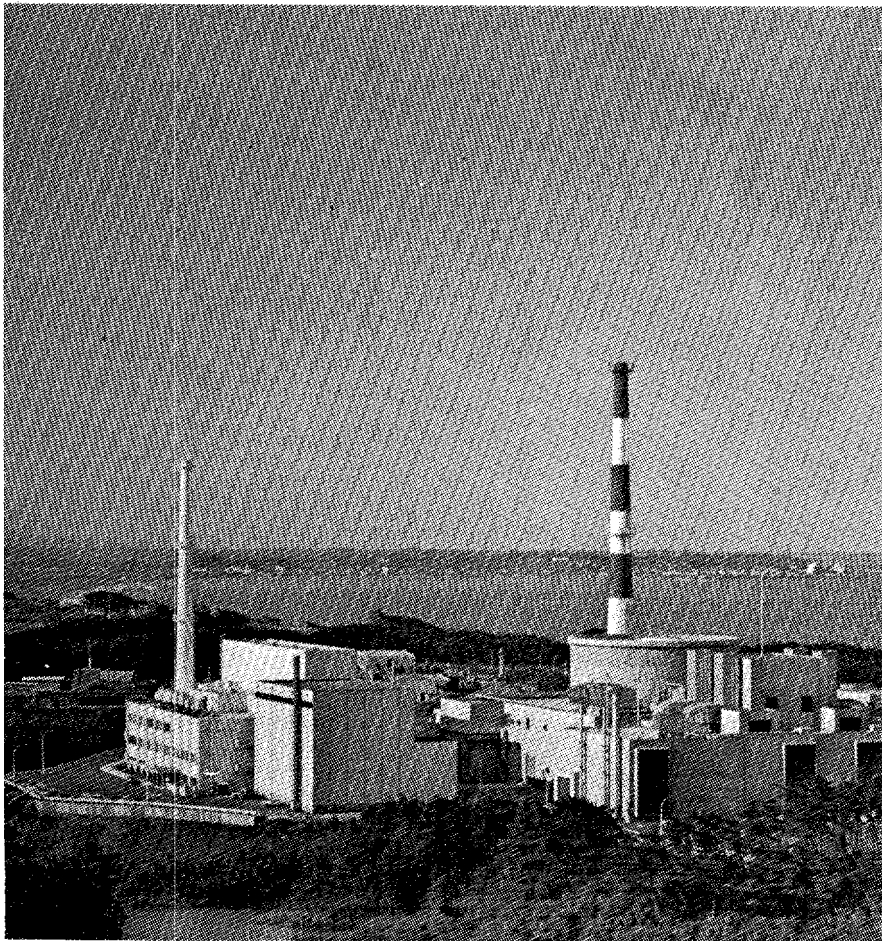
19-20  
Japan last week became the fifth country to have an experimental fast-breeder reactor in operation. The reactor began operating at a thermal power level of 50 megawatts, but there are plans to increase it to 100 megawatts.

The plutonium used in the reactor came from fuel used in a Japanese power reactor supplied and fueled by the UK; the spent fuel was reprocessed in the UK, and the recovered plutonium returned to Japan for use in the fast-breeder program. An advanced thermal reactor, which also will use plutonium as fuel, is scheduled to

begin operation early next year.

Japan has scheduled tests this year—beginning in July—for a pilot fuel-reprocessing plant of its own and hopes to begin full operation of that facility in 1978. Because the plant would use irradiated fuel originally supplied by the US, permission for the reprocessing must be obtained from the US.

The development of nuclear reprocessing and fast-breeder reactor technology is an important part of the Japanese government's long-range plan for diversifying the country's energy supplies and reducing its dependence on foreign energy sources.



*Joyo experimental fast-breeder reactor and fuel-monitoring facility that became operational last week*

## CHINA

17-18  
The Chinese government used May Day celebrations this year to bolster the image of party chairman Hua Kuo-feng as a theoretician and the interpreter of the teachings of Mao Tse-tung. The official party newspaper *People's Daily* published a long article written by Hua analyzing the latest volume of Mao's works, which was released last month.

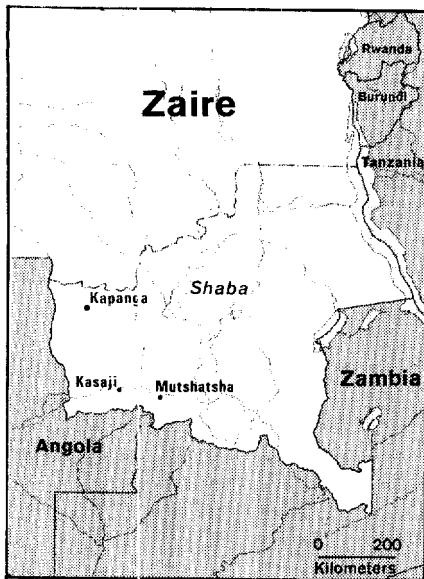
The publication of Hua's article was more important than its content. There have been signs for some time that Hua's legitimacy as Mao's successor has come into question. A provincial newspaper last month called for an end to attacks on Hua. At a major party meeting in March, Defense Minister Yeh Chien-ying, the number-two man in China, stated that posters criticizing Hua had appeared in Peking and in two other cities.

Other May Day festivities also seemed designed to drive home the point that Hua is Mao's rightful heir. A large oil painting depicting Mao and Hua engaged in conversation was placed in the center of each of Peking's parks, where people gathered to celebrate the holiday. The painting was entitled "With you in charge, I am at ease," a statement Mao made to Hua a year ago and one that has been used as evidence that Mao personally passed his authority on to Hua.

The official Chinese news agency noted another link between the past and present party chairmen—the entrance to the memorial hall intended to house Mao's body contains an inscription in Hua's own handwriting.

In keeping with past practice, China's leaders celebrated the holiday by attending parties in Peking's parks in separate groups. All active Peking-based members of the Politburo were on hand. One of the three provincial-based Politburo members, Shenyang Military Region commander Li Te-sheng, also was in Peking. Li may be in the capital to attend an industrial conference that was moved there after its opening sessions were held in his home region.

