

THE WHITE HOUSE

WASHINGTON

April 15, 1983

Dear Barbara:

Thank you for the nice supportive letter and all the enclosures. I have taken the time to look through them, but will have to wait until later to study them in depth.

I appreciate your input, and have taken the liberty of forwarding a copy of your letter, which is so complimentary, to Judge Clark for his information.

Thanks again for taking the time to write.

Sincerely,

MICHAEL K. DEEVER
Assistant to the President
Deputy Chief of Staff

Mrs. John L. Howell
1101 Broad Avenue
Fort Worth, Texas 76107

cc to - Judge Clark

APR 13 1983

Mrs. John S. Howell
1101 Broad Avenue
Fort Worth, Texas 76107

April 11, 1983

Mr. Mike Deaver
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mike:

I have started this letter several times to no avail. The reason for not finishing is that I just could not get back to earth! Having lunch at the White House with President Reagan and meeting and hearing so many interesting and wonderful people was quite an experience -- one I'll never forget. So, many, many thanks to you, Mike, for including me. You are a doll!

Mike, I know you are so busy that you don't have a free moment, but just in case you do I'm sending you some things to read and they are very important and reliable! Please do try to digest them! I know I have no idea as to the scope of the intelligence gathering under Judge Clark, but some of the little details may be deleted.

By the way, I like Judge William Clark very much. Can't help but feel that God has put his hand in this "deal" when he has given this country two great men such as President Reagan and Judge Clark! This is why I feel that this country can and will be saved -- but not without a struggle!

Am enclosing an article in today's paper -- you can judge for yourself how bitter everything is in Texas politics! It is so sad -- but it is not without a reason. As the liberal faction has stepped on and ignored the conservatives beyond belief. Mind you, I am not for violence nor am I for pushing people to violence!! When I say that "they" have "stepped on" -- it is with half truths, double dealing and vicious lies. All are very difficult to deal with because you find out about them months later and the damage has been done! I might add that most of their philosophy and actions have been diametrically opposite of President Reagan and you. Another bad characteristic is that they are so afraid

Mr. Mike Deaver
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of loosing "power" -- which is so silly as those jobs are tough and no fun. All most people are concerned about is getting the job that is so vitally important done! That is, to turn this country around; back to God, family, constitutional government and free enterprise! Not one for the banks, not one for the oil industry, not one for the unions, not one for the blacks and minorities, or any other special group, but for America!

I will bring this civics lesson to a conclusion, but not without another thank you and best wishes to your Carolyn!

All my love,

Barbara

Saturday, April 9, 1983 ★ ★ ★

PRICE 25¢

● That executive committee vice chairwoman Dorothy Doehne of
Please see Upham on Page 2

Upham wants

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Continued from Page 1

San Antonio, an opponent of Upham's, resign her position.

Doehne refused to say whether she will resign, but she called Upham's offer unfair.

Upham abruptly declared the meeting of committee members adjourned after Peggy Brandon, wife of GOP executive committee member Jim Brandon of Amarillo, slapped another Amarillo woman, Shirley Costello.

"I brought it on," Costello said. "I said, 'Dummy is speaking.'" Asked who she was referring to when she said "dummy," Costello replied: "Anybody in the room who was speaking against Chet."

Brandon is among those who have called for Upham's resignation.

Costello said she attended the meeting as a guest. She is active in Republican Party affairs, but is not a GOP executive committee member.

Executive committee members were to meet formally at 9 a.m. Saturday.

Upham said after the Friday

"I think this is a tragedy that we cannot get together as grown-up adults and conduct the business of this party."

— Republican National Committee member Ernest Angelo

night meeting that no further action could be taken on the chairmanship until Doehne decides whether to resign. If she agrees to resign, the next step would be to determine whether there are sufficient pledges for Strake.

Upham said Strake told him that he would accept the chairmanship if he could get at least 48 to 50 pledges of support. Party members were thrown into turmoil by the abrupt, dramatic confrontation that ended the meeting.

Republican National Committee member Ernest Angelo of Midland shouted to members, "I think this is a tragedy that we cannot get together as grown-up adults and conduct the business of this party. In fact, it's

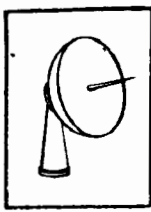
a disgrace."

One executive committee member was overheard remarking to another, "We need a course from Miss Manners."

Doehne, questioned after the meeting, said she does not know when she will decide whether to resign. But she added that she thinks Upham's conditions for resigning are "a little on the unfair side."

"I don't feel he should have the prerogative of naming his successor, but I can't," she said.

Upham said the soonest a new chairman and vice chairman could be selected would be in at least 10 days because of party rules on meeting notices.



Confidential
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EARLY WARNING

Issue 1, February 1983

Living with Andropov

Coming to terms with the new Soviet leadership now poses the overriding foreign policy test for the Reagan Administration and its allies. Much of the U.S. news reporting on the career and personality of Yuri Andropov has been a melange of wishful thinking, dubious tittle-tattle retailed by East European emigres with no first-hand knowledge of the man, and disinformation calculated to create a reassuring image of the former KGB chief as a "closet liberal" who loves to curl up with a glass of scotch and read American popular novels to the strains of Glenn Miller.

But a study of Andropov's background, his record as Chairman of the KGB, and the means by which he was able to thrust himself into Brezhnev's vacant chair, suggests that he is the most formidable Soviet opponent the West has had to face. Andropov has not only repeatedly proved his ruthless efficiency in crushing dissent inside the Soviet Bloc; as KGB chief, he personally directed a vast expansion of covert operations designed to weaken, divide and deceive the West. This "active measures" campaign will now be intensified, with the primary objective of decoupling the United States from its European allies.

The Soviets are already deeply involved—through front organizations and direct funding—in the "peace movements" that are seeking to block the deployment of Pershing-2s and Cruise missiles in Western Europe. According to our intelligence sources, the KGB has been ordered to "pull out all the stops" in the effort to ensure the defeat of the ruling Christian Democrat-Free Democrat alliance in the West German elections on March 6, and of Britain's Conservative Prime Minister, Margaret Thatcher. (Mrs. Thatcher is expected to call an election before the end of this year.) The long-range Soviet objective is to smash the NATO alliance, leaving Western Europe vulnerable to "Finlandization," while the United States would be isolated. That Soviet goal has been constant since NATO was founded in 1949. It has never been so close to attainment.

Vital clues as to how the Soviets can be expected to behave in the next phase of the East-West conflict can be gleaned from Andropov's earlier career and, in particular, from the initiatives he took as head of the KGB. Our account is based on privileged information from recent KGB defectors and intelligence sources in several Western countries, as well as an exhaustive analysis of Russian-language material dating back to the early 1940s.

Early career

Andropov was born in 1914, in the small town of Nagut-skaia, near Stavropol, the son of an illiterate railroad worker. His own education was patchy. He attended a technical school, specializing in waterways transport,

and held a succession of low-grade jobs as a boatman, a telegraph operator and an assistant film projectionist. He attended courses at the State University in Petrozavodsky, the capital of Soviet Karelia, but dropped out, and was largely remembered by fellow students as an informer for the Komsomol, the Communist Party youth organization.

Andropov began his rise from obscurity by making himself useful to local Party organizers in Karelia, an area on the border of Finland with a sizable Finnish-speaking population that is today a Soviet "autonomous" republic. He came to the attention of Otto Kuusinen, a veteran Comintern agitator of Finnish origin who dreamed of becoming the satrap of Finland and the whole of Scandinavia once the Red Army had overrun them. Kuusinen's ambitions were thwarted by the valiant resistance the Finns put up when the Soviets—taking advantage of their non-aggression pact with Hitler—attacked them without warning in the Winter War of 1939-40. Kuusinen was appointed Prime Minister of a puppet Finnish "government", but the Soviets failed to conquer Finland, and had to settle for stealing a large chunk of real estate which was added to Soviet Karelia.

