

Malta: Parliamentary Elections

Prime Minister Dom Mintoff's Malta Labor Party has only about an even chance of winning the parliamentary election on September 17 and 18. Popular concern over Mintoff's flirtation with the Arab states, and over Malta's political and economic future following the withdrawal of British military units in 1979, could tip the balance in favor of the opposition Nationalist Party.

One of the hallmarks of Mintoff's administration since he took office in 1971 has been the gradual lessening of Malta's traditional ties to the UK and NATO. Mintoff believes that Malta's interests would be better served through bilateral agreements with neighboring European and Arab countries. He has yet to cement these arrangements.

In recent months he has tried to extract from these countries promises of

economic assistance and guarantees of Malta's neutrality. Both France and Italy recognized this obvious election maneuver and temporized, but Libyan strongman Muammar Qadhafi and Algerian President Houari Boumediene made public statements of support during visits by Mintoff in late August.

Mintoff's heavy-handed assertions that both Arab leaders will withdraw their pledges of support if the Laborites fail to win the election have undoubtedly created resentment at home. He also has repeated an alleged threat from Qadhafi that if the Nationalists win and resume Malta's association with NATO, Libya will refuse to provide oil at any price.

Mintoff's record on domestic policy has been mixed. While greatly expanding such social programs as children's allowances, pensions, and government housing, he has failed to attract the foreign invest-

ment necessary to keep Malta afloat economically after the British pullout. Laborite public works programs have absorbed some 8,000 youths who would otherwise be unemployed, but most Maltese recognize that such make-work schemes are no substitute for private investment as a means to solve this chronic problem.

The Opposition

One of Mintoff's greatest advantages during his present term of office has been the ineffectiveness of the opposition. The Nationalists, who are led by former prime minister Georgio Borg Olivier, have allowed themselves to be steamrollered in parliament by the better-organized Laborite forces.

The Nationalists have recently rallied somewhat and appear to have struck a responsive chord with the voters on several issues. Because most Maltese dislike the Arabs—particularly the mercurial Qadhafi—and are much more comfortable with Europeans, the Nationalists have gained ground by portraying the election as a choice between an alliance with the Arab countries and one with Europe.

The Nationalists argue that Mintoff has alienated reliable patrons in Europe without producing anything tangible from his Arab friends. They point to the 16,000 Maltese who do not have permanent jobs and claim that Mintoff is doing nothing to keep this figure from increasing sharply when the British leave.

Opposition proposals to phase out the income tax gradually in favor of a sales levy and to repatriate Maltese monetary holdings in England apparently have been well-received by the voters.

The Outcome

Nationalist Party leaders believe that, if the election is honest, they can win a majority of as many as five seats in the 65-seat House of Representatives. The Laborites are predicting victory by an equal margin. Malta has no public opinion polls, but objective observers rate the election a toss-up.

Nationalist leaders are worried that Mintoff may try to steal the election through vote fraud and that the threat of Labor-inspired violence may deter their supporters from voting. They have invited a number of European legislators and journalists to act as election observers and have demanded, with mixed results, voting procedures which would minimize the possibility of ballot tampering.



Prime Minister Mintoff

The strength of incumbency is clearly on Mintoff's side, as is his greater influence with the broadcast media, which have been charged with bias by the Nationalists. The Laborites should also benefit from a gerrymandering of election districts rammed through the parliament last February by Mintoff over token opposition.

The Nationalists, on the other hand, should profit from a "throw the rascals out" attitude among many voters, as well as the common perception that Mintoff is becoming increasingly autocratic. The decision of the small Progressive Constitutional Party not to contest the election should add an additional 1 percent to the Nationalist vote.

In the end, the election may be decided by the 50,000 new and untested voters who have been registered since 1971. Their vote seems likely to reflect the lack of attractive employment opportunities in Malta and, more significantly, the uncertain future the island faces after 1979.

Whichever party wins the election, Malta will still be obliged to seek outside economic assistance. In exchange for such assistance from the West, the Nationalists appear ready to restore Malta's pro-Europe orientation and might even allow a token NATO presence on the island. A victory by the Labor Party will ensure a continuation of Mintoff's third world policies, as well as his strong opposition to both the US and Soviet fleets in the Mediterranean.