SECRET



The Zairian-Moroccan force was ordered on May 4 to resume movement toward Kasaji. Other government units have been trying, so far without much success, to dislodge Katangans from Kapanga and a few other towns they are occupying in northwestern Shaba.

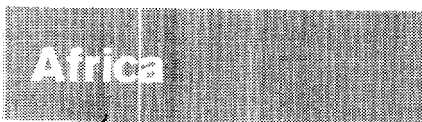
Zairian President Mobutu received additional support from foreign friends this week. Egypt, which had sent a military survey team to Zaire last month, sent several pilots and a number of technicians, and Iran reportedly has provided a grant of \$1 million. There are indications that China is considering increasing its military and economic programs in Zaire, but only after the Katangans are forced from Shaba.

Mobutu's main benefactor in the

present crisis, however, is clearly France, which played a key role in persuading Morocco to assist Zaire and has a number of military advisers working closely with the Zairian and Moroccan forces. The French apparently envisage a large role for themselves in Zaire. They are planning an extensive military training program and have proposed a far-reaching advisory effort aimed at restructuring the Zairian economy and administration.

The French actions and ideas are antagonizing the Belgians, Zaire's former colonial rulers, who still have extensive interests there. They see the French plans as an effort to take advantage of current troubles in Zaire in order to undercut Belgium's position.

25X1  
25X1



## ZAIRE

The main Zairian-Moroccan task force apparently did well this week in its first significant clash with the Katangan invaders and has resumed the drive to retake towns in Zaire still occupied by the Katangans.

Units of the task force and Katangan soldiers engaged in sharp fighting on May 1; the fighting was perhaps the heaviest since the Katangans moved into the Shaba region of Zaire two months ago. The clash occurred between Mutshatsha, a rail town reoccupied by the task force early last week, and Kasaji, the next major objective of the Zairian troops and their Moroccan allies. The action began with an ambush staged by the Katangans, who until then had offered virtually no resistance to the government advance that began more than two weeks ago. After an exchange of fire lasting several hours, the Katangans reportedly retreated in disorder, abandoning weapons and supplies.



President Mobutu, in combat uniform, meets with newsmen and Zairian and Moroccan officers during an April visit to a Shaba battle zone.

AP

SECRET



General Chinkuli

ZAMBIA 38-40

Zambian President Kaunda last week announced major changes in his cabinet and a reorganization of the government's economic ministries. The sweeping changes reflect Kaunda's attempt to deal with Zambia's serious economic problems and perhaps with some discontent in the military.

Some ministers were fired for political misdeeds, but the reorganization was designed mainly to enable the ministries responsible for the economy to come to grips with Zambia's problems. The new appointees are young and dependent personally on Kaunda. They lack experience and political strength and are not likely to have much impact on the economic situation.

Long-time defense force commander General Chinkuli was removed from his military position and appointed to head a ministry. Others in the military have often criticized Chinkuli, who has been accused of being corrupt, inept, and too am-



President Kaunda

bitious. A common thread in the criticism is that the military is increasingly discontent with his leadership.

Kaunda, fearful of white Rhodesian retaliation for his support to black insurgents and skittish over other imagined security threats, may have decided that the discontent with Chinkuli and various shortcomings of the military required a change in commanders.

Kaunda plays the key role in directing all national activities. He can be authoritarian when necessary, but prefers to work for consensus. He often allows domestic problems and dissension within the ruling party to persist for some time before he finally acts.

The cabinet reshuffle appears to fit this pattern. For a variety of reasons, Zambia's economy has been under severe strain, and the resulting problems, including shortages of essential consumer items, have led to some criticism of the President, his policies, and the officials around him.

Kaunda hinted that changes within the

ruling party leadership may soon be made. The President may have some apprehensions about next year's national election; party and government officials reportedly are concerned that there will be a poor voter turnout.

25X1

25X1

MAURITANIA 35-37

Polisario Front guerrillas, who oppose the partition of Western Sahara by Morocco and Mauritania that was agreed upon last year, attacked vital Mauritanian iron ore mining facilities near Zouerate on May 1. The attack underscores Mauritania's vulnerability to continuing guerrilla harassment and will increase popular concern over the government's ability to deal with the Algerian-based Polisario Front.

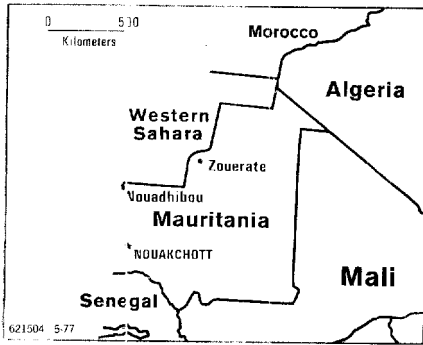
It was the most serious and well executed action inside Mauritania by the guerrillas since they raided Nouakchott, the capital, last June. As some guerrillas fired a mortar barrage, which killed two French expatriate employees, small Polisario teams simultaneously launched diversionary attacks in the town of Zouerate and kidnaped one Mauritanian and six French workers. All French dependents have been evacuated from Zouerate.

Although the attackers also did considerable damage to the mining facilities, the immediate impact of the raid will be primarily psychological. The Mauritians have stockpiled a three-month supply of iron ore at the port of Nouadhibou to minimize the economic impact of such guerrilla attacks. If French managerial personnel in Zouerate become intimidated and leave, however, production at the mining facilities could be seriously curtailed.

Since early February, the guerrillas have shown greater willingness to attack Mauritanian positions in force and occasionally have inflicted significant casualties. The guerrillas usually take advantage of seasonal sandstorms or approaching darkness to elude pursuit, add-

SECRET



**SECRET**

ing to the frustration of the Mauritanian military with the protracted guerrilla war.

The guerrillas may increase their harassment activities this month to demonstrate that the front, four years after its founding, has become a more credible military force.

**Western Hemisphere**

## CHILE

The Catholic Church in Chile, the only important critic of the government not yet effectively silenced, is increasing pressure on the ruling junta. The clergy's growing militancy may have given the government second thoughts about imposing additional repressive measures.

The church's attitude was made manifest most recently in a strident attack on the government for dissolving Chile's remaining political parties in March.