Kuusinen's wife later said of him that "*the true key to his personality was hatred.*" After a domestic squabble, he denounced his wife and son as "anti-Soviet", and they were dragged off to labor camps, where his son died of TB. He engaged in murderous vendettas against his fellow Finns, and the secret police organized mass deportations of Finnish-speaking Karelians to the Gulag. The young Yuri Andropov was one of those who helped to "defend socialism" in this way during and after the Second World War.

With Kuusinen's patronage, Andropov became First Secretary of the Karelian Komsomol (1940-44). By his own account, he was active at this time in organizing supplies for the Soviet troops at the front—one of whose commanders was Nikolai Orgarkov, today the Chief of the General Staff (see below)—and in helping the partisan bands. His chief responsibility, in fact, was to help the secret police and the brutal military counter-intelligence organization, SMERSH, to hunt down and liquidate supposed "enemies of the state." As a reward for

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these services, he was subsequently promoted Second Secretary of the Karelian Communist Party (1947-51).

Stalin's enforcer

Andropov's experience as one of Stalin's enforcers on the Finnish border was extremely helpful to him when, after a short stint in Moscow (1951-53) working in the Central Committee Secretariat, he was posted to the Soviet Embassy in Budapest. In the space of a year, he rose from the rank of "adviser" to counsellor and then Ambassador to Hungary. He held this post until 1957, and was thus the key man in place in 1956, when the Hungarians made their abortive bid for freedom.

Andropov showed his flair for deception in the way that he conned the members of the ill-fated Imre Nagy government with the idea that Moscow was ready to enter into genuine negotiations over independence for Hungary. On November 1, 1956, he told the Nagy government that Moscow was prepared to discuss the complete withdrawal of Soviet troops—an outright lie intended to lull the Hungarians into letting their guard drop, so that the way would be smoothed for a Red Army invasion and a KGB-orchestrated purge in Budapest. Two days later, Andropov lured Hungary's Defense Minister, Pal Maleter, to a banquet at the Soviet Embassy, on the pretense of "further negotiations." After Maleter arrived, KGB chief Ivan Serov burst in with a team of heavily armed security men and placed the Hungarian under arrest.

Similarly, after Nagy and other Hungarian government leaders took refuge in the Yugoslav Embassy in Budapest, Andropov duped them into abandoning their sanctuary. On Andropov's instructions, the newly installed Soviet puppet, Janos Kadar, promised Nagy that he and his colleagues could go home without fearing reprisals. They left the Yugoslav Embassy on November 22, 1956 in a special bus, under guarantees of safe-conduct—and were promptly ambushed by the KGB. Imre Nagy was deported to Rumania, and subsequently executed.

In the context of current negotiations with the Soviets, it is worth recalling how Andropov honored his pledges in 1956.

Andropov was rewarded for his success in stifling the Hungarian revolt by being appointed to a top Party job in Moscow—as chief of the department responsible for liaison with the ruling Communist Parties. His old patron in Karelia, Otto Kuusinen, again seems to have been instrumental in advancing his fortunes. Kuusinen, previously a sycophantic Stalinist, had ingratiated himself with Khrushchev by lending loud support to his "de-Stalinization" campaign and was himself promoted Party Secretary and Presidium (as the Politburo was then called) Member shortly after Andropov returned to Moscow in 1957.

Andropov steadily expanded his power base inside the Party Secretariat until, in 1967, he was appointed to succeed Semichastny as Chairman of the KGB and was elevated to the status of Candidate Member of the all-powerful Politburo. His appointment as chief of the world's largest security and intelligence service was of course approved by Leonid Brezhnev, who was now

engaged in cutting his Kremlin rivals down to size. But Andropov was never a member of the tight fraternity of Brezhnev loyalists—the Brezhnev *Banda*, as they are called in Moscow—who had served with the then General Secretary in the Ukraine and Moldavia in the 1940s and 1950s. Andropov's most important ally in 1967 was Mikhail Suslov, chief Party ideologist, whose death in January 1982 set in motion the critical stage of the struggle for the Brezhnev succession.

KGB chief

Andropov was Chairman of the KGB for 15 years—longer than any of his predecessors. While head of the KGB, he was promoted to full membership in the Politburo, an honor accorded to only one previous secret police chief—the notorious Lavrenty Beria. As the Party man appointed to supervise the KGB, Andropov's room for maneuver was circumscribed by the professionals in the second echelon. The First Deputy Chairman of the KGB, General Tsvigun, and other Deputy Chairmen, such as General Tsinev and General Chebrikov (of whom more later), furthermore, were regarded as members of the Brezhnev *Banda*.

However, it is possible to credit Andropov with a large measure of personal responsibility for a number of initiatives taken to reshape and expand KGB operations. For example:

► **Internal repression.** Andropov set up the Fifth Chief Directorate of the KGB, which specializes in suppressing internal dissent. In keeping with his own publicly expressed characterization of Russian dissidents as "mentally ill," "religious or nationalist fanatics...who only serve the interests of foreign parties", Andropov employed a variety of new techniques to silence internal critics. He enthusiastically began the incarceration of dissidents in mental hospitals where they could be guinea pigs for experiments with psychotropic drugs. Through KGB *agents provocateurs* and smear operations, he sought to divide and discredit leading dissidents both at home and abroad. (He had a personal hand in the vast campaign to ruin Solzhenitsyn's reputation in the West by representing him as a "fascist.") He employed similar tactics against the Solidarity movement in Poland.

► **Active measures.** One of Andropov's very first actions, after he moved into the KGB Chairman's office at 2, Dzhherzhinsky Square on May 26, 1967, was to call in General Ivan Agayants, the wily chief of Department "D," the section responsible for disinformation and covert operations to influence Western governments and manipulate the Western media. (While based in Paris, Agayants had been highly successful in orchestrating Gaullist paranoia against the United States, thus driving a wedge into the NATO alliance.) Andropov told Agayants that his Department would be given the higher status of a KGB Directorate, and that its head would assume the rank of a Deputy Chief of the First Chief Directorate, responsible for all foreign intelligence operations. The budget and the manpower made available for disinformation and political influence operations against the West was greatly expanded.

According to the CIA, Agayants' old department, now known as Service "A" ("A" for "Active Measures") has a

headquarters staff of about 200, and is one of the most important offensive instruments of Soviet policy. "Active measures" operations designed to shape Western behavior are estimated to cost the Soviets about \$4 billion a year, and their effectiveness is evident from the recent growth of the unilateral disarmament movement in Western countries. In addition to the KGB, many other Soviet state and Party organizations—notably the International Department (ID) and International Information Department (IID) of the CPSU—play a role in active measures. The fact that Brezhnev's successor is a man who long ago recognized the unique importance of disinformation and subversive operations augurs a further expansion of Soviet active measures against the West designed to discredit and neutralize opponents of the USSR.

► **Using the church.** Within the field of active measures, Andropov recognized early on the need to work with "liberal" and church organizations that were unlikely to be identified with the Soviet Union and may, indeed, have been strongly anti-Soviet at the outset. During Andropov's time as KGB chief, Soviet covert attempts to influence church organizations greatly increased, and two years ago—in a major article that represented a basic modification in Marxist-Leninist doctrine—*Pravda* openly declared that "*the USSR supports the Marxist-Leninist thesis of the possibility and necessity of joint actions of working people, atheists, and believers for the revolutionary reconstruction of the old world.*" That is a long stride beyond the hoary Communist denunciations of religion as the opium of the people and the pay-off, for the Soviets, has been considerable. Over the past year, for example, the Dutch security service, the BVD, has assembled an impressive body of evidence of the direct manipulation of church-based "peace" groups in Holland by KGB agents.

