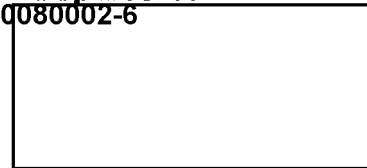




Director of
Central
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SITUATION REPORT

USSR-CHINA-VIETNAM

Soviet media are giving more urgency to the prospect of a Chinese assault against Vietnam. [REDACTED]

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In a Moscow Radio broadcast on Wednesday, the Soviets said that reports "from reliable sources" point toward a Chinese armed attack "in the very near future." The current issue of the Soviet weekly *New Times* says China should be careful to keep its troops from "overstepping the forbidden line." [REDACTED]

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The Soviets first raised the prospect of a Chinese "invasion" in *Pravda* on 28 January--the day Deng Xiaoping arrived in Washington--but those charges drew on foreign press accounts. Moscow's current warning contains a tone of greater immediacy and is intended to convey the impression that it originates from more authoritative sources.

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BRIEFS AND COMMENTS

TURKEY: Violence Increasing

The two recent assassinations in Istanbul are symbolic of the general political and sectarian violence that is on the upswing in Turkey. [REDACTED]

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Street fighting, which subsided temporarily following the establishment of martial law last December, has gradually increased and the extent of violence is once again approaching the levels of last fall. In the past week, 20 people were killed in scattered incidents--most of them in provinces outside of martial law jurisdiction.

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[REDACTED]

Clashes between rightists and members of the leftist-oriented Alevi Muslim sect in Amasya Province are a cause of particular concern. The US Embassy compares the sectarian tension there to that which preceded the rioting in the southern city of Maras last December. Following the recent murder of a public prosecutor and an attack on an Alevi neighborhood by 100 rightists, the governor declared a curfew and requested the assistance of military units to restore order. [REDACTED]

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The Alevis have been strong supporters of Prime Minister Ecevit's party and Amasya has one of the largest concentrations of Alevis in Turkey. They suffered--along with other leftist groups--during the martial law crackdowns between 1971 and 1973, and the extension of martial law to Amasya could threaten Ecevit's base of support there. [REDACTED]

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Ecevit will likely yield, albeit reluctantly, to mounting pressures to extend martial law to Amasya and other troubled provinces. The left wing of his party opposed martial law and he will have to assess the effect of conceding wider powers to the military on his two-seat parliamentary majority. [REDACTED]

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YUGOSLAVIA: Kardelj's Death Rumored

25X1 . [] the US Embassy report that the 69-year-old Edvard Kardelj, a key leader in the Yugoslav regime, has died of cancer. A public announcement reportedly awaits approval by President Tito, who is now in Damascus on the third stop of a Middle East trip. Kardelj's death could have a far-reaching effect on leadership rivalries and prospects for a smooth succession once Tito relinquishes power. []

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Kardelj has been the regime's supreme authority on the theoretical and ideological underpinnings of most, if not all, the major policies of Tito's 35-year rule. He has no apparent successor as party theoretician. []

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Without Kardelj, policy debates promise to be less focused as competing ideological courses are proposed. No single individual, aside from Tito himself, could speak as authoritatively as Kardelj in establishing and defending long-term goals while coping with day-to-day problems. Vladimir Bakaric, the senior Croat in Tito's inner circle, would become the most senior and prestigious of the party elders, but his nationality and limited experience at the federal level make him ill-equipped to replace Kardelj. []

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Tito's recent decision to call off an announced plan to replace the eight members of the state collective presidency may reflect the current political deadlock. Bakaric has fought to keep his seat on this body because it ensures him unique status among the nominally equal party Presidium members. Kardelj, in part to strengthen the position of Presidium secretary Stane Dolanc, had opposed Bakaric's retention of the state presidency position. Tito apparently decided not to go through with the rotation at this time rather than go against either faction. Kardelj's death, therefore, will deprive Dolanc of a notable supporter. []

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PORTUGAL: Communist Isolation

The Portuguese Communist Party appears more politically isolated than it has been since 1975 following the recent success of three anti-Communist political parties in organizing a new labor confederation. Many politicians--including independent Prime Minister Mota Pinto--herald the anti-Communist success as a sign of incipient Communist weakness. In fact, however, the Communists may ultimately benefit; government policies may spark growing labor unrest in the months ahead, and the Communists will be best situated to exploit it.