Yugoslavia-Romania



Presidents Ceausescu and Tito signing joint declaration last Friday

During their talks in Yugoslavia last week, Presidents Ceausescu and Tito evidently concentrated on coordinating their strategy toward Moscow and on scotching speculation that there are differences between them.

Tito, reportedly tired after the Colombo summit and suffering from an "acute liver disease," nevertheless went all out to show that Belgrade and Bucharest have no problems. He greeted Ceausescu at the airport and saw him off despite Yugoslav protocol rules that exempt him from such fatiguing duties.

The two leaders held lengthy discussions that reportedly underlined the closeness of their views on all questions of mutual interest. One highlight was Tito's signing of a joint declaration, the first part of which closely follows Ceausescu's ten principles of national independence and noninterference in internal affairs. Belgrade had previously resisted Romanian requests for such an endorsement.

In the declaration the two Presidents emphasized their determination to cooperate closely in pursuing their independent courses. They also:

- Praised the free exchanges of views at the recent European communist conference.

- Voiced anxiety that certain powers are seeking to "legalize" the right to interfere in the internal affairs of others—a reference primarily to the so-called Brezhnev doctrine.

- Welcomed the Helsinki accords, but noted the lack of concrete steps to implement them.

- Stressed the need for positive achievements at the follow-on meeting in Belgrade next year, which, they fear, Moscow is seeking to play down.

- Reaffirmed their intention cautiously to pursue multilateral cooperation in the Balkans.

- Emphasized nonaligned issues, praising the Colombo summit for renouncing "all forms of foreign domination and exploitation." Moscow and its allies have criticized some members of the movement for accusing both the USSR and the US

of attempting to exploit the third world.

During the talks the two leaders also reiterated standard pledges of "all-around assistance" to national liberation movements, and called for democratization of the United Nations, dissolution of military blocs, and the creation of a new international economic and political order.

The two sides signed a number of bilateral economic cooperation agreements, including an understanding on a major new hydroelectric project

Yugoslav Emigres. . .

From Page 1

ist, but they are generally weak and ineffective. A number of emigrants have made halting efforts to organize a nominally Communist opposition abroad that might attract disaffected Croat leaders within Yugoslavia.

Serbs

While the Croats are the regime's primary concern, Belgrade is also sensitive about Serb emigres—particularly those who might exploit lingering sympathies for Draza Mihailovic's Chetniks of World War II. Except for occasional actions by a group called Fatherland, Organ of Serb Fighters for Freedom, the Serb emigres do not often resort to terrorism.

To some extent, Tito's nervousness about Serb emigres stems from his failure to develop a strong and reliable power base in Serbia. The Serbian party has been ravaged by several major purges in the last decade, and no single leader can realistically claim to speak for Serbian interests. In this vacuum, the emigres have been able to pose ready, attractive answers without employing the desperate measures of their Croat counterparts. At least three Serb leaders in exile have been murdered in the past two years.

Terrorism

Until a few years ago, Croatian

terrorist groups worked from apparent safe havens mainly in West Germany, Spain, Portugal and Australia. Growing international revulsion against terrorism has complicated their efforts, however. Many terrorists have been expelled or their organizations made unwelcome in many Western countries.

Most of the funds for the terrorist groups are evidently donated by Croat organizations in the US and Western Europe that on their own do not undertake overt actions against Tito's government. Recurring rumors have circulated that Croat terrorists have been trying to establish links with the Irish Republican Army and to attract financial aid from Western governments or—failing that—Libya. There is no evidence that they have succeeded.

We do not know how much support the emigres have inside Yugoslavia. The evidence of collaboration by resident Croats with the emigres is spotty. There is residual distaste among many Croats for Ustashe atrocities against Serbs during the war. The assassinations of non-Croat diplomats abroad presumably have kept alive fears that the emigres are fanatics.

Belgrade has tried to counter the emigre threat by:

- Pressing foreign governments to

deny them bases of operation.

- Undermining the new "responsible" groups that pose a more difficult problem because they usually abide by the letter of the law.

- Eliminating as many troublesome emigre leaders as possible, and in ways that could set the emigre groups against each other.

- Identifying and isolating any potential reserves of support for the emigres either in Yugoslavia or among the 850,000 Yugoslavs temporarily employed abroad.