► **Terrorism.** The KGB has never been averse to practicing assassination and other terrorist methods, and such operations were conducted under Andropov's chairmanship with his direct authorization. The facts of KGB involvement in the attempted assassination of Pope John Paul II, via the Bulgarian secret service, are at last being acknowledged in the American media; we are able to add some new revelations in the next article. But it is worth recalling that the attempt on the Pope's life was in no way an aberration for the KGB. For example, a recent KGB defector to Britain has provided chapter and verse on how the KGB murdered the former President Amin of Afghanistan to open the way for a Soviet puppet regime and the occupation of the country by Soviet forces (whose current strength is now estimated at 152,000, considerably more than the figure of 100,000 that generally appears in the press). "Wet operations"—including assassination and sabotage—are the specialty of a special KGB department that now operates under the direction of Directorate S, the Illegals Directorate. Some Western analysts believe that this department had a hand in the mysterious helicopter crash in which the popular Portuguese Social Democrat leader, Francisco Sá Carneiro, was killed on December 4, 1980.

► **Aggressive use of satellites.** In running terrorist operations, and in many other fields of activity, the KGB relies heavily on surrogates and subcontractors—especially the secret services of satellite countries such as East Ger-

many, Bulgaria, Czechoslovakia, and Cuba. Another of Andropov's initiatives as KGB chief was the very aggressive use of these surrogates. For example, at his direction the KGB provided a special subsidy to enable Cuba's DGI and *Departamento de America* to expand their operations abroad. As a result, according to Western analysts, Cuba today has the fourth largest foreign intelligence service in the world, after the KGB, the GRU (Soviet military intelligence) and the CIA, and the Cuban DGI carries out Moscow's work in places ranging from Angola to Suriname, from New York to Aden. Similarly, the Bulgarians have been used by the KGB as contract killers.

It is interesting to note that (perhaps as a result of the public scandal over the attempted assassination of the Pope) the Czech secret service is now being relied on more and more heavily by the KGB as a link with international terrorist groups. A West European intelligence source claims that a key official of the Czech StB, Major Pokorný, visited Sofia in December to negotiate the transfer of some terrorist support facilities from Bulgaria to Prague.

► **Industrial espionage.** Andropov also presided over a rapid expansion of scientific and technical espionage against the West, and the KGB was able to record several coups in this area, notably involving computer technology. We will publish a detailed expose of Soviet industrial espionage in the near future.

► **Higher status for KGB.** Finally, it should be noted that, under Andropov, the place of the KGB in the Soviet power structure was radically redefined. On July 5, 1978, the KGB's official name was changed from "Committee of State Security Under the Council of Ministers" to "USSR Committee of State Security." The change may appear merely cosmetic, but its significance was that it formalized the role of the KGB, not as an organ of the Soviet state, but as the sword and shield of the Communist Party. This interpretation is confirmed by a Central Committee statement in 1980 to the effect that "*the KGB is the political organ of the Communist Party.*" What does this mean? It means that the KGB is seen both as the Party's means of self-preservation and as its main offensive instrument for converting the non-Communist world to the Soviet conception of socialism.

Andropov seizes power

Viewed from afar, the transition from Brezhnev to Andropov appeared remarkably smooth as well as exceptionally swift—within two days of Brezhnev's death on November 10, 1982, Andropov was consecrated as the new General Secretary. Since then, he has been able to move some of his own men into key positions, aided considerably by the advanced years and ailing health of many of the men in the Politburo and the Central Committee.

In fact, there are indications that a bitter struggle for the succession was being waged behind the scenes for about a year before Brezhnev succumbed to his terminal stroke, and that Andropov made full use of his KGB dossiers in elbowing his competition aside. The corruption scandal involving Brezhnev's own daughter Galina (whose husband was a Deputy Minister of Interior) and a

colorful cast including her flashy lover, a diamond thief called Boris ("The Gypsy") Buryatia and the Director of the Moscow Circus may have been made public by Andropov in order to show that Brezhnev's grip was slipping and to intimidate his Kremlin colleagues with a glimpse of how their peccadilloes might be used against them.

As a result, Andropov seems to have succeeded in avoiding a protracted power struggle following Brezhnev's death. By contrast, it might be recalled that it took Stalin six years to consolidate his power after Lenin's death; it took Khrushchev five years to emerge supreme after Stalin's demise; and it took Brezhnev all of eight years to establish his ascendancy over the troika that replaced Khrushchev.

However, first impressions may be deceptive. In assessing the new power set-up in Moscow, it should be remembered:

1. Andropov will be 69 this year, and that his health is not good. He is suffering from heart disease, and some Western analysts believe that his very poor eyesight is a symptom of diabetes. West German delegates who accompanied Hans-Jochen Vogel to Moscow in January reported that the new Soviet General Secretary seemed pale and drawn, and staggered, rather than walked, across the room to receive his guests—although, in the meeting itself, he seemed sharp-witted as ever.

2. The Soviet leadership as a whole is a gerontocracy, and most of the familiar faces—including Andropov's—are likely to be replaced within the next 3-5 years by a new generation of leaders, probably men in their mid-50s. Unlike the present elite, many of them will be too young to have fought in the "Great Patriotic War" (at least in any senior position) or to have achieved important political positions in Stalin's time. They will have climbed the Party ladder in a period when the Soviet Union was not seriously threatened from outside and was emerging—rapidly, with Brezhnev's breakneck military build-up—as the foremost military power in the world. They are likely to be cynical about ideology, but may be more aggressive than the present generation in pursuing adventurist policies abroad, because they rose to the top at a time when the Soviets were more powerful, and more confidence of their place in the world, than ever before.

3. Resentment against Andropov probably still simmers among displaced rivals like Konstantin Chernenko (widely believed to have been groomed by Brezhnev as his successor) and may run deep if—as seems likely—he made full use of the intimidatory power of the KGB to ensure his emergence as General Secretary.

4. The Soviet armed forces have reason to be thankful to Brezhnev, who devoted about 15 percent of the GNP to defense, at the expense of consumers and the economy in general. Both Brezhnev, in his last year, and Andropov, since taking over, have been careful to make unusual obeisances to the armed forces. (In his first public statement, Andropov talked of "the invincible

might of the Soviet armed forces.") Andropov has reason to be concerned that the Soviet generals may be bidding for a larger place in the political system, and there is reason to believe that he gave various assurances to Marshal Ogarkov, the Chief of the General Staff, in order to buy the generals' approval for his assumption of the top Party job. These assurances probably included (a) a guarantee that Ogarkov would succeed the aging Dimitri Ustinov, a civilian, as Defense Minister and (b) that there would not be significant defense cuts. In addition, there is an elaborate KGB and Party control structure designed to keep tight guiding reins on the military. However, in the event of major social disturbances inside the Soviet Union, Andropov may face a political threat from a combination of the high command and his opponents inside the Party.

Key lieutenants

Further sweeping changes in the composition of the Politburo and the Soviet government are in store, and may come to pass in a matter of months. Here are some of the key men to watch:

► Geidar Aliyev, born in Soviet Azerbaijan in 1923, has been elevated by Andropov to full membership of the Politburo and the post of First Deputy Prime Minister. For 28 years, Aliyev was a career KGB officer, before becoming Party boss in Azerbaijan. According to a West European intelligence source, Aliyev let slip (at a meeting in Baku in June 1982) what could be an important clue to a Soviet plan to intervene in Iran after Ayatollah Khomeini's death. Aliyev contrasted the "backwardness" of Iran's Azerbaijanis with the "progress" of their Soviet co-nationalists. He then said that the solution could be for Azerbaijanis on both sides of the border to be "united." If his remarks have Andropov's backing, the Soviets may be embarked on a plan to take advantage of the confusion that will follow Khomeini's death to attempt a carve-up of Iran.

