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INTERNATIONAL ISSUES MONTHLY REVIEW

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Current Trade Tensions: A Political Economy Approach

*Political analysts are increasingly called upon to help clarify the sources and possible impact of the growing tensions in trade relations, and in particular the apparent widespread rise in protectionist pressures among the OECD countries. This article attempts to gain perspective on the problem by examining it in the context of broader trends in current international relations. The article suggests that recent protectionist pressures are rooted in long-term, structural changes in the world political economy and do not simply reflect cyclical growth problems in the industrial countries. Furthermore, these pressures should be viewed as one among several indications of a broader challenge to the liberal, postwar Western trade order and the close economic interdependence it has fostered. The result is a trend toward the politicization of trade relations that both reflects and further encourages government policies of economic nationalism.*

Protectionism and Politicization

A number of developments have combined in recent years to alter the economic, political, and strategic framework of OECD trade relations in ways that have reduced these countries' "tolerance" for relatively unrestrained free trade and interdependence. While an improvement in OECD growth and employment prospects would mitigate the impact of some of these developments, the global environment would nonetheless remain in many respects unfavorable to broad progress toward further trade liberalization. The most important trends include the following:

- The rise of OPEC has dramatized the risks and vulnerabilities of interdependence, while high energy costs have retarded growth, magnified balance of payments pressures, and aggravated differences between strong and weak economies among the OECD countries.

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- The greater role of some Third World countries as exporters of manufactured goods portends a basic shift in the global division of labor requiring very difficult long-term adjustments in the OECD countries.
- The greater assertiveness of the Third World, the emergence as "second order powers" of various resource-rich and industrially dynamic LDCs, and the growth of East-West trade have made significant participants of countries that were once peripheral to, or passive subjects of, the OECD trade and monetary order. The resulting increase in political and economic diversity has magnified the impact of counterpressures on a liberal trade framework.
- There has been a perceived contraction in the external political-security role of the liberal order's main sponsor and its preeminent power, the United States. Perceptions of a decline in US ability and/or willingness to uphold that order have been significantly reinforced by the energy crisis and by the erosion of the "free trade consensus" among domestic US interest groups.

The collective impact of these trends has been to weaken the conditions that helped insulate OECD trade relations from political controversy during much of the postwar period and hence, to obscure the boundary between routine economic transactions and questions of "high politics" and security. As a corollary of this "politicization" of trade relations, the role of the state has become more prominent in international economic relations.

It is frequently noted that foreign policy, especially in the OECD countries, is increasingly devoted to the pursuit of economic objectives. Equally significant, however, is the converse proposition that to an important degree foreign economic policy is now devoted to the pursuit of traditional "high politics" interests-- power, security, autonomy, access. That is, contrary

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to the view that the nation-state is declining in importance as world politics becomes concerned with the issues of interdependence, there is a strong "neo-mercantile" countertrend that finds governments attempting to gain greater influence over economic transactions and the institutional frameworks in which they are conducted and using economic policy to advance specifically national interests.\* This broadening of the stakes in trade relations to include basic interests and principles rather than simply the allocation of goods within a fixed system is a central feature of the politicization of economic issues.

From this perspective, recent OECD protectionist pressures are one manifestation of a trend that, while partly rooted in the growth and employment problems facing Western governments, transcends these problems: the trend toward the subordination, or attempted subordination, of international economic transactions to political control, regulation, or management. Attempts on the part of governments to escape the effects of free market interdependence are pervasive and of increasing political importance. They sometimes reflect domestic interests--as in the case of OECD unemployment problems--and sometimes "state interests"--as in much of the Third World pressure for a New International Economic Order (NIEO) or OECD efforts to secure access to raw material supplies or regulate arms transfers. In some cases, the objective is to curtail interdependence (e.g., through traditional trade restrictions or attempts to reduce energy dependence), while in others the aim is to alter its terms (e.g., OPEC or the UNCTAD integrated commodity program). The common theme, however, is the substitution of a political or social logic for the logic of the market.

*\*Note that this is not inconsistent with the notion of pervasive governmental weakness among the OECD countries. On the contrary, weak governments are less able to resist domestic pressures for trade restrictions than are strong ones, as current trade negotiations frequently demonstrate.*

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The Logic of Political-Economic Bargaining

The perspective outlined above contains certain implications for the analysis of contemporary trade issues. At the most general level, it cautions against a chain of reasoning that leads from economic "givens" to the examination of political consequences. Instead, it is often necessary to begin by examining the interests and incentives behind the essentially political acts by which governments attempt to shape their economic environment. This focus in turn directs analytical attention to the logic of interaction in a politicized economic system.

Free market principles provide an "objective" mechanism that insulates issues of prices, production, and trade patterns from political conflict. If the legitimacy and "objectivity" of this mechanism are widely questioned, however, these issues become subject to political-economic bargaining in which not only specific cases but precedents for related issues are implicitly at stake. The logic of such bargaining--its underlying rationality and the resources and incentive structures of the participants--may differ significantly from that of narrowly defined economic bargaining. For example:

- Under a liberal order, where trade is largely determined by comparative advantages, tastes, and the like, political differences among the participants tend to be submerged. In contrast, the more prominent role of the state in a politicized system enhances the influence of distinctively national interests (e.g., stemming from strategic or resource vulnerabilities) and idiosyncratic domestic conditions (cultural values, regional or ideological factionalism) as crucial factors in economic relations and bargaining. Analytically, this draws attention to important differences among states that reveal a grouping like the OECD to be considerably less homogeneous than it might otherwise seem.

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- Relative strengths and weaknesses of states may differ substantially depending upon whether one is concerned with a narrow economic or a broader political-economic setting. For example, Japan's economic strength--as measured by conventional economic indicators--is deceptive. It depends upon the maintenance of certain political-economic conditions--especially reliable access to energy and raw materials--that cannot be taken for granted. This potential vulnerability, combined with an exposed strategic position, makes it questionable to treat Japan as a "strong" country and to expect it to respond as if from a position of strength and confidence to pressures for economic concessions. The negotiability of its export performance or its economic growth rate--both of which are linked directly to the vital question of energy imports--is subject to a different set of criteria than would be the case for a more self-sufficient economy. By contrast, the strength of the US economy, despite its problems, is much less contingent upon the maintenance of a favorable set of environmental conditions.
  
- Behavior that appears to contradict economic self-interest may appear rational (and so more susceptible to accurate interpretation and prediction) if viewed from a political-economic perspective. For example, LDC solidarity with OPEC, which makes little sense from a strict economic standpoint, is more easily explained if seen as an attempt to uphold the principles--central to a "new international economic order"--of national sovereignty over natural resources and the legitimacy of market control by LDC producer associations.
  