Both junta and church leaders, however, appear anxious to keep the disagreements from leading to a sharp break. President Pinochet is being uncharacteristically conciliatory. He is probably concerned that in enacting a series of harsh measures advocated by a close circle of extreme rightist advisers, he overstepped the bounds of church tolerance. For the moment, he has backed off from some of the heavy-handed policies that incited bitter condemnation from the church and from the Christian Democratic Party, labor leaders, the press, and intellectuals.

The President probably averted a direct confrontation with the church by dismissing on April 20 a controversial justice minister who had publicly attacked a group of bishops for their strong censure of social and political conditions in Chile. The minister, a crony of Pinochet's with a penchant for stepping on toes, had been in office just over a month. The President not only dismissed him, but wrote a letter to the offended bishops disavowing the minister's outspoken views.

25X6

25X1

25X1  
25X1

25X6

25X6  
25X6**SECRET**

SECRET

25X6

Europe

PORTUGAL *60-61* <sup>25X6</sup>

Most NATO members have made token commitments to help Portugal form an infantry brigade to be assigned to the Alliance. The Portuguese hope the brigade can assume its role as a reserve force for NATO's southern region by 1980.

During a recent meeting of an ad hoc group that discusses military assistance to Portugal, NATO representatives outlined their countries' planned contributions. West Germany reaffirmed its intention to provide about \$10 million worth of aid, including 17 early-model M-48 tanks—possibly with new guns. The West Germans will also give Portugal a number of artillery pieces and various other surplus items.

Canada and Norway agreed to contribute small amounts of older equipment, such as mortars, rocket launchers, and recoilless rifles, and the UK promised reconnaissance boats and floating bridges.

Other West European representatives supported the assistance program in principle but promised nothing more than advisers. Only the Dutch representative refused to promise any military assistance, ostensibly because of government policy restrictions.

Portugal's armed forces, seriously debilitated by long colonial wars in Africa and domestic political feuds, are in great need of modernization. They also are seeking to reorient themselves to a European mission. The creation of the NATO brigade with some 4,800 men will not significantly affect the military balance of power in Europe, but it will be an important symbol of Portugal's full political and military integration into NATO.

25X1

SECRET

SECRET

*Kuwait has been using its oil revenues for about a decade to expand its combat forces and acquire an arsenal of modern weapons. The Kuwaitis look primarily to the West for their arms, but recently concluded an initial limited deal with the USSR.*

## Kuwait: Arms Procurement Policy

Kuwait buys sophisticated weaponry, much of which must be operated by foreigners or kept in storage, primarily for the purpose of putting on a credible show of force against Iraq, Kuwait's only potential enemy. Defense policy is based on the assumption that Kuwait alone could not turn back an Iraqi attack, but that a credible fight for about a week could buy time for allies, the UN, and world opinion to come to its aid.

Kuwait made only limited arms purchases until British forces withdrew in 1968. It has increased military procurements since that time, and border incidents with Iraq in 1973 stimulated the Kuwaiti military to undertake a major modernization and expansion program. The UK, France, and the US are the principal sources of arms.

The UK, as the former colonial power, initially supplied virtually all Kuwait's arms and equipment, including jet aircraft, artillery, tanks, and armored vehicles. The British still play a large military role in the country, and well over 100 British officers and men serve with the armed forces. Under a 1975 arms agreement, the UK will provide 165 Chieftain tanks, the first of which have already arrived.

The first military agreement with France, for armored cars, was concluded in 1969. In 1974, Kuwait contracted for 20 Mirage F-1 interceptors and 24 Gazelle and 12 Puma helicopters. The helicopters started arriving in 1975 and the first F-1s

in 1976. All 20 F-1s will probably be delivered by the end of this year.

The first US-Kuwaiti arms contract was signed in 1974. The US has since agreed to sell 36 A-4 Skyhawk ground-attack aircraft, four batteries of Hawk surface-to-air missiles, TOW antitank missiles, and possibly armored personnel carriers. The first Skyhawks will be delivered shortly. The US also is providing ground-support equipment and training and logistic facilities and is developing a comprehensive air defense system for Kuwait.

Although the Kuwaitis now see the US as their major arms supplier, for political reasons they want to avoid dependence on any one country. This consideration and perhaps a desire to maintain credibility as a nonaligned state may have led to the recent deal with the Soviets.

### First Deal with the USSR

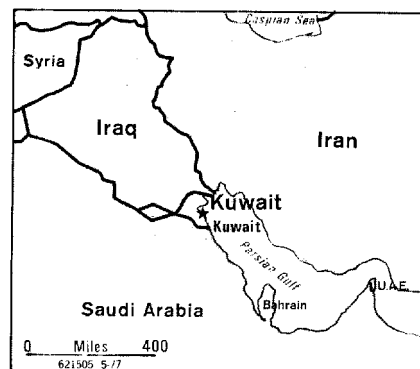
The USSR and Kuwait first discussed a military purchase in late 1973 when Kuwait had forces stationed in Egypt and Syria. Kuwaiti equipment was not compatible with the Soviet-made equipment of other Arab countries, and the Kuwaiti plan was to buy the Soviet equipment and then leave it with Egypt and Syria when Kuwaiti forces withdrew from those countries. Nothing came of these discussions.

Now Kuwait is interested in Soviet arms for domestic use, and the first arms-sale agreement—a deal for FROG surface-to-surface and SA-7 surface-to-air missiles—has been concluded. The FROG has a range of 40 to 50 nautical

miles; the SA-7 is a short-range missile used against low-flying aircraft.

The agreement has caused some concern in the West because it introduces Soviet equipment to a new area and because the FROG can be used as an offensive weapon. Kuwaiti leaders have implied that they plan no other arms agreements with the Soviets and that no Soviet technicians will be admitted to Kuwait. The Kuwaitis claim they need the FROG to counter Iraqi FROG missiles and the longer range Scud missiles.

The US rejection of Kuwait's request for the Redeye shoulder-fired surface-to-air missile probably played a part in the Kuwaiti decision to buy the SA-7 as an alternative. Apparent Soviet willingness to bow to Kuwait's reluctance to permit Soviet technicians in Kuwait or to send Kuwaiti soldiers to the USSR for training also helped. Other Arab states have the missiles purchased by the Kuwaitis, and Kuwait has opted to send



25X1

SECRET

SECRET

troops to Egypt for training. The SA-7s reportedly will be delivered this year with the FROGs to follow in a year or two.