► Marshal Nikolai Ogarkov, the Chief of the General Staff, may have worked with Andropov as early as the 1940s, when he was stationed on the Karelian front. The most fascinating thing to observe about Ogarkov is that he was formerly head of the Thirteenth Chief Directorate of the General Staff, which is responsible for *strategic deception*. In other words, he was the key man responsible for deceiving the United States about Soviet military programs and for covering up the massive and systematic Soviet violations of strategic arms accords. He will be an appropriate ally for Andropov, the master of *political deception*, in the next phase of the Soviet campaign to persuade the West to disarm unilaterally.

► Vitaly Fedorchuk succeeded Andropov as head of the KGB in May last year (when Andropov moved back to the Party Secretariat to put some apparent distance between himself and his sinister functions as chief of the secret police preparatory to succeeding Brezhnev—in other words, to clean up his act). Andropov has since moved Fedorchuk over to the Interior Ministry and charged him with rooting out the flagrant corruption within the Ministry and the militia. Fedorchuk is regard-

ed by Western analysts as an A-grade thug. During World War II, he was a "military chekist," one of the chiefs of the SMERSH in the Ukraine, where he specialized in rounding up Ukrainian nationalists and others of doubtful loyalties and organizing mass executions. In 1954-55, Fedorchuk personally arranged the kidnapping of two East European emigres off the streets in Vienna. He is a close crony of General Piotr Ivashutin, the head of the GRU (and a former top KGB man).

► Viktor Chebrikov and Georgiy Tsinëv, respectively the Chairman and First Deputy Chairman of the KGB, are both members of the old Brezhnev mafia—men who worked with the late General Secretary in his early days in the Ukraine. Both have clearly made their accommodations with Andropov, although he is thought to have more trust in Tsinëv than in Chebrikov. It is worth noting that Tsinëv, like Fedorchuk, is a "military chekist" by professional formation—in other words, a specialist in spying on the military. Andropov will rely on Tsinëv, as well as on the Chief Political Directorate of the Soviet Armed Forces (the commissariat) for forewarning of any plotting among the generals.

Soviet prospects

Economic reform is urgently needed in Russia. According to the official figures, the GNP grew by 2.6 percent in 1982; Western experts think that in fact there was zero or minus growth. Russia, a large grain exporter under the Tsars, has to expend a large portion of its foreign exchange on importing cereals. There is a real fear among the Kremlin leaders that shortages of food and consumer goods could lead to major popular disturbances, perhaps even on the Polish scale. Strikes reported at large automobile plants over the past two years are a warning flare.

The man in charge of agriculture, Gorbachev, is one of the youngest and most vigorous members of the Politburo. Effective reform would involve:

(a) Heavy investment in improving rural transportation networks.

(b) Decentralization of decision-making.

(c) A "Hungarian-style" restoration of incentives for production—something that, given his Budapest experience, Andropov might be expected to know a good deal about.

But what remains unclear is whether Andropov will be able—or willing—to run the political risk of diverting investment away from the country's enormous war machine. Unless he is prepared to do that, economic reform is likely to be still-born, leaving plenty of scope for rising popular frustration. Apparently anticipating this, he has already surrounded himself with experts in repression like Fedorchuk, and what could be in store is a domestic crackdown of Stalinist proportions.

Andropov has made considerable noise about clamping down on corruption, which is rife throughout the Soviet system. This does not mean that he is seriously bent on removing the enormous perquisites of the Party elite—that would mean attacking the very heart of the system. He is likely, however, to use the cover of the anti-corruption campaign to remove political rivals.

Andropov's targets abroad

For several months of last year, Soviet foreign policy seemed to have entered the doldrums. The Soviets did not move expeditiously to exploit the Middle East situation resulting from the Israeli invasion of Lebanon, for example, and might have done more to exploit the Falklands war. With Andropov installed as General Secretary, the whole style and tempo has changed decisively. The Soviets have already embarked on a new "peace offensive" intended to derail the NATO plan for the deployment of medium-range missiles to offset Russia's 340 SS-20s in Europe. The Soviets are seeking to recoup some of their Middle East losses with a new arms build-up in Syria and behind-the-scenes efforts to sabotage the Reagan peace plan. They are openly intervening in West Germany's election process, adopting a threatening tone that could signal increasingly brutal efforts to use the threat of military force to make the West Europeans accede to their political demands.

In addition, Andropov is embarked on a new round of diplomacy with China. Whether Western fears of a Soviet-Chinese detente will be realized remains in doubt. A possible condition for that would be Soviet withdrawal from Afghanistan, and it is uncertain whether Andropov would be willing to pay that price—at least until (and unless) the Soviets establish an alternative land-bridge toward the Gulf via Iran. It would be less expensive for Andropov to offer the Chinese a negotiated settlement in Cambodia, involving a coalition government headed by Prince Sihanouk in place of the present Vietnamese- and Soviet-backed puppet regime.

But the options available to Andropov to stymie U.S. foreign policy are considerable. The Soviets and the Cubans are making tremendous inroads in Latin America. The debt problems of *Mexico* and *Venezuela* (deepened by OPEC disarray), the political chaos in *Argentina* and the shaky democratic experiments under way in *Bolivia* and above all, *Brazil*, all present them with huge new opportunities for mounting a flank attack on the United States, beyond the revolutionary upheavals now shaking Central America.

What makes all these challenges more acute for the United States and its allies is the success of the vast operation that the KGB has mounted, on Andropov's orders, to conceal the real nature of what is happening from the Western public through media manipulation and other "active measures." The West has yet to offer an effective counter to this hidden offensive.

The fact that much of the public discussion about Andropov in the West has focused on whether or not he will "maintain detente" must appeal to the former KGB chief's sense of irony, since he knows that the rhetoric of detente was cynically exploited to lull the U.S. into failing to respond to the largest military build-up the world has ever seen—a build-up that is Brezhnev's enduring legacy to the Soviet Union. Andropov is perfectly conscious that, if the Reagan Administration's defense plans are allowed to proceed substantially unobstructed, the United States will be able to close the defense gap that has opened up by the second half of the 1980s. The Soviets will use every weapon in the arsenal of active measures to prevent that from coming to pass.

The Bulgarian connections

In the midst of the uproar over the mounting body of evidence that Bulgaria's secret service, the *Durzhavna Sigurnost* (DS), was directly implicated in the attempt to kill the Pope, Cuba's Interior Minister, Ramiro Valdes, paid a five-day visit to Sofia. On December 27, he signed a cooperation agreement with his Bulgarian counterpart, KGB-trained Dimitur Stoyanov. In the secret protocols to this agreement, the Cubans and Bulgarians have not only agreed to exchange intelligence specialists, but also to collaborate more closely in mounting terrorist operations against their mutual enemies.

The Bulgarian DS acts as a proxy for the KGB in a broad range of clandestine activities. *Early Warning* has unearthed some revealing examples:

► Operatives of the Bulgarian DS, according to a recent Soviet defector, are the only East Europeans who have free access to the facilities of the ultra-secret department inside the KGB's Directorate S in Moscow that is entrusted with "wet operations." The Bulgarians are used by the KGB as contract killers.

► Bulgaria has long been the base for a very lucrative smuggling operation, and Sofia is the headquarters for a Turkish mafia involved in importing drugs and other contraband from Turkey into Western Europe. A share of the profits has been claimed by the DS and is used to finance the purchase of guns for terrorists in Turkey and West Germany. Intelligence sources in Paris have monitored the activities of a Bulgarian company called Kintex. Truck drivers working for Kintex have admitted ferrying arms and ammunition from Antwerp via Switzerland, Austria and Yugoslavia into Bulgaria. The

manifests would describe the cargoes as "cocoa beans." In Sofia, the trucks would be turned over to other drivers for the final leg of the journey—into Turkey, where guns would be bartered for heroin. Many of the drivers are Arabs, and in Sofia, they congregate at the Vitosha Hotel, where Mehmet Ali Agca stayed for 50 days before trying to kill the Pope.