- Many disputes in a politicized system are in essence conflicts over competing sets of rules. Which principle should guide

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trade in nuclear technologies: liberal nondiscrimination, technology transfer to LDCs, or nonproliferation of nuclear weapons? Can "energy power" override customs union interests and win concessions from the EC for the entry of OPEC petroleum products? As such examples suggest, the issue is seldom as clearcut as a conflict between free trade and protection, but is rather between competing alternatives to free trade--i.e., a classic political question of defining rules.

-- Finally, a good deal of international economic behavior in a politicized system involves the use of linkage strategy. Again, this significantly affects the interpretation of motives and the assessment of bargaining resources. In linkage strategies, economic concessions are tied to performance in other areas (e.g., Middle East or human rights policy) or, conversely, political support of various kinds is tied to economic concessions (e.g., on the NIEO).

### Implications

One of the main purposes of political economy studies should be to improve our estimative capabilities regarding the nature and scope of realistic international agreements on current trade issues. With this goal in mind, the following discussion offers some tentative hypotheses and illustrates the kinds of topics that could usefully be addressed in empirical research.

The erosion of the political-economic underpinnings of the postwar trade regime seems unlikely to be followed closely by the establishment of a new order of comparable stability and endurance. The necessary agreement on first principles--on basic tasks, rules, and procedures--will be lacking for the foreseeable future. As a result, there is likely to be an extended period of politicization and conflict among competing principles of order and legitimacy in which efforts to restore a measure of routine and regularity to economic transactions will be highly precarious.

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This environment will be much more complicated than either the open liberal system envisaged by GATT or the deterioration into trade wars between competing regional blocs or cartels predicted by some observers. It is likely to frustrate comprehensive approaches such as the Multilateral Trade Negotiations (MTN) or the NIEO and instead favor the proliferation of "partial economic orders." These partial orders may involve particular sectors (energy, steel, textiles), subsectors (within the energy sector, the rules for oil and uranium are quite different), or countries (the Euro-Arab dialogue, the FRG-Brazil relationship). Exceptions to the principles of nondiscrimination, universality, and free trade will become increasingly attractive as political-economic factors argue for different rules for different partners and important transactions are frequently conducted on a government-to-government basis with implicit noneconomic dimensions.

Thus, while lip service may be paid to the importance of a successful MTN or North-South Dialogue, states may in fact be operating on the assumption that such talks are unlikely to succeed and may be seeking to preserve their options for responding to changing world economic conditions or to opportunities for entering into limited contractual arrangements or "special relationships" with important trade partners. They may accordingly see little to be gained by making significant concessions in a multilateral process that is essentially peripheral to the main action.

Finally, a politicized system of partial orders seems likely to be less favorable to the application of US influence and leverage than the liberal order of which the US has been in effect the sponsor and guardian. In part, this is due to the fact that the US is often perceived as unable to lessen the risks and vulnerabilities of its OECD partners (most dramatically, in the case of energy dependence). Greater responsiveness to key suppliers of raw materials and energy, as well as preoccupation with domestic political and economic weaknesses, makes other states less responsive to the kinds of pressures and inducements that the US can bring to bear.

This problem is reinforced by perceptions that US domestic pressures (and global trends generally) may be leading toward a new wave of protectionism regardless of

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official US policy. There is evidence of foreign reluctance at MTN, for example, to make commitments to liberalization (implying difficult adjustments) that the US may be unable to reward with corresponding concessions. Similarly, LDC reluctance to take a stand against OPEC partly reflects the belief that the OECD countries, given their own problems, would be unlikely to reward such a shift very generously.

In place of one overarching order in which the US was the predominant power, there are a multiplicity of orders, with leverage and resource patterns varying among them. In these circumstances, influence and credibility need to be established on a case-by-case basis, and there is a diminution of the generalized deference that the US formerly commanded.

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LDC Perspectives on Conventional Arms Transfer  
Restraints

*The US approach to reducing conventional arms transfers (CAT) is of necessity a three-pronged effort: the imposition of more stringent restrictions on US transfers, the persuasion of other suppliers to exercise similar restraint, and the encouragement of recipient states to limit their arms purchases through voluntary abstention and regional accords. Up to now, the diplomatic initiatives associated with this strategy have focused primarily on the principal supplier states. In contrast, the final two meetings of the preparatory committee for the UN General Assembly Special Session on Disarmament (SSOD) that are scheduled from 24 January to 24 February and 10-21 April and the five-week-long SSOD plenary that opens on 23 May will give the US a unique opportunity to argue its case for CAT restraints before a wide assemblage of LDC disarmament specialists.*

*The modesty of the tentative US objective--to have some general language endorsing supplier-recipient cooperation in restraining CAT included in the final conference documents--reflects a basic appreciation of the resistance that these arguments are likely to encounter. While this paper is intended to provide some additional observations about LDC attitudes and perspectives that could prove useful in the context of the Special Session, its primary purpose is to look beyond that forum and to offer a rudimentary analytical framework for charting and assessing alternative follow-on strategies for garnering a necessary minimum of LDC support for CAT restraints.*

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### The Roots and Nature of the Problem

The three strands of the US strategy for curtailing CAT are interdependent. But despite their complementary aspects, they are also to some degree contradictory. For example, US restraint is both a prerequisite for successful efforts to persuade other suppliers to curb their arms sales and an incentive for the expansion of such sales. Another and more fundamental area of conflict stems from the fact that the effective initial objective of the US approach--to limit arms transfers to LDCs--is inherently discriminatory.\* Hence, unless they are carefully designed, energetic steps to press forward on this course will risk endowing the CAT limitation issue with a North-South dimension that could easily stiffen the resistance of many developing countries that might otherwise be sympathetic (or at least indifferent) to the idea of curbs.

This risk has been enhanced by a number of developments affecting the overall international environment, particularly:

- The seriousness of LDC demands for a redistribution of both economic and political (i.e., decisionmaking) power in the international system.
- The growing sensitivity among LDCs to linkages (real and perceived) among US policy initiatives in the fields of arms transfers, human rights, and nuclear proliferation and between these and the fundamental thrust of the North-South dialogue.

These trends have not, of course, been reflected in the behavior of every LDC. But whatever combination of factors has been responsible in any given case, it

*\*Japan, Australia, New Zealand, and NATO members are by and large exempted from the dollar volume restraints and other new controls that have been imposed on US arms transfers. By implication, arms transfers among members of the Warsaw Pact also fall outside the purview of current US CAT limitation efforts.*

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should be borne in mind that many of the most influential developing nations--countries like Mexico, Iran, Indonesia, India, and Nigeria--are currently proponents of major political change. And even those that are not [redacted] can be expected to react adversely to moves appearing to threaten their sovereign prerogatives or restrict their prospects for achieving a greater voice in international institutions and councils.