Kuwait's procurement of modern combat equipment has placed a great strain on its ability to absorb and maintain it. Kuwait has a small population, and the educational level of its military personnel is low. Kuwait has difficulty finding enough personnel to qualify for training as operators, pilots, or maintenance men for the new weapons.

Kuwait relies on foreign—mainly British—military and contract personnel to act in command, technical, and advisory roles in the military. Although Kuwait is determined to reduce dependence on foreigners as much as possible, the influx of new equipment will require foreign civil and military personnel for many years.

Compounding Kuwait's problems with new equipment is a basic lack of understanding about how modern weapons are integrated into combat systems and about the support systems necessary to keep weapons operating. The Kuwaitis seem to believe the mere possession of modern combat equipment makes for an effective military force.

They have selected weapons from a variety of military catalogues with little thought to the relationship of one weapon to another or the difficulties imposed on a logistic system by obtaining weapons from diverse sources. The Kuwaitis may now be beginning to gain some appreciation of the complexity of weapons procurement. In a recent discussion with the US ambassador, the foreign minister acknowledged that logistic problems are one reason why the Soviet arms deal

probably is a one-time agreement.

The Kuwaitis are still bent on acquiring the latest and best equipment regardless of their ability to maintain and operate it, judging from their apparent determination to forge ahead with plans to create a navy.

As it adds more new weapons, Kuwait will become increasingly dependent on foreigners to maintain and operate the equipment. Integrating the new aircraft, missiles, and tanks into its armed forces is beyond the country's present capabilities. The Kuwaitis probably are gambling that, eventually, extensive training efforts will enable them to handle the new equipment on their own. In the meantime, Kuwait will go on purchasing new sophisticated arms and either turning them over to foreigners to operate or placing them in storage.

25X1

*Italy's Christian Democrats and Communists are in the midst of delicate negotiations centering on the Communists' demand for new concessions intended to take them a step closer to membership in the national government.*

67-90

## Italy: Communists Seek New Concessions

25X1

Italy's Christian Democrats face a fundamental dilemma as they seek to keep Prime Minister Andreotti in office. The party has apparently concluded that it must grant the Communist Party significant political concessions to retain its essential cooperation. But the Christian

Democrats also want to avoid any appearance of abandoning their pledge in the last election to hold the line against Communist membership in the government.

The ruling Christian Democrats began a round of talks this week with the Communists and the other parties that are not

formally a part of the minority government that has been in office since last August. These parties abstain on key parliamentary votes and thus support Andreotti indirectly. For several weeks now, the Communists have been pushing for a more active role—one that would give them more visibility and blur the carefully

SECRET

SECRET



Communist chief Berlinguer

flexibility is necessitated by:

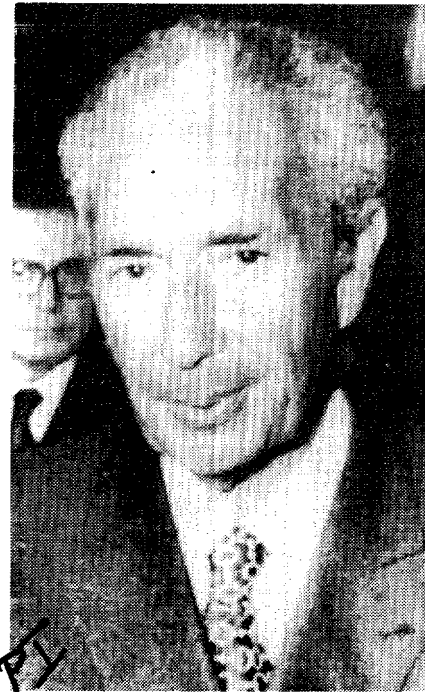
- The rising pressure from the Communist rank and file, which has finally led Berlinguer to make a serious bid for more influence in the government.
- The unwillingness of at least two of the Christian Democrats' traditional partners to enter into a new alliance with them. The key Socialist Party, still suffering from the divisiveness caused by its poor performance in the last election, is united only in its opposition to joining another government that excludes the Communists.
- The prospect that another electoral confrontation now would only confirm the recent gravitation of the electorate toward the Christian Democrats and Communists at the expense of the smaller parties and would almost certainly lead to a further deterioration of public order, strengthening the rationale for the broadly based "emergency" government advocated by the Communists.

Faced with these constraints, the Christian Democrats have apparently concluded that they have little choice but to seek some new agreement with the Communists. The chief problem for the Christian Democrats is how to preserve their image as a bulwark against Communist participation in the government.

Masterminding the Christian Democrats' balancing act is party president Aldo Moro, the party's chief theoretician and its most skillful practitioner of rhetorical sleight of hand. In a string of pronouncements, Moro has emphasized the need for joint problem-solving by the major parties, but has skated around the political implications of such a procedure.

In essence, Moro has called for agreement on a limited number of programs—"the things that need to be done"—while arguing that such agreements should not alter the political relationship among the parties.

Most major Christian Democratic leaders are echoing Moro's line, which



Christian Democratic President Moro

was approved on April 28 by the party directorate. But other party members are concerned that even a limited formal agreement with the Communists will alter the present delicate political equation. These Christian Democrats believe that if the Communists end up voting in favor of major government programs, they will be widely regarded as having crossed the line into what the Italians call the "government area."

These issues will be debated in the discussions between the Christian Democrats and the Communists and other parties that began this week. At this point, it seems likely that the Communists will gain enough concessions to satisfy them, although probably not for long.

In any event, the underlying question in the negotiations is whether the Christian Democrats can maintain a real political demarcation line between the government and the Communists or will have to settle for a cosmetic papering over of a substantial advance toward government membership by Berlinguer's party.

worked out distinction between the parties that are in and those that are out of the government.