► The Bulgarians are running a complex network of commercial organizations whose offices in Western capitals provide a perfect front for espionage and laundry operations. One of these companies, DANUBEX, with a Paris office at 124 bis Avenue de Villiers, has attracted the interest of French security, not least because its president, Robert Mitterrand, is a brother of France's head of state. Danubex is involved with two Swiss-registered companies:

1. PROMOS, whose chief (a Hungarian citizen) is the representative in Switzerland of the Czech arms company OMNIPOL, which has supplied weapons to the Irish Republican Army and other terrorists; and

2. ARDEX, represented by a Swiss lawyer who has set up local companies for Becir Celenk, the Turkish drug lord accused of having offered Agca 3m Deutschmarks to kill the Pope.

Danubex occupies the building in Paris that previously housed the "transport division" of the Bulgarian Embassy. It has no apparent source of income except "loans" from Sofia and Moscow, channeled via the Russians' favorite bank in France, the Banque Commerciale d'Europe du Nord. E

France's new spychief

Despite the presence of four Communist ministers in his government, France's Socialist President François Mitterrand has taken a tough line on the need to maintain a strong NATO nuclear deterrent, and has been counseling the West Germans to follow his example. He has also refrained from political interference with the DST, which is regarded among other Western intelligence agencies as the most professional security service in Europe.

However, France's foreign intelligence service, the DGSE (or *Direction Générale de la Sécurité Extérieure*; formerly known as the SDECE) has undergone some major shakeups since Mitterrand took office. His first choice to head the agency, Pierre Marion, was a friend and former employee of the President's brother Jacques, an aerospace company chairman who once commanded France's *force de frappe*. Marion was a novice in the espionage world; his principal claim to fame was that he had landed a French helicopter contract with the U.S. Coast Guard by underbidding American firms.

Marion began laying about the DGSE with an ax. He transferred out of the service 48 experienced professionals. There were soon complaints that the strict compartmentalization essential for any intelligence service was breaking down. There were also charges that the ser-

vice was becoming increasingly politicized. One of the few experienced officers who was retained in a key post—Colonel Singlant, head of counter-intelligence—began cultivating contacts on the political left and raised eyebrows when he addressed an audience of West European intelligence officers and was less than critical about Cuba's role in the Third World.

President Mitterrand himself became frustrated with the DGSE's performance under its new management, letting it be known that he considered many of the reports that were sent up to him to be indistinguishable from newspaper clips.

Marion was finally removed after only 15 months in office and replaced by Admiral Lacoste, who had been originally picked by Alexandre de Marenches, the former head of the secret service, as his successor. Lacoste is highly regarded as a shrewd realist. He was once *chef de cabinet* to Raymond Barre, the conservative former prime minister. He has already quietly moved out six of the carpetbaggers who came in with Marion. One of his main problems now is to establish a satisfactory working relationship with the Elysee. He has good reason to be extremely worried about leakage of sensitive material to the large KGB *rezidentura* in Paris—or direct to Moscow.

Lacoste believes the solution is to report directly to the President on delicate issues, as Marenches used to report to Giscard d'Estaing once a week. But direct contact has not yet been accepted by Mitterrand's entourage. E

Castro builds a mini-Cuba

In a strategically located former Dutch colony on the northeast coast of the South American mainland, bordering Brazil, Cuban secret agents are counselling one of the continent's most bloody dictatorships on how to maintain its power through the systematic murder of opponents. This process has been largely ignored by the U.S. media. But, apart from human rights aspects, the strategic implications could be far-reaching. In addition to Nicaragua and Grenada (where the Russians and their Cuban subcontractors are constructing major air bases) Suriname is emerging as yet another staging post for the Soviet Bloc in Latin America.

The scene was set in February 1980 when a group of army plotters headed by Sergeant Desi Bouterse—who since promoted himself Lieutenant-Colonel—staged a coup. The details of their successful plot had been worked out in close consultation with Armando Ulises Estrada, then the chief of the huge Cuban intelligence network in Jamaica.¹

The Cubans promptly established an embassy in Paramaribo, the capital of Suriname, and a team of Cuban intelligence operatives began to advise the sergeant's junta on how to deal with internal dissent. Over the three years since the coup, several hundred militiamen from Suriname have received training and Communist indoctrination inside Cuba. Some 80 Cuban advisers are currently in Suriname.²

Despite Bouterse's public protestations that his regime is "independent," our intelligence sources report that he takes no important step without the approval of Jose Osvaldo Cárdenas, the Cuban Ambassador in Paramaribo. Cárdenas is one of Castro's top intelligence officers, a former chief of the Caribbean section of the *Departamento de America*. He has been deeply involved in guerrilla operations in both Nicaragua and El Salvador. We are reliably informed that Cárdenas arrived in Suriname from Havana last September with precise instructions for the local boss: there was to be an immediate crackdown on all opposition elements. An "enemies list" was drawn up, and key figures—including the country's most popular labor organizer—were marked down for physical elimination.

The Cubans had reason to fear that their protege's grip might be slipping. Last October, the Marxist Prime Minister of Grenada, Maurice Bishop, was scheduled to come to Suriname on an official visit. The trip had been inspired by the Cubans. Unimpressed, the head of the country's labor confederation, Cyril Daal, arranged a work stoppage by air traffic controllers to prevent Bishop's plane from landing. Electricity technicians came out on strike as well. As these actions suggested, the country's union boss was an old-fashioned social democrat and a staunch anti-Communist.

Prime Minister Bishop and his party finally managed

to land the following day, and the Bouterse government ordered street rallies to show support for a fellow radical. The rallies fell flat. Returning to the attack, Cyril Daal organized counter-demonstrations that attracted notably bigger crowds than the government could mobilize.

Fearing that this could be the prelude to a full-scale popular uprising against his regime, Bouterse had the labor organizer thrown into jail. But this did not head off his problems. Buoyed by the strength of anti-Marxist feeling that had been demonstrated in the opposition to the Grenadan Prime Minister's visit, civilian leaders in all walks of life joined together in a "Democratic Association" pledged to lead Suriname back to a constitutional form of government. With only a few minor exceptions, all of the country's civic, business, religious and labor organizations united under this umbrella.

By now Castro and the Americas Department chiefs in Havana were seriously alarmed. The overthrow of a promising puppet government on the South American mainland seemed an imminent possibility. So Cárdenas was dispatched post-haste to order Bouterse to neutralize the people on the "enemies list." On December 7, 1982, 15 of Suriname's most prominent citizens—educators, lawyers, labor leaders and journalists—were dragged from their homes and offices and detained inside the forbidding stone pile of Fort Zeelandia, the old Dutch fortress in Paramaribo. Simultaneously, Bouterse's goon squads bombed and burned two opposition radio stations and the headquarters of the trade union confederation.

The next day, the civilian leaders incarcerated in Fort Zeelandia were summarily executed—tortured or machine-gunned to death by hand-picked guards, many of whom had been trained in Cuba. Some of the bodies were found to be hideously mutilated when the dead men's families were permitted to see them. The Bouterse government (which could never be accused of original propaganda) put out a feeble press release claiming that its prisoners had all been shot "while trying to escape." Unfortunately, the victims of the massacre are unlikely to be commemorated in a movie like "Missing"—the mendacious account of the death of a young U.S. radical after the 1973 coup in Chile. Their fate was barely reported in the major U.S. media, with the single exception of an excellent recent article in the *Wall Street Journal*. However, the Dutch government expressed its outrage by cancelling an aid agreement.