These measures may help to ensure that no coordinated, strong challenge to the Titoist system emerges, but they cannot stop terrorism or greatly influence the groups who finance and otherwise support the terrorists.

When Tito dies, available evidence suggests that Yugoslavia will initially tighten internal security controls in expectation of a wave of desperate acts by emigre terrorists. We expect that the borders will be watched closely, special counter-terror operations will begin immediately, and suspected troublemakers will be arbitrarily detained. These steps will provide no guarantees against terrorist attacks on Yugoslav installations and personnel abroad, however, and they will not prevent daring—if suicidal—actions within Yugoslavia itself.

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In The Daily

LEBANON: Arab mediators are trying to promote a meeting of Yasir Arafat, president-elect Sarkis, and the Syrian prime minister in another attempt to implement the Damascus accord. Battle lines remain static, but the Christians believe their pressure on Tripoli will soon cause the city to fall. (Page 1)

USSR: Total agricultural output this year will be about the same as in 1975. A large increase in crops will be offset by a sharp decline in livestock production. (Page 1)

PANAMA: The Torrijos government is on the defensive after three days of demonstrations spurred by economic problems, and is likely to press hard for movement in the canal treaty negotiations to distract domestic critics. (Page 1)

SOUTH AFRICA: The work boycott by blacks living near Johannesburg is continuing into its second day with a high rate of participation. A similar boycott may begin next week in Cape Town. (Page 1)

YUGOSLAVIA: Emigre attempts to create serious troubles for the regime are likely to intensify after Tito dies. The most serious difficulties probably will be caused by one or more Croat terrorist organizations. (Page 1)

Lebanon

Arab mediators are trying to promote a meeting of Yasir Arafat, Lebanese president-elect Sarkis, and Syrian Prime Minister Khulayfawi in another attempt to implement the Damascus accord concluded between Syria and the Palestine Liberation Organization in late July.

The Damascus accord calls for a cease-fire, Palestinian adherence to the restrictive Cairo accords, and the opening of roundtable negotiations under Sarkis. Efforts to implement the agreement in July failed because the Syrians and Palestinians were unable to agree even on the composition of a cease-fire committee, and because of lingering Syrian suspicions that the Palestinians were only playing for time to rearm and fortify their positions.

The pro-leftist radio in Beirut announced yesterday that the PLO and its leftist allies had approved the meeting,

which is being pushed by the Saudi and Tunisian foreign ministers and Arab League mediator al-Khuli. Christian leaders, however, have reportedly made their approval contingent on President Franjijah being represented, and Sarkis has apparently indicated that he will not attend such a meeting before his inauguration without Franjijah's approval.

Damascus has yet to respond to the proposal, but presumably would welcome it. Syrian President Asad has shown some renewed interest in a political settlement

and Lebanese leftists.

Although battle lines have been almost static over the past month, the Christians apparently have reason to hope that their continual blockade and bombardment of Tripoli will soon cause the city to fall from within.

(See Lebanon... Page 4)

USSR: Agriculture Forecast

Total agricultural output in the USSR this year will be about the same as in the poor year of 1975. A large increase in crop output will be offset by a sharp decline in livestock production.

We now estimate Soviet grain production this year at 200 million metric tons, up 5 million tons from our estimate in early August. Although grain is the USSR's

single most important crop, other crops as a group rival grain in their impact on agricultural production and on the country's net import position.

Potatoes—an important food and feed crop—are a partial substitute for grain and can either make up part of a grain shortfall when plentiful or substantially swell Soviet requirements for feed grain

after a poor crop. Sunflower seeds supply three quarters of the vegetable oil and sugar beets provide four fifths of the sugar consumed yearly in the USSR. Cotton exports earn sizable amounts of hard currency.

Our preliminary estimates indicate that the Soviets will harvest about 90 to 95 million tons of potatoes, close to their average production for the past five years, and about 85 million tons of sugar beets. (See Soviet Agriculture... Page 4)

South Africa

The work boycott by blacks living in Soweto, near Johannesburg, continued into its second day, with 70 to 90 percent absenteeism reported by the city's business firms.

The township itself was relatively quiet with only a few scattered instances of violence. The neighboring township of Alexandra was cordoned off by police in an effort to prevent the boycott from spreading.