Communist chief Berlinguer has spelled out his price for further cooperation. Berlinguer wants:

- An agreement among the parties on three or four major programs to be enacted by the government during the next few months. The Communists would then be able to vote for these programs rather than merely abstain.
- More frequent and formal consultation between the government and the supporting parties.
- A change in the composition of the government along the lines mentioned by Andreotti in recent public comments, such as the inclusion of more technocrats trusted by the leftist parties.

Andreotti's initial response was that the Communists were asking too much at once, but the Christian Democrats in subsequent comments have not ruled out any of Berlinguer's proposals. The Christian Democrats in general believe that new

SECRET

*The continuing fragmentation of the Rhodesian nationalist movement and the likelihood that its patrons among the front-line states will pursue diverse policies toward a black regime seem to assure that the country will remain troubled well after the transition to majority rule is finally effected.*

96

## Rhodesia: Problems of Black Rule

Black rule in Rhodesia, even if it comes through a negotiated settlement, is likely to be accompanied by political turbulence and perhaps a high level of violence. Civil war and large-scale foreign involvement such as occurred in Angola seem improbable.

A number of factors can be identified now that almost certainly will contribute to such turbulence during the early period of Rhodesia's independence. These include the deep divisions that exist among the nationalists and the attitudes of Rhodesia's neighbors—the front-line states of Zambia, Botswana, Tanzania, Mozambique, and Angola.

In many ways, the circumstances of Rhodesia's decolonization are unique. The Smith regime is not a departing colonial power; in its own way it is as much a nationalist movement, albeit a white minority one, as the nationalist groups seeking its overthrow.

The transition to black majority rule in Rhodesia thus will not be a simple transfer of power in the familiar pattern of African decolonization. Rather, it will be a matter of interaction among four groups: the whites who are prepared to share power with blacks; those whites who are not so prepared; the moderate black nationalists, who believe whites must participate in a settlement but who cannot appear to be giving in to continued white supremacy; and the radical black nationalists, who believe the white-

dominated social system must be totally eliminated.

### Divisions Among Nationalists

The Rhodesian black nationalist movement has been divided from its inception by tribal and political differences as well as by the sharp personal rivalries that have developed among its leaders. Divisions exist not only among groups but within groups. Although alliances have sprung up from time to time, they have been tailored to specific political demands and have been short-lived.

These divisions have deepened since the Geneva conference on Rhodesia broke up last December. The Patriotic Front alliance of Joshua Nkomo and Robert Mugabe has been subjected to new internal strains.

Because of the distrust the two men and their followers hold for one another, they have maintained the independent character of their respective organizations—Nkomo's Zimbabwe African People's Union and Mugabe's Zimbabwe African National Union. That division has been reinforced by suspicion on the part of many leaders of the African People's Union that Mugabe's organization was responsible for the assassination last January of the African People's Union second vice president, Jason Moyo, who directed the group's guerrilla effort.

Rivalry within the African National Union also has intensified. The Mugabe faction is opposed by a faction led by Ndabaningi Sithole, the founder and

president of the organization.

Nkomo, for his part, is attempting to expand his guerrilla force, which is greatly outnumbered by and has less external support than the guerrilla force of the African National Union. Nkomo reasons that as long as the Patriotic Front holds together, the African People's Union must be able to match the African National Union in keeping military pressure on the Smith regime. Nkomo also realizes that the eventual collapse of the Patriotic Front is likely to result in a military showdown with Mugabe's organization.

Another nationalist group, Bishop Abel Muzorewa's African National Council, currently has no guerrillas in the field and has had increasing organizational problems in recent months. A number of senior members from Muzorewa's group defected to Mugabe during the Geneva conference, and Muzorewa recently was forced to reshuffle a number of his chief subordinates because they privately attempted to make a deal for a separate settlement between the African National Council and the Smith regime.

Members of the African National Council inside Rhodesia are targets of a recruitment drive by Sithole, who was once the undisputed leader of the African National Union and is now attempting to reassert his control. Sithole has been in exile for two years and was in a Rhodesian jail for 10 years before that. He may return to Rhodesia in the near future if he gains assurances that Rhodesian

25X1

SECRET

authorities will not once again detain him.

Such rivalries and factionalism seem sure to intensify in the course of any election process that may take place to prepare for black majority rule. They will, in any event, almost certainly continue after independence.

#### **Ethnic Divisions**

The competition for political supporters is likely to be intense. Ethnic ties will be an initial basis for soliciting political loyalty; ethnic support in Rhodesia is based primarily on subtribal rather than tribal identification. The Shona represent some 70 percent of Rhodesia's black population, but they are divided into a number of subtribes. Mazorewa's Manyika subtribe, for example, accounts for only about 10 percent of the Shona.

Nkomo's Ndebele tribe, comprising about 15 percent of Rhodesia's black population, is also divided into many subtribes, although the Ndebele tend to be a much more cohesive group than the Shona.

Because the Shona constitute such a large constituency, the efforts of the nationalist leaders to develop power bases will be focused on Shona areas. The competition is likely to result in ethnic clashes.

The possibility that no nationalist leader will gain a clear-cut national mandate would favor the creation of political coalitions. The nationalists, however, have been unable in the past to establish stable alliances and may be unable to do so after independence. Temporary alliances could be established between Muzorewa and Sithole or between one of them and Nkomo, but they would eventually collapse under the weight of personal ambitions.

#### **Military Prospects**

Although the prospect is for political instability in an independent Rhodesia, a major civil war seems unlikely.

The Rhodesian nationalists will not be in a position similar to that of their Angolan counterparts when the Portuguese simply left without identifying a successor from among various contenders, leaving the Angolans to fight it



*Prime Minister Smith speaking to newsmen*

out. Power presumably will be passed to some duly constituted African authority.

Because of the fragmentation of the Rhodesian nationalist movement and the diversity of its external sources of support, it is unlikely that any of the groups could acquire the necessary force to sustain a major campaign against its rivals.

The memory of Angola also is still fresh in the minds of the presidents of the front-line states. These African leaders probably will continue to resist the temptation to seek foreign intervention of the sort that increased the fighting in the former Portuguese territory.

There is, however, some reason for concern. The danger that an independent government in Rhodesia may face a protracted insurgency has increased in recent months.