Suriname today is close to economic bankruptcy, as a result of the combined effects of political chaos and the slump in the world price of its main export, bauxite. The only support Bouterse can claim outside his sergeants' cabal is that of minute Marxist organizations—the People's Party and the Progressive Workers and Farmers Union. If he and Ambassador Cárdenas succeed in converting the country into a mainland Cuba, it will be as a result of the sustained neglect of the situation by Washington and its allies, as well as of the determination and ruthlessness of the Cubans in pursuing their objectives. The upshot could be Soviet naval and air bases on the Atlantic coast of South America, and a further blow to U.S. prestige in the region. [P]

1. Officially Castro's Ambassador to Jamaica, Estrada was a veteran officer of the *Departamento de America*, or Americas Department, the Cuban intelligence agency that specializes in subversion and terrorism in the Western Hemisphere. He was expelled from Kingston when Edward Seaga took office.

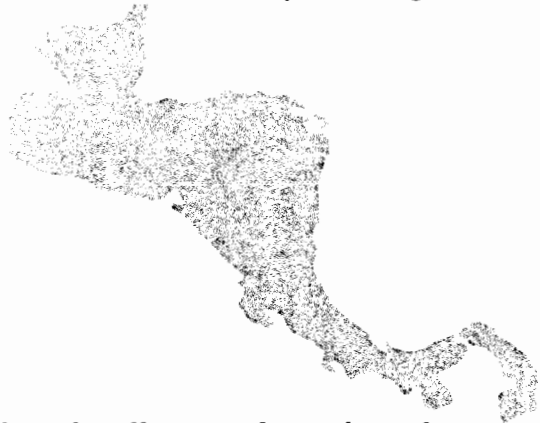
2. Estimates by opposition sources range higher. Leaders of the anti-Bouterse Leftist Movement of Suriname claim that 1,000 militiamen have been trained in Cuba.

Focus: Central America

■ EL SALVADOR: Rifts in the military

The Salvadoran Defense Minister, José Guillermo García, has been battling for his political survival, under fire not only from rightist leader Roberto d'Aubuisson but also from a powerful faction of professional officers who are bitter critics of corruption and incompetence in the country's military establishment. The defiant breach of military discipline in which Lt. Col. Sigifredo Ochoa challenged García's authority for more than a week was widely depicted as a case of "rightists" assailing a "centrist" administration. Its significance runs much deeper, and its effects have yet to be fully registered.

In the view of U.S. military advisers who have been in the field, Ochoa's success in "pacifying" the Marxist guerrillas in the province of Cabanas is the only case of a decisive victory over the rebels that they have observed in the recent course of the insurrection. Ochoa is recognized as the only authentic hero the Salvadoran army has produced. His growing reputation, however, excited jealousy among military bureaucrats in San Salvador, and García rewarded him by banishing him as military



attache to far-off Montevideo. Ochoa, of course, refused to obey orders, and after a week-long test of strength a compromise was negotiated by which he was allowed to pick his own successor in Cabanas and was assigned to the Inter-American Defense College in Washington—handily located for a sudden return to El Salvador—instead of exile in Uruguay. The men who worked out the compromise with the Defense Minister, Colonel Alfredo Blandón (chief of the military district of the capital) and General Eugenio Vides Casanova (commander of the National Guard) are more attuned to Ochoa's thinking than to García's.

What Ochoa was saying to García in essence was: the war can be won if leadership is exerted and corruption is curtailed. It is an argument that attracts widespread support among junior and middle-ranking officers, which is why the conflict within El Salvador's armed forces is far from resolved. The limits of the Defense Minister's authority became plainly visible during the "revolt." For their part, the leftist guerrillas have grabbed their opportunity; the new Marxist offensive under way in Morazan province is a direct response to what has happened. New

guerrilla triumphs could finally force García's resignation. Alternatively, they could deepen the divisions in the military and political establishment to the point where the government is finally compelled to treat with the guerrillas on losing terms—or (which we believe more likely) officers aligned with Ochoa will seize the guiding reins. They would then have to withstand a ferocious barrage of propaganda attacks designed to cut off U.S. aid and isolate them from Western sympathy.

■ NICARAGUA: Spadafora joins the rebels

A remarkable sign of the waning support for Nicaragua's Sandinista regime among its original supporters was a recent announcement by Hugo Spadafora that he is joining the "armed struggle" against the Cuban-backed regime in Managua. Spadafora, a former Minister of Health in his native Panama, is something of a legend among Latin American revolutionaries. In 1966-67, he fought with Amílcar Cabral's guerrilla forces—alongside Cuban intelligence advisers—in Portuguese Guinea. During the insurrection in Nicaragua that led to the overthrow of the Somoza regime, he commanded Sandinista rebels in the field.

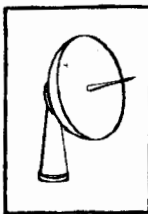
Now Spadafora has resigned from Panama's Democratic Revolutionary Party (PRD)—in order to avoid embarrassing his colleagues and has thrown in his lot with Eden Pastora, who was one of the heroes of the Nicaraguan revolution under the sobriquet "Comandante Cero." Now, from his base in Costa Rica, Pastora is planning the overthrow of the Sandinista junta that he helped to bring to power. The leaders of his Democratic Revolutionary Alliance (ARDE) include Alfonso Robelo, a social democrat who was formerly a member of El Salvador's governing junta.

Significantly, liberal U.S. newspapers (like the *New York Times*) that published laudatory profiles of Hugo Spadafora when he was on the side of the Communist guerrillas have "spiked" the news of his defection.

■ CENTRAL AMERICA: The Sandinistas' domino theory

Also ignored in the media was an extraordinary speech delivered by Commander Victor Tirado López, a member of the ruling FSLN National Directorate in Managua, as festivities organized in that city on December 22, 1982, to commemorate the 60th anniversary of the founding of the Soviet Union. Tirado declared that "the Soviet experience is a lesson to the Central American peoples. It shows that unity is a clear and powerful factor in solving common problems that seem to be hard to face and resolve." He then added: "The formation of the USSR reminds us of the old desire for Central American unity and the old dream of Sandino, Morazan and other forefathers. The idea of uniting... undoubtedly responds to a deep popular aspiration." Tirado's comment was a clear indication of the Sandinista regime's aspirations to exercise the same kind of dominant position in Central America that Communist Vietnam currently enjoys over Indochina. ©





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EARLY WARNING

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The Radicals' 1983 Agenda

The Institute for Policy Studies (IPS) is the hub of radical political action and lobbying in Washington. IPS organizers play a key role in campaigns to emasculate the intelligence agencies, promote unilateral disarmament, deny support to allied countries, and to shift congressional opinion in favor of socialist economic nostrums. They have developed an influential support *apparatus* in the media, labor unions, church organizations, local government and the U.S. Congress. IPS might be regarded as the commissariat of the American left today.

The Institute also has some intriguing foreign connections. It has played host to Ramón Sánchez Parodi, the head of the Cuban Interests Section at the Czech Embassy in Washington. Julian Torres Rizo, the former station chief of the Americas Department of the Cuban Communist Party—which is responsible for subversion and terrorism in the Western Hemisphere—met regularly with some of the Institute's leading figures while he was based in the United States. Michael Klare, IPS's chief Pentagon-watcher, has found time to provide informative lectures on U.S. defense and arms sales policies in Havana. But most revealing, perhaps, is that on April 10, 1982, some of the Institute's top organizers visited Moscow and concluded an agreement with Georgiy Arbatov, the long-time crony of Yuri Andropov who heads the Soviet Institute for the USA and Canada. Under this agreement, IPS and the Arbatov Institute will collaborate in arranging conferences to promote "peace" and disarmament. As a follow-up, 30 Russians are scheduled to visit Minneapolis in April. The mayor of Minneapolis, Donald Fraser, is a former Democratic Congressman who has long been associated with IPS, and accompanied Marcus Raskin and Robert Borosage to Moscow last year.