Reports continue to circulate in Cape Town that a work boycott will begin there, but perhaps not until next week.

YUGOSLAVIA

The Emigre Problem

The hijacking of a TWA aircraft by Croatian emigre terrorists last weekend underlines a key problem for Yugoslavia as it prepares for the period after President Tito's death. Emigre attempts to create serious instability in Yugoslavia are likely to intensify after Tito dies or becomes incapacitated. There is little more that Belgrade can do to deal with the threat.

The emigres, badly divided even within their own nationalist sub-groups, have

never been able to mount a direct, concerted challenge to Tito, but their opposition constantly nibbles at the leadership's confidence that Tito has created a unified, multinational state that will hold together when he is gone.

Belgrade has tried to intimidate the emigres. In the past two years there have been at least 11 unsolved murders of emigres abroad. Many, if not all, were probably ordered by the Yugoslav secret police. Yugoslav officials tend to react intemperately to emigre acts of violence, often in ways that undermine Yugoslavia's case as the victim of terrorism.

Croat Emigres

The Tito regime's most serious emigre problems are with the Croats. Organized Croat opposition from outside Yugoslavia was led initially by the fascist Ustashe, a group which ran the pro-Nazi Independent State of Croatia during the war. Most of the key Ustashe leaders have died or gravitated into the smaller, even more extreme emigre organizations. With their passing, younger emigres of the post-war generation—many of whom grew up in Yugoslavia—have replaced them.

The Croat emigre opposition is now made up of several major groups, which have defied attempts to unite them. The current umbrella organization, the Croat National Council, resulted from an effort two years ago to impose common goals and strategies, but it has had rough going because of jealousies and the rigid autonomist ideals of the four major founding groups.

At present, the Council is reportedly torn by sharp disagreements between

"moderates" and "radicals" over the desire of the moderates to break totally with the movement's early Fascist-Ustashe origins, and thus to attract Western sympathies.

The Croat National Committee, based in West Germany, is a much older organization that has also tried to adopt a more respectable image. It is affiliated with the Croat National Council, but, unlike the umbrella organization, its leadership endorses violence. On occasion, the National Committee has even indicated that it would accept Soviet aid—if offered—in overthrowing Tito.

Several other Croat groups are openly terrorist. They provide most of the manpower for terrorist attacks on the Tito regime.

- The Croat National Resistance and its unruly stepchild, the Drina Group, are very active in terrorism against Yugoslav officials abroad and in bombings and other sabotage in Yugoslavia. Yugoslav Ambassador Rolovic was assassinated in Sweden by the group five years ago.

- The Croat Liberation Movement (known by its acronym, HOP) is largely made up of younger militants with a smattering of old Ustashe hands. HOP leaders are dedicated and ruthless.

- The extremely radical Croat Revolutionary Brotherhood is regarded by moderates in the National Committee as totally unpredictable. The Brotherhood took credit for an abortive guerrilla raid into Yugoslavia in the summer of 1972.

- The Croat Liberation Army has in recent years conducted several daring—but unsuccessful—assassination operations against prominent men in Tito's regime. Several other anti-Tito Croat groups exist. (See Yugoslav Emigres... Page 3)

Panama: Demonstrations

The Torrijos government, on the defensive domestically after three days of demonstrations spurred by economic discontent, is likely to press harder for movement in the Panama Canal treaty negotiations in an effort to distract its critics.

Violent demonstrations sparked by several student groups erupted last Friday and again on Monday in Panama City and its suburbs. There were peaceful protests again yesterday.

Recent price rises were the demonstrators' primary concern. The disorders, which involved several thousand people including hoodlums and looters, resulted in perhaps 200 arrests and reported damages of \$2 to \$3 million. The protests were clearly aimed at the government, with almost no anti-US overtones.

President Lakas, who met with demonstrators Monday, was reportedly given a 48-hour deadline to roll back prices. Further demonstrations may take

A two-year economic slump has been aggravated by the country's extremely high debt service obligations, a lack of local investment, and a recent drought.

Panamanian leaders are also concerned that if the treaty talks are not resumed soon, the US elections could delay negotiations.

Torrijos has several options. He could meet with students and even lower some prices, although this would aggravate economic problems. Regardless of any (See Panama... Page 4)

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