Under these circumstances, US initiatives to reduce transfers of conventional arms will have to overcome considerable initial skepticism and suspicion among the LDCs. Specifically, US assurances of intent to bring in the LDCs as full partners in the CAT limitation process will be carefully weighed against such seemingly countervailing evidence as discriminatory US unilateral restraints and parallel efforts to foster supplier collaboration in ways that raise the specter of the controversial London Club in the nuclear field. Similarly, most LDCs will be inclined to discount the significance of pledges to meet the "legitimate security needs" of all nations so long as it appears that the reality and extent of a country's requirements for conventional weapons will be determined by other powers--whether acting singly or in concert.

In any event, the dynamics that drive the arms transfer process are complex. US efforts to curb arms sales will affect almost every key LDC differently, and the motives and sensitivities of each must be taken into account if the demand side of the equation is to be controlled. Although failure to rein in demand would probably be of little consequence at first, in the longer run it would threaten to:

- Exacerbate strains among major suppliers.
- Accelerate the development of indigenous arms industries and the growth of arms trade among the LDCs themselves.
- Create tensions that could adversely affect US initiatives and interests in such diverse fields as human rights, nuclear proliferation, basic human needs, energy, and law of the sea.

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### General Observations

On 23 November 1976, Japan introduced a draft resolution at the UN dealing with the "international transfer of conventional arms," thereby focusing the General Assembly's attention on that subject for the first time in roughly eight years. Ultimately cosponsored by 17 other states (including 11 LDCs), the resolution did little more than request the Secretary General to prepare a factual study of the problem for consideration at the next session of the UN General Assembly. Nevertheless, the Japanese initiative was killed just 10 days later in the First Committee of the General Assembly when a motion by India to adjourn debate carried by a wide margin (51 to 32, with 33 abstentions).

The voting pattern registered on that occasion is instructive. A total of 42 LDCs (including one sponsor of the Japanese resolution, Cameroon) voted in favor of the Indian motion to adjourn the proceedings--as did the USSR and most of its allies. An additional 24 LDCs abstained. Only 17 joined Japan, the US, the UK, and a handful of other industrialized states in voting against the motion.\*

Although clearly an imperfect barometer, the balloting on the fate of the Japanese resolution suggests that some LDCs, particularly those that are poor in resources and threatened by more powerful neighbors, view the limitation of CAT as a matter of some urgency in its own right. But most, including many of those that are genuinely concerned about the implications of the flow of Soviet and Western arms into areas of tension, believe that the more awesome threat of strategic weapons should be tackled first. In any event, they tend to view the control of CAT as a problem that (like most other aspects of disarmament) should be addressed primarily in terms of its East-West dimensions. It follows that efforts to slow or halt the qualitative and quantitative conventional arms competition between NATO and the Warsaw Pact

*\*The LDCs that voted against the Indian motion were Bolivia, Chile, Colombia, Ecuador, El Salvador, Ghana, Liberia, Nepal, Paraguay, the Philippines, Sierra Leone, Singapore, Swaziland, Thailand, Tunisia, Uruguay, and Venezuela.*

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would probably be widely welcomed (particularly if it appeared that at least some of the savings realized would be diverted to development aid).<sup>\*</sup> Conversely, any proposal that seemed aimed primarily at restricting the overall ability of LDCs to import or export conventional arms would be almost certain to receive a cool reception.

In short, LDCs are more than ever concerned with preserving and enhancing their freedom of maneuver. They tend to see the greatest threat to world peace--and to their general political and economic prospects--in the continuing efforts of the major industrialized nations to arm themselves and to expand their influence to all corners of the globe. Moreover, as far as most developing countries are concerned, the best way to defend themselves against the danger of "neocolonial" arms-based dependencies--or the hazard of East-West entanglements--is not to cut back on arms purchases but to diversify sources of supply.

Beyond these general positions, consensus rapidly declines, for each LDC has its own domestic and foreign concerns that color its position on CAT. Some are emerging arms exporters searching for markets that will permit economies of scale. Others must cope with regional conflicts or armed insurgency. Still others are seeking greater prestige abroad or, through placating a restive military establishment, greater stability at home.

Together with the persistent intrusion of broader North-South considerations, the diversity of these concerns suggests that no generalized approach to securing LDC support for curbing CAT (or at least none that the various industrial powers are likely to find acceptable) will by itself suffice to win over more than a handful of the key members of that group. To be more widely effective, such a policy would almost certainly have to be supplemented by individually tailored "incentives"--including some, such as security guarantees and extensive military renovation or construction programs, that the US could find difficult to deliver for reasons of cost or political sensitivity (including human rights concerns).

*\*China, which for obvious reasons would prefer to see the Soviets preoccupied with the "NATO threat," is a notable exception in this regard.*

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Gaining an appreciation of just what may be needed to obtain a necessary minimum of LDC support for CAT limitations will require judicious identification of the countries that warrant special attention--including those "opinionmakers" (e.g., established or aspiring regional powers and respected Nonaligned or Group of 77 spokesmen) that are not themselves actively engaged in buying or selling arms--and painstaking case-by-case analysis.\* The objectives of this brief paper are much more modest. Nonetheless, the representative country sketches that follow are intended to provide both a preliminary exploration of the problem and a framework for follow-on analysis.\*\*

### Yugoslavia

Yugoslavia is an active and influential charter member of both the Nonaligned Movement and the Group of 77. One of the most developed of the developing countries, it is both an importer and exporter of conventional arms. While Belgrade is still reliant on outside suppliers (primarily, but not exclusively, the USSR) for such technically complex arms as high performance aircraft and tanks, its burgeoning arms industry now manufactures a wide array of military equipment ranging from small arms to submarines and jet fighters. This development has, in turn, fostered an increasingly vigorous effort to market Yugoslav military equipment abroad. In 1976 (the last full year for which data are currently available), Yugoslav military deliveries to non-Communist countries totaled over \$100 million. During the same 12-month period, Belgrade signed a number of new agreements with non-Communist states that contracted it to provide more than \$500 million in military goods and services over the next few years. Characteristically, the vast majority of these export transactions involved LDCs.