#### **The Front-line States**

The presidents of the front-line states, despite the unity they have shown in working toward a Rhodesian settlement, hold divergent opinions on the various nationalist leaders and have different visions of an independent majority-governed Rhodesia. Each of the front-line states has its own parochial interest in the political structure of an in-

dependent Rhodesia.

Zambian President Kaunda and Botswanan President Khama would like to see Rhodesia evolve along the Zambian or Kenyan model, and the amount of their support for an independent Rhodesia will be tailored accordingly. Tanzanian President Nyerere, however, appreciates—more than Kaunda or Khama—the lack of real influence the presidents of the other countries will have once majority rule is established in Rhodesia. He is also sensitive—more so than the others—to the likelihood that the front-line “club” would break up over political differences once majority rule becomes a reality.

Mozambican President Machel, because of his own experience against the Portuguese, is convinced that protracted military struggle is the only way to establish a truly cohesive black government. He would regard a moderate Rhodesian government in which power was shared with whites as not fulfilling the promise of black majority rule. Thus, Mozambique is the state most likely to involve itself in Rhodesia's internal affairs in the post-independence period.

**SECRET**

*Jamaica badly needs new international credit to service its external debt, and Prime Minister Manley is curbing his more radical economic advisers in an effort to meet IMF standards.*

80-81

## **Jamaica: Manley Turns to the Moderates**

25X1

The seriousness of Jamaica's economic problems has led Prime Minister Manley to seek financial assistance from the US and the International Monetary Fund and to move away from his radical advisers—for the time being at least.

Last December, after reelection for a second term, Manley promoted many of the radicals in his entourage to important cabinet positions and gave young left-wing university economists responsibility for drafting an emergency production program. At the same time, he criticized the stringent terms of an IMF loan and launched a campaign vilifying that organization.

The radicals—led by Minister of National Mobilization D. K. Duncan—made a determined effort for several months to assert their dominance in the government at the expense of moderates in the ruling party. Using their newly acquired ministries, the radicals tried to push fundamental socio-political change and demonstrated a willingness to use authoritarian means.

The moderates counterattacked at a meeting of the party executive committee in late March. The speaker of the House of Representatives reportedly accused Duncan and another radical minister of plotting against the Prime Minister.

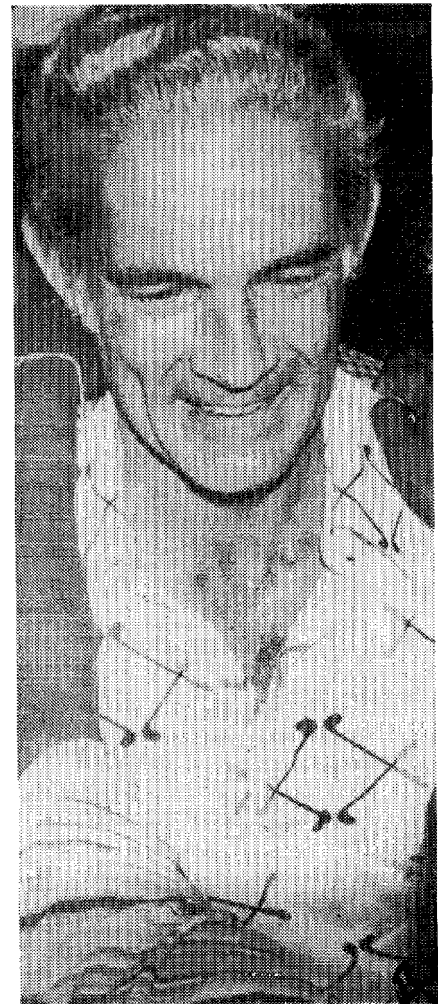
The remark threw the meeting into an uproar, and Manley had difficulty restoring

ing order. When he did, Manley reportedly put the radicals on notice that they were overstepping their bounds and sided with the moderates on several important issues.

Manley's performance since that meeting has convinced at least some of the moderates that he has made a major shift toward the center. Arthur Brown, the head of the Bank of Jamaica, told the US embassy recently that Manley has turned away from the radicals because they masked the seriousness of the economic situation and failed to offer a solution. Brown said that unless new loans are secured in the next few weeks, the government will be unable to service its external debt by the end of the month.

Another party centrist—a former Jamaican ambassador to the US—claims that the moderates are now in the ascendancy in the cabinet and party hierarchy and that the radicals have been isolated. The radicals have in fact kept a low profile since the party conference. Reports of sharp differences between Duncan and Manley were underscored when Duncan failed to attend the Prime Minister's presentation to parliament of the emergency production plan on April 22.

The radicals can nevertheless be expected to play a major, if subdued, role in Manley's plans and will be quick to exploit any sign that the shift to more moderate policies is not paying



*Prime Minister Manley*

SECRET



off in terms of substantial aid from abroad.

Manley's shift toward the moderates at home has been matched by a changed approach to the IMF. Jamaica is unable to secure large new foreign loans elsewhere, and Manley has put together an emergency plan that he hopes will satisfy IMF requirements for a large loan needed to help tide the country over its payments difficulties. Manley is counting on \$40 million in IMF funds, which he hopes will pave the way for financing from other sources.

Under the emergency plan Jamaica will adopt:

- A dual exchange rate with a 38-percent devaluation of the Jamaican dollar for tourism and some commercial transactions.

- A \$275-million ceiling on this year's budget deficit.

- New agricultural programs, including state-run enterprises, to stimulate production.

- Production targets for Jamaica's rudimentary manufacturing and craft industries.

Although Jamaica appears more anxious to satisfy IMF conditions than at any time in recent months, Manley's program represents rhetoric more than action. The devaluation will have little impact on Jamaica's export earnings since it applies mainly to local manufactures, which account for only a small share of the island's total exports. Government spending cuts may be small since Manley remains adamantly opposed to tinkering with ma-

jor public works programs.

The IMF reportedly is still dissatisfied with Jamaica's efforts to manage its payments problems, and an early agreement is unlikely. Even if the government obtains the IMF loan, acquiring substantial new financing will be difficult. The IMF accord could pave the way for some additional funds from commercial banks and possibly from Trinidad and Tobago, but Jamaica's poor credit rating will severely limit the size of any loan.