The Arbatov Institute is not just an academic study group. According to Soviet intelligence defectors, more than half of its staffers work for the KGB. The primary role of the Soviet Institute is to advise the KGB and the International Department of the CPSU on "active measures" campaigns against the United States, and to cultivate U.S. citizens as agents of influence. In addition to their talks with Arbatov, the IPS delegates also met with Vadim Zagladin, the first deputy chief of the International Department, which determines the overall strategy for covert political operations against the West.

Against this backdrop, it is startling to find that IPS influence on Capitol Hill has continued to expand during the first years of the Reagan Administration. At a recent conference organized by IPS to contest the Administration's budget proposals, Democratic Congressmen chaired many of the working sessions. *Early Warning* correspondents monitored the conference and picked up some intriguing clues to how the IPS-Capitol Hill net-

work operates. The major part of the conference, held on February 2, took place in the Cannon Caucus Room on Capitol Hill. Five Congressmen and 250 congressional staffers participated. The conference produced a radical "alternative plan" for meeting America's economic problems that was hailed by Rep. Tom Harkin (D-Iowa) in his keynote speech as "a bold, new approach" and "the beginning of a dialogue between public interest groups and Congress and scholars."

The editor of the IPS budget study "commissioned" by 60 Congressmen, Marcus Raskin, is one of the founders of the Institute and a member of the triumvirate that controls its day-to-day activities. The others are Robert Borosage, the director, and Richard Barnet, who specializes in international policy. Barnet and Raskin now describe themselves as "senior fellows." Borosage, a former president of the Washington, D.C. chapter of the National Lawyers' Guild (NLG) and member of its executive committee, is a graduate of Yale Law School who first came to public notice as a vociferous antagonist of the U.S. intelligence agencies. Barnet is the theorist of the threesome, quieter in tone, an amateur violinist who likes to take part in chamber music recitals. Raskin, by contrast, is the Institute's prize political in-fighter, coalition-builder and organizer.

At the February conference, Raskin unveiled an eight-point plan for Congress. The highlights:

1. IPS urges that the Defense budget should be clearly divided into two segments: (a) expenditures for "the direct defense and protection of the United States"; and (b) expenditures on global defense, including the protection of trade routes, the upkeep of NATO and the defense of other U.S. allies. As Raskin indicated, re-

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arranging the defense budget in this way would make it easier to use "diplomatic means" to cut back expenditures—*i.e.*, to bring pressure within Congress for the abandonment of America's responsibilities abroad.

2. IPS is touting an "Economic Bill of Rights" that would make it a constitutional duty of government to maintain a guaranteed standard of living for all Americans. This proposal, like the more specific suggestions for economic policy, reflects the desire to bring about massive state intervention at all levels of the American economy. Raskin told an approving audience that "the public sector is the place where we civilize ourselves and socialize our needs."

3. Raskin demanded a "more progressive" tax system—*i.e.*, much stiffer taxes on wealthy individuals and on corporations.

4. Raskin called for a vast program of public investment and the creation of "yardstick public enterprises."

5-8. The IPS plan also entails "export restrictions" on U.S. private banks to limit foreign loans; the setting of limits by Congress on the amount of interest the Administration would be permitted to pay when borrowing money; the setting-up of a "National Employment Agency"; and the introduction of an overall state plan for the economy—camouflaged with the rubric "national needs assessment."

The net effect of the implementation of all these proposals, according to Raskin, would be that the United States would "move to a human rights society."

In assailing the Reagan Administration's defense plans, Raskin insisted that the "real beneficiaries" are private corporations; Members of Congress who hope to advance their careers through militaristic rhetoric; and veterans whose generous benefits "induce" them to support ever-increasing military budgets. The alternative to high defense spending, he maintained, was to seek comprehensive disarmament agreements with the Soviet Union and to work toward a world security arrangement centered on the United Nations Military Committee—in effect, a U.N. global police force.

He even invoked George Washington to support a program that would require the United States to withdraw from its present network of alliances, declaiming that the nation should return to the ideas of Washington's celebrated Farewell Address.*

Significance

The real significance of the IPS get-together is that it demonstrated how the Institute has succeeded in winning

* "It is our true policy to steer clear of permanent alliance with any portion of the foreign world," Washington declared in his Address on September 17, 1796. This quotation is much in vogue with the new generation of American isolationists, who carefully ignore the historical context of the famous speech. Washington was trying to prevent America from becoming embroiled in Europe's dynastic feuds, not to smooth the road for the expansion of a totalitarian dictatorship.

the support of a sizable Congressional caucus of left-liberal Democrats for its agenda. The panel on industrial policy was chaired by Rep. Bob Edgar (D-Pa); the one on social welfare was presided over by Rep. Cardiss Collins (D-Ill.). The workshop on "Macroeconomic Policy" was moderated by Rep. John Conyers (D-Mich.), a familiar figure in IPS circles. Conyers is Chairman of the Subcommittee on Criminal Justice. He also happens to be a long-time member of the National Lawyers' Guild, an affiliate of a well-known Soviet front organization, the International Association of Democratic Lawyers (IADL). In January 1982, Conyers participated in a meeting of the presidential committee of the World Peace Council—the most important Soviet front operation and a mainstay of the unilateral disarmament campaigns in the West—in Copenhagen. Conyers, a very able and influential black Congressional leader, has been active in enlisting the support of colleagues on Capitol Hill for IPS initiatives.

The "Defense and Foreign Policy" workshop—held, ironically, in the hearing room of the House Veterans' Affairs Committee in the Cannon House Office Building—was moderated by Rep. Sam Gejdenson, a second-term liberal Democrat who represents Connecticut's 2nd Congressional District.

Other Key Speakers

Other key speakers at the conference included Earl Ravenal, a Pentagon systems analyst in the days of the Johnson Administration who has been publicly associated with IPS since the early 1970s; Robert deGrasse of the Council on Economic Priorities; and Paul Warnke, the head of the Arms Control and Disarmament Agency under the Carter Administration. Ravenal explained that the key to a balanced budget lies in defense cuts—particularly in the area of U.S. commitments to NATO. DeGrasse stressed the need to "discredit" the idea that defense spending creates new jobs, develops new technology and stimulates new products. Warnke agreed that the MX missile project should be shelved.

IPS has been lobbying Congress with "alternative" budget proposals since 1965. Its success in winning a wider hearing owes a great deal to low-visibility work among Congressional staffers. For example, Neil Kotler, Rep. Conyers' legislative assistant, has worked successfully to organize a caucus of "progressive" members of House staff for IPS. One of the Institute's most valued friends on Capitol Hill today is Richard Kaufman, who occupies a critically important position as counsel and staff director of the Joint Economic Council of Congress—the place where Senate and House representatives confer over differences in allocations. Kaufman has been active in IPS circles since the 1960s, and still lectures at Institute seminars.

Rep. Tom Harkin, who opened the February conference, has made himself one of the leading advocates of a cut-off of U.S. support for anti-Soviet governments in Central America. Marcus Raskin revealed, in the course of the afternoon session, that Harkin is now considering making a bid for a Senate seat in Iowa in 1984.

The Decline of OPEC

Those who recall the warnings of economic calamity that were rife in the wake of the vast increases in the price of oil dictated by OPEC in 1974-75 (after the Yom Kippur war) and in 1979-80 (after the revolutionary convulsions in Iran) will appreciate the irony of current predictions that similar perils lie in store if oil prices slump dramatically. What troubles many analysts is the possible disappearance of a major source of international liquidity—OPEC surpluses—which have been regularly recycled to debtor-countries for use in meeting debt repayment schedules. The fear is that the consequent inability of debtor countries to meet their obligations could in turn bring about the insolvency of international creditors. That could lead to the breakdown of the world's banking and monetary systems.