*\*This effort should not be restricted to those countries that are considered to be "potential converts," for the likely behavior and influence of such near-certain recalcitrants as Algeria and Libya also need to be assessed.*  
*\*\*Work on one such "second generation" study--an appraisal of the problems likely to be encountered in efforts to curtail arms transfers to South Asia--is already under way.*

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For the Yugoslavs, the import of sophisticated military hardware--on which they currently spend between \$100 and \$300 million a year--is both a temporary necessity and a sovereign prerogative.\* But in keeping with their general world view (which attributes most of the world's ills to "bloc divisions" and an inequitable international order dominated by the industrialized states), they seek to bolster their security and independence by achieving self-sufficiency in arms production by the year 2000. Together with basic economic imperatives born of chronic balance of payments and unemployment problems (as well as with the political concerns reflected in Belgrade's perennial campaign to enhance its standing as a Third World spokesman), this objective provides a powerful incentive for further efforts to expand arms sales to--and to engage in more defense-related joint production ventures with--other leading LDCs. Indeed, the Yugoslavs would seem to have little alternative if they hope to achieve the economies of scale (and to obtain the infusions of capital) that will be required to move significantly closer to self-sufficiency than they are today.\*\*

In light of the above, Yugoslavia's seminal role in the genesis of the SSOD may seem somewhat odd. But the prism through which the Tito regime views the world dispels the apparent inconsistency between Belgrade's longstanding and active interest in disarmament and its growing role as an arms supplier. Simply put, Belgrade believes that if the LDCs act in concert, the disarmament process offers a unique and promising means for undermining the industrialized nations' dangerous and unjust monopoly of military, political, and economic power. The emergence of alternative arms suppliers among the LDCs tends to advance these same goals and thus is seen as a useful (and even necessary) adjunct to the overall disarmament effort.

*\*Yugoslav arms purchases are driven primarily by Belgrade's unique security concerns. To some degree, however, they are also motivated by prestige goals and a desire to sustain the undivided loyalty of a military establishment that might be called upon to play a key stabilizing role in the post-Tito period.*

*\*\*The Yugoslavs claim that their industrial plant can now supply about 85 percent of the military materiel that their armed forces need.*

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Belgrade is on record as being generally receptive to proposals for the control of conventional arms, but it has expressed fundamental skepticism about "unbalanced" schemes that are limited in scope or geographic area. From the Yugoslav point of view, the resolution on conventional arms transfers that Japan introduced during the 31st Session of the General Assembly fell squarely in the latter category. As a result, Yugoslavia not only voted for but seconded the motion that killed Tokyo's initiative in early December 1976.\*

Given the negative Yugoslav reaction to the Japanese resolution (and the higher priority it attaches to other disarmament issues), Belgrade's action scarcely three months later in recommending to the Nonaligned SSOD Steering Committee that CAT be included on the Special Session agenda as a separate topic was probably little more than a tactical maneuver designed primarily to win Western support for that gathering. Similarly, Belgrade's motives and objectives in subsequently suggesting to the UN Secretary General (in a letter concerning the SSOD) that arms transfers to areas of crisis or conflict should be restricted, bear cautious appraisal--particularly since regional tensions or strife have rarely inhibited Yugoslavia's own arms sales efforts.

In sum, US and Yugoslav views on the proper scope and focus of both unilateral and multilateral efforts to limit CAT differ significantly and will probably continue to do so for the foreseeable future. Yugoslavia has, however, pledged to pursue a "realistic and moderate" approach at the SSOD--and to encourage its Nonaligned partners to follow suit. Hence, the practical significance of these differences to US policies and interests may not become fully apparent until after that meeting is over and follow-up efforts have begun.

*\*Yugoslavia's inclination to resist conventional arms control proposals that seem to sustain or enhance the military superiority enjoyed by the industrialized powers has been reinforced by what it perceives as the discriminatory nature of the current international nonproliferation regime. Moreover, Belgrade's freedom of maneuver on CAT issues is constrained by its desire to maintain LDC solidarity. While generally an advocate of moderation in the overall North-South dialogue, Belgrade has repeatedly demonstrated its reluctance to risk splitting either the Nonaligned Movement or the Group of 77--and weakening its influential position therein--by confronting the radicals head-on.*

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Brazil

Brazil is a rapidly growing, relatively wealthy LDC aiming at a predominance within Latin America that is challenged primarily by Argentina. Both a major purchaser and growing supplier of arms, it is firmly opposed to any uni- or multilateral restraints on conventional arms transfers. It views them in much the same way as it sees curbs on nuclear fuel cycle development--as unacceptable infringements on its national sovereignty and obstacles to its drive to maintain and enhance its status as a major regional power. The proclivity of military regimes to bolster their arsenals also underlies Brazil's wish to retain unfettered access to arms supplies.

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During the first 20 years after World War II, Brazil--like the rest of Latin America--relied almost exclusively on the US for its armaments. In the mid-1960s, it began to diversify its sources of supply. American limitations on the sale of high technology weapons in particular meant that Brazil had to find such arms elsewhere, and it became increasingly skeptical of US reliability as an arms supplier. In addition, its growth in regional power and influence probably made it more restive at any dependence on the US.

By the early 1970s, Brazil was receiving most of its conventional arms from West European suppliers, which were more eager to sell and less likely to impose future restrictions than the US. By abrogating its 1952 military assistance agreement with the US in response to disputes over human rights and nuclear reactor development, Brazil served notice of its intent to guard its national sovereignty and exercise its freedom in choosing arms suppliers. Thus, it maintains a military purchase mission in Washington despite the cancellation of the assistance agreement.

Brazil is not only diversifying sources in its effort to gain secure arms supplies. It is also trying to establish itself as a conventional arms manufacturer and exporter. Although the effort is still limited, Brazil is striving to attain military self-sufficiency and the political and economic benefits associated with being an arms exporter.

Brazil's position on CAT issues is consistent with its general aims in the Group of 77. Although its own interests as an "upper-tier" LDC lead it to take moderate positions on most North-South economic matters, it supports many claims of poorer, more radical developing countries in order to verify its LDC credentials and to maintain Group of 77 solidarity. Brazil's perceived interests on CAT issues are probably too strong to allow it to make compromises in this sphere, but neither are they likely to be necessary for the sake of LDC unity at the SSOD.

Even though its views opposing CAT restraints coincide with those of many G-77 members, Brazil will probably maintain a low profile in CAT discussions. The power and prestige motivations underlying its opposition to CAT

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restraints are seen as too threatening by its Latin American neighbors for it to adopt a more active role. It is noteworthy that seven of the 17 LDCs that supported the 1976 Japanese General Assembly resolution were South American neighbors of Brazil. The only South American countries to oppose the resolution were the continent's leading arms importers--Brazil, Argentina, and Peru.

### India

Despite India's carefully cultivated pacifist image, New Delhi has firmly opposed measures that might restrict its ability to acquire conventional arms. Its action in torpedoing Japan's General Assembly CAT resolution in late 1976 was consistent with this stance. By way of justification, Indian spokesmen argue that CAT restraints are inherently discriminatory because they reinforce the advantage enjoyed by states that produce their own weapons and ensure the continued vulnerability of those that do not. New Delhi further contends that proposals for limiting conventional arms transfers are often advanced by nuclear-weapons states to divert attention from nuclear disarmament.