Jamaica may have to slash imports by at least \$150 million from last year's depressed level. Such a cut would further depress the economy, which last year suffered a 5-percent drop in gross national product and at least 30-percent unemployment.

*Talks between Marcos' representatives and Arab champions of the Philippine Muslims are stalemated over the issue of Muslim autonomy in the south. Both sides will press their case again at the Islamic Conference in Tripoli in mid-May.*

## Philippines: Marcos and the Muslim Problem

Talks between Philippine officials and Arab representatives on a negotiated settlement of the Muslim insurgency in the southern Philippines were broken off on May 1, 10 days after the Arabs arrived in Manila. The specific issue that is holding up an agreement is a Muslim demand for strong representation in a proposed provisional government in the southern Philippines. Even settling this problem will do little to ease the long-standing enmity between Muslim and Christian Filipinos that poses a formidable obstacle to any meaningful

resolution of the dispute. The talks are expected to resume at the Islamic Conference, which convenes in Tripoli on May 16.

The Muslim insurgency in the southern Philippines has been the country's most serious internal security problem since it erupted in 1972. The four-year conflict has taken its toll on both sides, but a cease-fire has been holding since January, and neither the government nor the Muslim rebels wants to assume responsibility for ending the talks completely or for a resumption of hostilities.

Since negotiations to end the fighting

began in 1975, President Marcos has played a delicate political game involving Libyan President Qadhafi, the conservative Arab nations upon whom Marcos depends for oil, and the Muslim rebels on the one hand, and Christian Filipinos and the Philippine army on the other.

Marcos appears to be aware of the complexities of the problem in the Philippines as well as in the Islamic world. He also seems confident that he can manipulate events to his own advantage.

A durable peace in the southern Philippines, however, will be hard to come by. The Muslims are likely to continue to

SECRET

press for more autonomy than the Philippine government is willing to grant. Marcos nonetheless remains committed to a negotiated settlement of the insurgency, which has already seriously sapped the Philippine army's resources and morale.

#### **Background**

The Muslims have occupied the island of Mindanao and the Sulu archipelago in the southern Philippines since Spanish colonial times and have been in constant conflict with the central government in Manila.

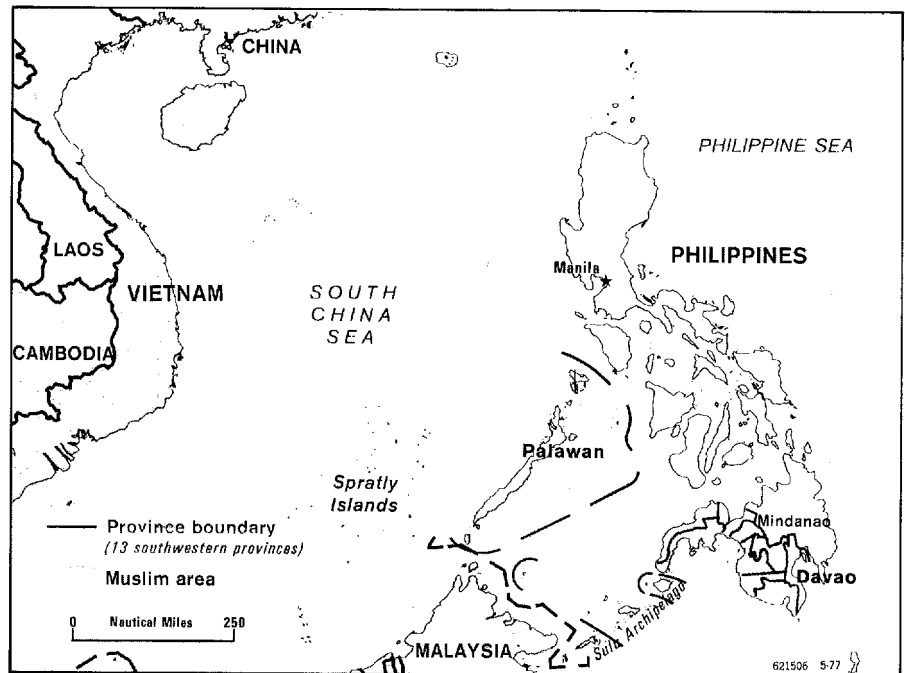
Since independence, the government has had little success in integrating the Muslims into Philippine society. The Muslims number slightly more than 2 million out of a population of some 40 million. Lawlessness and banditry, directed mainly against Christian communities, have persisted over the years.

At the heart of the matter is a long and bitter conflict over land that began when Christians from the more crowded northern islands settled in areas claimed by Muslims. Muslim resistance to Christian encroachment resulted in large-scale outbreaks of terrorism by both sides and clashes with government forces before 1972.

The long-simmering feud between the Muslims and the central government flared again into violence following Marcos' imposition of martial law in 1972. Muslims reacted strongly against the measure prohibiting weapons in private hands, which they viewed as directed against them. From late 1972 through 1974, serious fighting took a heavy toll on both sides—an estimated 2,000 Philippine soldiers and an equal number of Muslim rebels and many more civilians died. Since 1974, large-scale fighting has decreased and random terrorism has become the rule.

#### **The Muslim Political Front**

The Moro National Liberation Front, led by Nur Misuari, has emerged as the political vehicle for the varying and competing factions of the Muslim insurgents. The degree of control it exercises over the diverse Muslim groups may be tenuous, but Misuari has proven his ability to ob-



tain foreign support for the front. Libya—for religious and ideological motives—has been the prime donor, but other Arab countries, including Saudi Arabia and Kuwait, have also funneled assistance to the rebels.

The front has given up its original goal of full independence for the southern Philippines, and has pressed for political autonomy and a government agreement to protect Islamic cultural, economic, and religious institutions in the south. In this, Misuari has the full backing of the Arab states.

#### **Marcos and the Arabs**

The Muslim insurgency drew the attention of the Arab states almost from its inception. They have been openly critical of Manila's actions to suppress the insurgency and, in 1973, established a "Committee of Four"—composed of Libya, Senegal, Somalia, and Saudi Arabia—to monitor the problem. In 1974, the Islamic Conference passed a resolution aimed at forcing the Philippines to seek a negotiated solution.