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The Socialists joined the more conservative Social Democrats and Center Democrats in sponsoring the new non-Communist labor confederation, the General Workers' Union. In so doing, the Socialists have further blurred the left-right distinctions separating them from their allies. As a result, the Communists have a somewhat clearer claim to be the representatives of the left.

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The Communists would benefit especially if Mota Pinto goes through with his plans to hold wage increases to 18 percent, levy taxes on workers' Christmas bonuses, revamp labor laws, and promote denationalization, which unions allege will increase unemployment. As the only party in firm opposition to the government, the Communists could find themselves in the best position to exploit any labor unrest that results.

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This prospect could offset a succession of blows suffered by the Communists since Mota Pinto took office two months ago. At the grass roots levels, moreover, the Communists are capitalizing on their superior organization and their ability to focus on concrete local issues. The party is managing steady, if plodding, gains in public support and local government representation. This progress has come largely at the expense of the Socialists, who continue to be hurt by their inability to define their own political ground and the sharp decline in the prestige of their leading vote winner, former Prime Minister Mario Soares.

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SPAIN: Election Issues

Spain's official campaign period for the parliamentary election on 1 March opened this week with Prime Minister Suarez' Center Democrats and Felipe Gonzalez' Socialists apparently evenly matched. It is too early to say whether the voters are sufficiently disenchanted with the Suarez government to vote a Socialist government into power. [REDACTED]

Suarez characteristically has seized the initiative by issuing a decree broadening the government's powers to combat terrorism. He also persuaded the French Government to renounce publicly its policy of according Spanish Basques political refugee status. [REDACTED]

In addition, Suarez will cite the progress toward democracy, point to his success in slowing inflation, and argue that such problems as unemployment are the responsibility of all the parties. [REDACTED]

The Socialists have been signaling that the fundamental economic and social changes to which they are committed will be gradual and pragmatic. The Socialists are likely to stress that the only real progress made by the government was the result of Socialist pressure on its conservative economic policies. The Socialists will focus on unemployment as their major target, in the hope of appealing to the labor vote. [REDACTED]

The Communists hope to improve on their meager 9.2 percent showing in the June 1977 election. They predict that the election will result in a Center Democratic-Socialist coalition in which they might participate--perhaps on a consultative basis. [REDACTED]

The fourth largest vote getter in 1977--Manuel Fraga's rightist Popular Alliance--has shed its ultra-rightist factions and hopes to win enough votes to make Suarez opt for a coalition with them. [REDACTED]

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PORTUGAL-CHINA: Diplomatic Ties

Announcement yesterday that Portugal and China have established diplomatic relations is the culmination of more than a year of frustrating behind-the-scenes diplomacy. The question of whether Macao would be returned to Chinese sovereignty was left unanswered; no mention of the 400-year-old Portuguese enclave appeared in the final communique. Portuguese Prime Minister Mota Pinto, however, said that Macao will continue under Portuguese administration, a status which--according to Portuguese law--can be changed only by approval of the Macao legislature. [REDACTED]

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CONGO: New President

Colonel Denis Sassou-Nguesso was named President yesterday by the ruling Congolese Workers Party. He succeeds General Yhomby Opango, who was ousted on Monday. The two men, both northerners, had been engaged in a two-year power struggle that may not yet be over. Congo's new power structure and policy orientation may not become clear until after a party congress scheduled for late next month. Formerly minister of defense, the 36-year-old Sassou-Nguesso appears to be more leftist and pro-Soviet than the relatively pragmatic Yhomby Opango. Nevertheless, the country's need for Western assistance--particularly from France--to meet its serious economic problems militates against more radical policies. [REDACTED]

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PHILIPPINES: Fighting in the South

//Fighting in the southern Philippines between Muslim insurgents and the Philippine armed forces appears to be about as serious as it was in 1975. Government spokesmen are claiming substantial progress in establishing military control over western Mindanao and the Sulu archipelago. The government seems to be trying to gain the best possible situation on the ground in the event President Marcos decides to resume negotiations with the Muslim rebels. Marcos apparently believes that even the prospect of renewed discussions may blunt further criticism of his martial law regime during the review in the US Congress of the recently concluded amendment to the Military Bases Agreement and later on at the Islamic conference in May.//

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