India is a major purchaser of arms and has a growing capacity to manufacture military materiel. At present its defense industries produce several major weapon systems, but much of India's domestic weapons output is produced under foreign licenses, almost entirely from the Soviet Union. In addition, the growth and improvement of the Indian armed forces depend on substantial direct imports of Soviet weapons. India is attempting to expand its defense industry and diversify its sources of supply in order to reduce this dependence. Nevertheless, it will probably continue to rely on substantial Soviet military assistance for equipment, spare parts, and technology for at least another decade.

Security concerns firmly grounded in regional tensions provide the principal motivation for India's efforts to build up its military arsenal. India and Pakistan have fought three wars since becoming independent in 1947; India and China fought a border war in 1962. Although relations with both Pakistan and China have improved recently, New Delhi continues to regard its neighbors as potential threats.

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Indian military capabilities are also important in connection with the country's regional aspirations. India has long considered itself the natural leader of the subcontinent, and it believes that its victory over Pakistan in the 1971-72 war that resulted in the independence of Bangladesh confirmed this role. Similarly, it believes that maintenance of its current military pre-eminence in South Asia is essential to preserve its position.

Finally, New Delhi regards military might as a means for enhancing its status as a leader of the Third World. India was one of the charter members of the Nonaligned Movement. More recently, it has played an active role in the Group of 77 and has been an outspoken advocate of solidarity among the developing nations. It has, however, taken a generally conciliatory approach in the North-South dialogue.

Although the new Indian Government has given no evidence of being less opposed to generalized CAT limitations than its predecessor, the present Prime Minister has welcomed Washington's efforts to restrain US arms transfers. India does not receive military equipment from the US, but Pakistan does. Hence, as illustrated by Washington's recent refusal to sell A-7 aircraft to Pakistan, the US restraints effectively favor India by reducing Pakistan's access to Western arms while not constraining Indian options.

In sum, Indian opposition to CAT curbs (except those that clearly disadvantage a potential enemy) promises to persist. As in the past, however, New Delhi will probably claim to be championing the moral and political rights of all LDCs.

#### Malaysia

The Malaysian Government has yet to manifest a clear position on CAT curbs. It is, however, an outspoken advocate of a Southeast Asian zone of peace, freedom, and neutrality--a scheme that it hopes would remove that region from the arena of great power rivalry. Since Kuala Lumpur probably recognizes that the regulation of international arms transfers could facilitate realization of that vision,

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it may favor some restraints on "escalatory" transfers on the assumption that such restrictions would not adversely affect its own ability to purchase military equipment abroad.

This last qualification is important. Malaysia maintains a relatively low military profile, but like other members of the Association of Southeast Asian Nations (ASEAN), it is plagued by an incipient Communist insurgency and is therefore determined to secure a continuing supply of the materiel it requires for internal security.\* Although the Malaysian Government appears to have the situation well under control, it--and its ASEAN allies--are sensitive to the potential threat the various Southeast Asian insurgencies pose for regional stability. Indeed, following the Communist victories in Indochina, ASEAN members expressed considerable anxiety over the possibility that an aggressive Vietnam might employ captured American arms to assist revolutionary movements in neighboring countries. Even though this particular concern appears to have decreased, Kuala Lumpur has launched a drive to build up its conventional forces, including its amphibious warfare capability.

Malaysia is increasingly shifting its basic military purchases from the UK to the US. Kuala Lumpur is currently considering the purchase of additional F-5 fighters from the US to supplement the fleet of 16 F5-Es they acquired under a small Foreign Military Sales program in 1972.\*\* In addition, Malaysia acquires some small arms and ammunition from its regional partners and has expressed interest in developing a coordinated ASEAN regional arms production scheme.

Whatever Kuala Lumpur's natural inclinations with respect to CAT curbs may be, however, they may not be fully reflected in the behavior of the Malaysian delegation to the Special Session on Disarmament. Malaysia is the only member of ASEAN on the SSOD preparatory committee

*\*ASEAN members are Indonesia, Malaysia, the Philippines, Singapore, and Thailand.*

*\*\*These aircraft constitute its most sophisticated equipment and are employed in operations against Communist strongholds along the northern border.*

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and is thus likely to feel constrained to represent the interests of the regional grouping as a whole, rather than its own. Within ASEAN, Indonesia and the Philippines both import large quantities of military equipment. Manila has thus far managed to overcome US curbs on conventional arms transfers through exploitation of US interest in maintaining military bases in the Philippines. Jakarta, on the other hand, has been shopping around for arms to offset decreasing military supplies from the US. Although Indonesia and the Philippines--like Malaysia--generally adopt moderate positions in multilateral forums, they can be expected to join radical LDC opposition to measures that might lead to international regulation of their conventional arms acquisitions.

ASEAN and G-77 solidarity are both very important to Malaysia. The interests of the regional grouping and the larger LDC caucus coincide in this case, a coincidence that will increase the likelihood that Malaysia will oppose any broadly conceived attempts to regulate conventional arms transfers that may emerge at the Special Session.

#### Conclusions and Implications

The difficulty of developing a constructive dialogue on CAT restraints at the SSOD will be compounded by the global nature of the forum. The chemistry of such gatherings generally prompts most LDCs to place a high priority on maintaining a solid front in defense of their interests against the industrialized states. Under these circumstances, efforts to incorporate language in the final conference document that indirectly implies LDC coresponsibility for both the CAT problem and its solution may meet with stiff resistance. Similarly, predictable LDC attempts to link CAT to other--and from the US point of view, more sensitive--aspects of the disarmament issue (e.g., MBFR and SALT) could be particularly troublesome.

The post-SSOD period will offer opportunities for potentially more productive bilateral discussions on CAT with key LDCs. The climate for these talks might be measurably improved if some movement could be demonstrated in East-West arms control negotiations. Even so, progress is likely to be slow. In particular, the US objective of

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promoting effective regional agreements to restrict arms imports--which could then be "honored" by major arms suppliers--is likely to remain elusive until ways can be found to ease local tensions and to narrow the gap between the perceptions and interests of the LDCs and those of the industrialized states with respect to curbing transfers of conventional arms.

As indicated earlier, the costs to other US interests of lingering LDC resentment over seemingly discriminatory supplier restraints and cartels could be high. But because of the diversity of LDC problems and interests, some of these costs can probably be averted or much reduced through trade-offs and diplomacy. Designing and implementing such a strategy will be one of the more challenging problems faced by US policymakers in the years just ahead.