The Marcos government would like to end the insurgency. It is a drain on the ar-

my—75 percent of the Philippine's combat-ready forces are now assigned to the south. The insurgency has also hampered Marcos' efforts to win influence in the third world. This has been especially true in his attempts to deal with neighboring governments that have large Muslim populations and are fellow members of the Association of Southeast Asian Nations.

In November 1976, the President's wife Imelda visited Tripoli in an effort to win Qadhafi's endorsement for a negotiated settlement of the Muslim problem. Qadhafi had played a key role in providing the arms needed by the rebels to keep their movement alive, and he was determined to maintain his influence in any attempt to settle the problem peacefully.

Marcos has tried to play off Qadhafi against more conservative Arab leaders who resent the Libyan leader's hand in the insurgency. Philippine dependence on Arab oil has influenced Marcos to be more willing to compromise on the problem than if he had viewed it solely as an internal Philippine matter.

If hostilities should erupt again with

**SECRET**

SECRET

such violence as to lend credence to renewed charges that the Philippine government is committing genocide, the Arab oil producers might decide to embargo sales to the Philippines.

#### Current Situation and Prospects

Months of negotiations—highlighted by Imelda Marcos' personal intervention with the Libyan President—have brought the Muslim insurgency closer to a solution than it has been in the past, but many of the remaining problems defy quick solution.

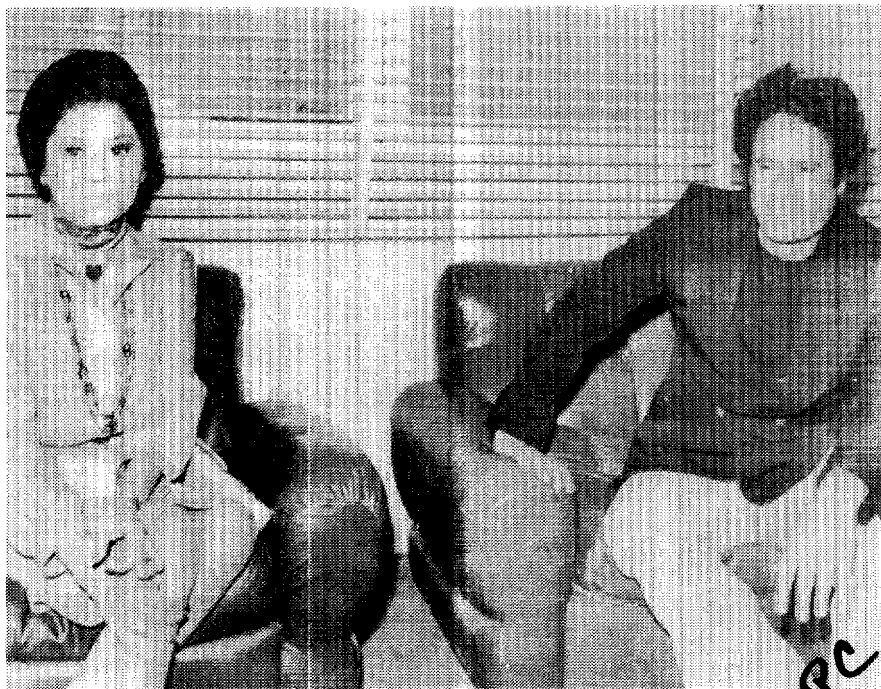
The "Tripoli Agreement" concluded last December by Imelda Marcos and Qadhafi called for a cease-fire and the creation of an "autonomous zone" for the 13 southwestern provinces of the Philippines. Manila also agreed to create a provisional government for the autonomous zone that would include representatives of the Muslim front.

From the outset, however, it has been clear that Marcos had no intention of granting effective autonomy to the Muslims. Only 5 of the 13 provinces in the southwestern region have Muslim majorities. It would be impossible to convince Christians to accept Muslim dominance in the other eight provinces.

To finesse the problem, Marcos held a carefully rigged referendum on April 17 in which the voters of the region opted for strong central control by Manila. The Muslim front boycotted the referendum because it insisted that the "Tripoli Agreement" did not call for such a vote.

Domestic realities, including the strong opposition of the Philippine military to genuine autonomy for the Muslims, reinforce Marcos' reluctance to accede to Muslim demands. Provinces such as Palawan and Davao—with one of the largest cities in the Philippines—could not be placed under even token Muslim control. Seabeds near the strategic province of Palawan are potentially oil-rich, and it is the location of the headquarters of the military command charged with defending Manila's claim to, and oil exploration in, the disputed Spratly Island area.

The Islamic "Committee of Four" left the Philippines this week after failing in



*Imelda Marcos meets with President Qadhafi in Libya to discuss Muslim insurgency*

its third attempt to achieve a negotiated settlement. Talks foundered on the thorny question of the composition of the provisional government—which the Muslims want weighted in their favor—as well as other issues, such as the Muslim demand to retain authority over their 16,000-strong rebel force in any planned integration with the Philippine armed forces.

Marcos probably believes he can continue to play a waiting game. In a press conference on May 1, Foreign Secretary Romulo said the referendum demonstrated the support of Muslims and Christians alike for strong central control.

What the Philippine President cannot afford is a resumption of hostilities—especially before the Islamic Conference—for which he could be blamed by the Arab world. Marcos probably believes he can continue to hold his armed forces back from any pre-emptive operations against the rebels, but has approved sending some reinforcements to the area.

For their part, the rebels are undoubtedly nervous over the situation and have also strengthened their forces. They seem to have been able, however, to ensure compliance with cease-fire provisions since January—attesting to the front's ability to control the situation for the time being.

Whether the cease-fire continues to hold will be a test of wills on all sides as well as a measure of their commitment to a negotiated settlement. There are reports—probably accurate—that many rebels are weary of the long siege and anxious for a period of peace and stability. Younger and more radical Muslim rebels—disenchanted with Misuari's leadership—are not inclined to give up the struggle that easily. As the Islamic Conference draws near, the odds will increase that the rebels will break the cease-fire in an effort to dramatize their plight. In any event, the conference probably will bring strong pressure on both Manila and the Muslim front to resume talks.

SECRET

**Page Denied**

**Secret**

**Secret**