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The International Nuclear Fuel Cycle Evaluation:  
A Preliminary Assessment

The International Nuclear Fuel Cycle Evaluation (INFCE), a US initiative to bolster nonproliferation through a comprehensive review of alternate nuclear power systems, has moved into the technical studies phase of its two-year mandate. The eight technical "working groups"\* set up by the 40-nation Washington Conference in October are well into their assignments of reviewing particular stages of the nuclear fuel cycle. In December, the Technical Coordinating Committee, which is composed of the 22 nations charged with directing specific technical studies, set forth a formal work schedule and selected a temporary chairman.

INFCE, like US nonproliferation policy generally, generated considerable foreign skepticism when first proposed last April. Many countries--developed and developing alike--saw the proposal as an effort by the US to vindicate its own opposition to the "plutonium economy" of fast breeder reactors and spent fuel reprocessing. Such sentiment has dissipated somewhat in the wake of the October conference. Participants agreed that INFCE would be restricted to technical considerations, would not interfere with existing national energy programs, and would not make binding decisions. Its membership was broadened to include current and potential nuclear consumers from advanced and developing nations.

In sum, INFCE has gained a measure of acceptance as a technical forum with a potential for resolving some of the tough problems facing the countries using nuclear reactors to generate power. But lingering political doubts

\*The working groups are on fuel and heavy water availability; enrichment availability; assurances of long-term supply of technology, fuel, and heavy water and services; reprocessing, plutonium handling, and recycling; fast breeders; spent fuel management; waste management and disposal; and advanced fuel cycle and reactor concepts.

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*about the ultimate objectives of the evaluation are working to undercut its usefulness in fostering nonproliferation.*

\* \* \*

Nearly all countries profess an awareness of the dangers posed by totally unfettered commerce in nuclear equipment and technology. For many, however, the need to ensure long-term energy needs and orderly economic development more than offsets the perceived risks of weapons proliferation engendered in the use of nuclear-generated power. In fact, the energy deficient countries increasingly equate assurance of energy supplies with national security and view with alarm any effort to tamper with their control over such supplies.

The advanced nations--especially Japan and those West European countries that depend heavily on imported energy sources--show little inclination to abandon their huge investments in fast breeder technology and recycled fuel management systems. Such capabilities are seen as their best hedge against a 1973-style energy embargo--be it from an oil or a uranium cartel. The developing countries are equally determined not to let a monopoly of the so-called new nuclear technology be used by the advanced countries to maintain their edge in economic and political relations with the Third World.

Many countries continue to harbor suspicions that INFCE is an effort by the major nuclear suppliers--chiefly the US and Canada--to legitimize unilateral changes in international nuclear agreements. This perception has been strongly reinforced by current US and Canadian insistence on the renegotiation of existing nuclear agreements as a precondition for continued nuclear supplies. Particularly unsettling has been the North Americans' willingness to use restrictive measures--such as export embargoes--to force compliance.

#### The Key Issues

One of the key issues under evaluation is the re-processing of spent nuclear fuel, which many West European governments and Japan see as currently the most feasible waste management strategy. The prevailing view of these

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governments holds that by separating the contaminated waste into constituent parts, the residue is rendered more manageable for handling and storage purposes. This also eliminates the need for continued storage of large amounts of spent fuel.

More important to advocates of energy independence, however, is the fact that reprocessing--by enabling nuclear fuel to be recycled--helps to reduce dependence on imported sources. The EC countries depend on imports for 80 percent of their uranium supplies. Moreover, reprocessing provides feedstocks for the new generation of fast breeder reactors expected in the next decade. Such considerations are behind recent OECD recommendations to member states to choose reprocessing over the "throw-away" or storage methods.

The continued development of the plutonium-fueled fast breeder reactor is another major issue. The West European states (notably the French and West Germans), Japan, and the USSR are putting heavy stress on fast breeders to meet future energy needs. A prime selling point for the fast breeders, according to the EC, is their ability to use uranium 60 times more efficiently than the reactors currently in use. Breeder development has been given further impetus in the energy-deficient EC countries by estimates that uranium stocks may be largely used up by the late 1990s--little more than a decade after a sustained shortage of oil supplies is forecast.

The proliferation dangers of such a so-called plutonium economy are seen as less problematic than the dangers of interruptible and/or high cost foreign energy supplies. The French, who along with the Soviets have made the heaviest investment in fast breeder technology, claim that fast breeders are needed for viable commercial nuclear power. Such sentiments strike a responsive chord among other West Europeans and the Japanese, who depend on imports for 90 percent of their energy needs.

#### The Quest for Parity

The developing countries see INFCE as another barrier to their efforts to gain economic and political parity with the advanced nations. For many--such as Argentina and Pakistan--the primary issue is access to assistance for developing their own nuclear program.

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Many developing countries have long argued that the major nuclear suppliers' group--the so-called London Club--is in effect a cartel that has arbitrarily constrained commerce in nuclear dealings for economic reasons. The greater the emphasis on nonproliferation requirements, in this view, the more it appears that the suppliers are buttressing the advantage they already hold.

The developing countries believe that the technical judgments in the working groups may have great influence on the transfer of technology and the provision of nuclear fuel and other supplies. As a result, they have pressed for broad participation in order to wield maximum influence on the outcome of INFCE.

There is also the question of international "trust" and national sovereignty. Strong resentment persists in some quarters over what is seen as the nuclear powers' efforts to maintain complete fuel cycles while denying similar options to others on the basis of nonproliferation concerns. The developing countries believe that there should be equal participation in all facets of the nuclear business, from the enforcement of safeguards in the IAEA to the conduct of nuclear commerce in the London Club.

#### Expectations

Most countries expect INFCE to result in an unqualified affirmation of nuclear power as an energy resource. The major industrial countries--Western Europe, Japan, the USSR--will work hard to get their national energy priorities vindicated in the technical studies. The French and the West Germans, for example, are looking for a go-ahead for fast breeders and reprocessing. Japan hopes to get favorable results on uranium enrichment and assured fuel supplies. For the Soviets, better and more efficient waste management methods would fill a major gap in their nuclear power system.

Both advanced and developing countries want some sort of a guarantee of nondiscrimination. Some developing countries appear willing at least to consider forgoing the acquisition of the more sophisticated parts of the nuclear fuel cycle--reprocessing and fuel enrichment--if they can get assurances of continued technical assistance.

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As with the industrial countries, perceived national energy interests are likely to weigh heavily in an individual country's attitude toward the outcome of the evaluation.

There is support for the US-proposed concept of regional nuclear fuel cycle centers as a way to resolve some of the proliferation concerns arising from the spread of fuel enrichment and reprocessing technologies. Such centers are especially attractive to the smaller West European states, such as the Netherlands and Sweden, which cannot afford to build self-sufficient nuclear power systems. These countries are reluctant to continue their dependence on waste disposal arrangements that give other nations control over material for nuclear weapons.

Regional nuclear centers are also seen as a way to satisfy the demands by both advanced and developing countries for assured supplies and technical assistance. The West Europeans generally favor this approach, but the Latin American and some Asian countries are reluctant to commit themselves unless the centers are truly multinational in control and operation. Some insist that it would be necessary to place the centers in neutral locations if the nuclear powers are not to retain undue influence.

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The UNCTAD Integrated Program for Commodities:  
Progress and Outlook

*The UN Conference on Trade and Development integrated program for commodities is to include both a common fund and individual international commodity agreements (ICAs). Since the common fund talks are temporarily suspended, attention will focus increasingly on the ICA negotiations. Because the two sets of negotiations involve significantly different LDC participants and interests, the progress that is likely in the months ahead on the ICA talks will not facilitate agreement on the common fund.*

The Integrated Program for Commodities

An integrated program to improve substantially the terms of trade for those basic commodities that form a large percentage of LDC exports was formally called for by the UN General Assembly in 1974. At UNCTAD IV in May 1976, it was decided that a negotiating conference on implementing the integrated program would be convened by the end of 1978, and a series of preparatory commodity consultations held before February 1978.

The UNCTAD IV resolution outlined six elements for an effective integrated program, but attention has concentrated on the two that the developed states seem most likely to accept--the common fund and the ICAs. The fact that the Group of 77 (the developing nations' caucus) has chosen to put off the other four elements of the original integrated program resolution (most notably, an indexation mechanism) makes them all the more determined to achieve the common fund and the ICAs.

The common fund conferences in March and November-December 1977 failed to reach agreement on the role and financing of the fund. A series of consumer-producer meetings have been held on most of the 18 commodities scheduled for ICAs. With the exception of the recent

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agreement on sugar and a likely one on rubber next month, discussions are still in the preparatory stage and will not be completed by the February 1978 deadline.

The common fund and the ICAs interest quite different groups of developing countries. The ICA negotiations involve primarily the relatively wealthy, politically moderate commodity producers of the Group of 77. The poor, commodity-consuming majority of developing countries do not stand to benefit from the ICAs and have placed their hopes on a common fund that would play a major economic development role.

The Common Fund\*

Many moderate LDCs have serious doubts about the economic feasibility of the common fund, but they are also committed to Group of 77 unity. They have therefore gone along with the hardline poorer LDCs' demands that the common fund be financed by direct government contributions and fund "other measures" such as export diversification, infrastructure development, and market promotion. When the industrial states refused to accept those provisions, the Group of 77 suspended the November-December UNCTAD conference and secured the passage of a UN General Assembly resolution that reiterated its demands and blamed the developed states for the failure of the talks.

Both sides now appear quite happy to accept a rather lengthy cooling-off period in order to enhance the chances for agreement if and when the common fund talks resume. The Group of 77 resolution adopted in the General Assembly set no specific date for resumption, but directed the UNCTAD Secretary General to undertake consultations early in 1978 to assess the prospects for resuming the talks.



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Further consultations will include bilateral exchanges, a Group of 77 "roving mission" to key industrial nations, and a ministerial meeting of Group of 77 members in March. The Group of 77 will probably also use the UNCTAD Trade and Development Board ministerial meeting in March to give a political boost to common fund negotiations. Both LDC and industrial state observers now expect that formal negotiations will resume in late 1978.

### The International Commodity Agreements

Although many LDCs warn that the failure thus far to reach agreement on the common fund will jeopardize the ICA negotiations, that is not likely to be the case. On the contrary, the temporary moratorium on the common fund negotiations will allow increased concentration on the ICAs. Preparatory meetings between producer and consumer nations will continue at a rapid rate. Emphasis will be placed on dispensing with time-consuming studies and on proceeding toward the anticipated negotiating stage for at least several commodities--rubber, jute, and tea are most likely.

Whereas the common fund negotiations often had a political and confrontational tone, moderation will probably prevail at the ICA meetings, since many of the Group of 77 participants in these talks are wealthier, commodity-producing countries. They are concerned with their vital interests as producers, have developed the expertise to deal effectively with the economic and technical issues involved, and are moderate on most North-South economic issues. Hence, they are not likely to politicize the atmosphere of the commodity talks over the common fund or any other general North-South question. The industrial states will as usual be concerned with limiting the economic costs of any agreement. But, they do not view the ICAs as the "bottomless pit" they foresee in the common fund and would like to enhance their reputation for responsiveness to LDCs by agreement on the ICAs.

### Outlook

The expected progress on ICAs is not likely to ease the pressure on the industrial states in regard to the

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common fund. The establishment of ICAs would only increase the insistence of the poor, commodity-consuming majority of LDCs that a common fund be implemented that would further some of their interests, most notably through the financing of "other measures."

Most developed countries do not want a common fund, but are unwilling to take the economic and political risks associated with opposing all LDCs on the issue. They therefore now seem willing to accept a common fund with limited direct government contributions and voluntary financing of other measures. These concessions would fall short of the hardliners' demands, but would probably eventually be accepted by the Group of 77, since the LDCs recognize that domestic economic constraints effectively prevent the industrial countries from granting anything more at this time. In addition, LDC leaders believe that these concessions would constitute an opening wedge for more substantial mandatory funding arrangements in the future.

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UN General Assembly: The Byword Was Cooperation

Previous articles in this publication



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[redacted] have discussed the emerging pragmatic approach in LDC multilateral negotiations with the industrial states and the underlying tensions that could spark a return to confrontation. This article describes how these trends were manifested in the 32nd UN General Assembly.

Compared to most recent sessions, the 1977 General Assembly was largely free of acrimonious contention between the LDCs as a bloc and the industrial states. In most cases, even the usually divisive issues (such as the Middle East, southern Africa, economic development, and disarmament) were debated in an atmosphere of accommodation.

Forthcoming UN meetings between LDCs and industrial states are likely to benefit from this conciliatory spirit. The 6-10 March UNCTAD session on debt relief will not resolve that issue to the LDCs' satisfaction, but it is unlikely to spark a return to confrontation, partly because the developing countries lack a unified position on the issue. The cooperative tone of the disarmament debates in the General Assembly should also carry over, at least initially, to the May Special Session on Disarmament.

Although both the developing and the industrial states are striving for acceptable compromises on the issues in contention, the atmosphere is still fragile. Over time, the considerable gap between LDC expectations and demands and the concessions most industrial states are willing to make will probably increasingly strain relations between them.

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Although the General Assembly is often used as a forum in which to vent LDC hostility and frustration, this year's deliberations reflected a search for practical solutions through give-and-take bargaining that has characterized negotiations between developing and industrial states over the past year. Even especially divisive issues were debated in a tentative spirit of cooperation--albeit sometimes quite heatedly.

Several factors contributed to the conciliatory mood evident at this session. Among them are the more flexible attitudes among major industrial states toward meeting some aspects of LDC demands for a new international economic order, seeming progress outside the UN system on the Middle East question, and the greater concern among non-OPEC LDCs about their immediate economic future and thus their need to mend fences with the industrial states.

This session opened in the wake of what most LDCs viewed as a disappointing conclusion to the Paris Conference on International Economic Cooperation (CIEC). But the LDC polemics that some observers expected to surface in the General Assembly as an expression of this disappointment never materialized. Through the 18 months of CIEC and other negotiations, some LDCs developed a sharpened sense of give-and-take bargaining, and many came to realize that confrontational tactics only polarized attitudes and delayed desired agreements. Additionally, LDCs obtained some concessions from the industrial group at CIEC and generally wished to preserve an atmosphere of cooperation. At the General Assembly, behind-the-scenes bargaining paid off on many issues, allowing nearly two-thirds of the more than 200 resolutions adopted to be approved by consensus, thus indicating that the wording of many resolutions was acceptable (or at least not offensive) to a majority of the members.

#### Political Issues

The UN has not been effective in dealing with such problems as southern Africa or the Middle East and has often served only as a forum for radical rhetoric. The

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exasperation felt by the Arabs and black Africans on the lack of progress in negotiations involving the parties usually resulted in inflammatory resolutions in the UN that allowed no bargaining room and served only to strain relations between the LDCs and industrial states. Additionally, the tensions engendered often affected debates on other issues. In the wake of a sweeping crackdown in October 1977 by the South African Government on the black consciousness movement, however, the Security Council for the first time voted mandatory sanctions against a UN member. The arms embargo against South Africa that finally emerged from Council deliberations was seen by most black African members as a significant and positive first step.

The atmosphere in which the Middle East issues were debated was probably the least cooperative. But unlike 1975, when the "Zionism is Racism" resolution brought strong reaction from Western states, this year the resolutions critical of Israel and favoring Palestinian political rights did not divide the Assembly. A major factor in the diminished impact of the anti-Israeli resolutions was the split in Arab ranks between the moderates and the hard-liners. Some Arab states understand that the Assembly is not the forum for settling that dispute and may have been concerned that inflammatory resolutions might interfere with negotiations occurring outside the UN.

#### North-South Issues

Economic development issues were largely debated in a cooperative mood. The suspension by the LDCs of the Geneva common fund negotiations on 1 December, however, somewhat spoiled the atmosphere. Angry members of the LDC caucus initially proposed a resolution reiterating their demands and criticizing the "recalcitrant" industrial states. After informal discussions between representatives at the UN, the final resolution--although still critical of the industrial states--was softer in tone, and its primary objective was the resumption of the negotiations.

The question of establishing a mechanism within the UN to oversee North-South economic negotiations also posed a North-South clash of interest. Most members

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agreed that the dialogue opened at CIEC should continue under UN auspices, but disagreed over the size and authority of any monitoring body. The developing countries want to give the General Assembly--through a committee of the whole--political control over various negotiations now conducted in specialized agencies. The industrialized states were concerned that such a mandate would give the committee too much control and possibly impede technical negotiations. Ultimately, the industrial states agreed to the structure proposed by the LDCs and to a carefully worded mandate, but the agenda and procedures of the committee remain to be defined. The new body brings the dialogue back into the UN system, though agreement on the issues depends more on political decisions by the industrial countries than on the creation of new consultative mechanisms. Nevertheless, the overview committee represents a serious attempt to keep the dialogue on a constructive path.

The scope and complexity of economic and social problems confronting the UN, along with pressures for fiscal austerity, prompted a study to rationalize UN management of development assistance. After two years of difficult negotiations, an ad hoc committee submitted its proposals to streamline and strengthen the economic and social sectors of the organization. Until almost the last day of the Assembly, the differences in both the perceptions and the needs between LDCs and the industrialized states seemed insurmountable.

A particularly contentious issue was the creation of a high-level Secretariat position to oversee economic matters--a position some industrial states feared would become an economic czar.\* Even though the implementation of the committee's proposals remains to be negotiated, the Assembly's acceptance of the recommendations and the creation of a position indicates the importance both the LDCs and the industrial states attach to making the UN system better able to deal with development problems in a comprehensive and effective manner.

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### Other Issues

The Assembly, in the wake of the October JAL and Lufthansa hijackings, adopted a resolution condemning hijackings and calling for ratification of three existing conventions on hijacking. While several amendments sponsored by Third World nations altered the tone of the Western-initiated resolution, its passage underscored a growing trend toward cooperation against terrorism.

Whereas previous disarmament discussions produced desultory debate and LDC-sponsored resolutions aimed at pressuring the major powers to disarm, this year the LDCs were heartened by signs of progress in disarmament negotiations between the US and the USSR. Resolutions on such important issues as SALT and a comprehensive nuclear test ban were adopted for the first time practically unanimously. An additional motivation for calm in the debates was the strong desire to avoid hardening attitudes before the May-June Special Session on Disarmament.

Some familiar issues that continually plague the UN also seemed to benefit from the positive atmosphere. Continuing negotiations by the five Western members of the Security Council seemed to produce some positive results on the question of Namibia, while pressure for a Rhodesian settlement was intensified. Although the creation of a post of high commissioner for human rights was deferred, and only slight progress was made in broadening criticism of human rights violations, the atmosphere in which the issues were debated had improved, and the gap of misunderstanding between the industrial countries and the LDCs seemed smaller. Whether this represents real change or simply a desire not to disrupt the "tranquility" of the session will become apparent at the forthcoming Human Rights Commission meeting.

### The Months Ahead

Although the tone of multilateral politics at the Assembly tends to reflect general trends in international relations, it would be misleading to assume that a quiet session indicates that the underlying tensions between

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the LDCs and the industrial states have eased. The negotiations in the months ahead will test the patience of both groups. In the short term, an accommodating spirit will probably prevail. In the longer term, however, a deterioration in the economic situation or LDC perceptions of lack of progress in obtaining greater political authority over international institutions may contribute to a belief that cooperation has not achieved satisfactory results. Under these circumstances, the General Assembly overview committee for North-South issues could become a forum for LDC criticism of industrial countries, rather than a body for maintaining the dialogue between the two sides.

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