Our assessment is not quite so apocalyptic. The present glut of oil, which has unleashed increasingly predatory competition among oil-producing states, presents major risks, not the least of which is the political upheaval in several Third World states and of a widening regional conflict in the Gulf that could embroil the Saudis. The challenge to Saudi Arabia is analyzed in the next article. However, these risks must be weighed against some potential benefits to the West. In particular:

► Lower oil prices, by lessening inflationary pressures, should make it easier for the Federal Reserve Board to bring down interest rates without an excessive squeeze on the money supply. Each 1 percent drop in U.S. short-term interest rates would reduce the annual charges on

Third World debt (at present levels) by \$6 billion. The saving for Mexico alone would be \$850 million.

► The risk that control of energy supplies will be used as a political lever has been greatly diminished. The contrast between the situation in 1973, when Arab producers used the "oil weapon" to penalize the United States for supporting Israel, and that of 1982, when oil prices steadily declined, unaffected by the Israeli invasion of Lebanon, is striking.

It is important to note that the fall in international oil prices actually began two years ago, after reaching peak levels in the first months of 1981 that ranged from \$32 a barrel (for Venezuelan crude) to \$42 (for the Nigerian and Libyan products). According to a recent OAEPC assessment, the present glut of oil on world markets will continue into 1984, despite increased demand over the next 12 months. Idle capacity (outside the Soviet Union) is currently estimated at between 25-30 billion barrels per day. In anticipation of further sharp declines in oil prices, many buyers prefer to hold off and run down existing stocks. As a result, Ecuador's exports of oil and oil-based products (for example) were down by 42 percent in January, compared with 12 months ago. Bahrain has cut refining operations to less than half of capacity—to some 90,000 barrels a day.

Given OPEC's inability to maintain agreed price structures and the angry jostling among producer-countries over their relative shares of the market, further big reductions in oil prices are in store.

The Saudi Fallout

Even the cushion of some \$150 billion in reserves cannot blunt the effects of the OPEC fiasco for the Saudis. The Saudis will close their fiscal year this month with an estimated budget deficit of \$18-\$20 billion, in contrast to the whopping surpluses of previous years. Late last year they began drawing down rather than adding to their deposits in international banks. Liftings of Saudi crude in February reportedly fell below 400,000 barrels on some days. Many ambitious modernization projects, and a lavish program of military spending, now seem in jeopardy.

The Saudis are also counting the political costs of the erosion of their leadership position within OPEC. Their attempt at Geneva in January to impose a \$34 price level and their own standards for setting differentials and national production quotas incurred the open hostility of most of the other delegations. When the meeting broke up, the Saudis suffered the humiliation of watching the Iranian delegates crowing about a "victory" over Saudi Arabia.

Since the Geneva fiasco, the debate among the Saudi ruling princes has been over whether to cut the price of oil in order to retain the country's present share of the market—or whether to seek to prop up price levels by pumping even less. Saudi Oil Minister Sheik Zaki Yamani could see no way out of a price reduction, and

his views appear to have prevailed. However, he is also conscious that a price reduction of only \$3-\$4 per barrel would probably not add appreciably to demand. And the political fallout from a bigger reduction, within Saudi Arabia and even within the royal household, could be considerable.

For example, Shiite workers in the eastern oilfields are opposed to a major price cut. Many of them are tuned in to the daily propaganda broadcasts from Teheran that denounce corruption and wastrel policies among the Saudi ruling families. The Ayatollah's regime has let it be known that it would view a sharp drop in the price of Saudi crude as tantamount to an act of war—a threat that nobody in Riyadh can afford to ignore. While Teheran radio appealed to the Saudi masses to carry out an "Islamic" revolution, an Iranian fighter-bomber recently made a beeline for the Saudi oilfields south of Dahrán. American-manned AWACs spotted it and—to the surprised relief of U.S. advisers—Saudi planes were scrambled in time for an intercept. The Iranian pilot turned back. The incident may have been a deliberate warning by the Iranians, motivated in part by the backing the Saudis have given to Iraq in the Gulf war. The Saudis certainly read the signal that way; they have since sharply curtailed their support for the beleaguered Sad-

dam Hussein regime, which could lose control of the vital city of Basra if Iranian advances continue.

Another Saudi worry is that the volatility of the Gulf region has led major consumers to look for alternative energy sources for geopolitical reasons as well as price considerations. The United States has cut imports of Saudi crude from a peak of 1.6 million barrels per day to about 400,000. Japanese dependency on Gulf sources can be eased by increased reliance on Indonesia and Mexico, and substantially broken if it is allowed to import Alaskan crude.

Fears at the top that Saudi Arabia is losing its oil leverage will increase the influence of Crown Prince Abdullah, the head of the National Guard, who has long maintained at his side a left-leaning Syrian adviser. Abdullah is the symbolic head of a faction within the Saudi ruling establishment that believes that national security is to be found not in a close alliance with the United States but in a policy of neutrality that would leave the country "equidistant" between the two superpowers. We have

received reports that Saudi emissaries have held secret meetings with Soviet diplomats in Western Europe to pursue this idea. The Foreign Minister, Prince Saud, appears to be one of its primary advocates. However, King Fahd and Prince Sultan, the Defense Minister, continue to favor close alignment with the United States.

All these stresses have brought about a period of vacillation and uncertainty in Saudi policy. An intriguing pointer to things to come is the recently initiated and fast-developing coziness between the Saudis (along with a number of lesser Gulf rulers) and the indefatigable Armand Hammer, the head of Occidental Petroleum, which not long ago swallowed up Cities Services. Hammer recently paid a visit to Saudi Arabia and several Gulf emirates, and there has been talk of a Saudi-Occidental refinery venture in Louisiana. Not the least fascinating aspect of this new conjunction is that Hammer, who has intimate and longstanding relations with the Soviet leadership, would be ideally placed to serve as a go-between in negotiations between the Saudis and Moscow.

FOCUS: LATIN AMERICA

■ Stormclouds over Brazil

We have received reliable intelligence reports that Cuban army veterans and intelligence officers who served in Angola and are fluent in Portuguese are currently being transferred to Suriname. Their target: Brazil. The common border between Brazil and the former Dutch colony of Suriname, now under the sway of a Marxist sergeants' junta, is porous and impossible to police. It seems that Castro is using Suriname as an advance post in an effort to supply covert support to leftist forces in Brazil that hope to take advantage of that country's social and economic troubles. (The government ordered a 30 percent devaluation last month.)

Suriname is not the only base for possible Cuban meddling in Brazil. On Brazil's western flank, Bolivia recently reestablished diplomatic relations with Havana. The Santa Cruz region of eastern Bolivia—an area of mixed Brazilian and Bolivian cultures and influence notorious, until recently, for its *coca* plantations—is a still more attractive base for Castro's Angola veterans.

Brazil has entered a prolonged recession and rapid political change. While falling oil prices will bring partial relief, the IMF has demanded budget cuts of at least 21 percent for state enterprises, including the agencies charged with helping the poorest of the poor in the northeast part of the country, now suffering the worst drought in a century. Some 35 million people live in drought-stricken areas; the sheer enormity of the problem is beyond solution for the Brazilian government. Now, with development programs being cut back, attacking the IMF has become a popular theme. Signs have appeared in Brazil making out that the initials IMF stand for *Inflação, Miséria, Fome*—"Inflation, Misery and Hunger."

Uncertainty about the political future clouds everything else. The elections of November 1982 gave the

government party a technical majority, but also manifested the strength of countrywide opposition. The large southern states were captured by the opposition; and the bellweather state of Rio de Janeiro is now controlled by the radical left. Leonel Brizola, now governor of Rio, was the brother-in-law of João Goulart, the former President whose sympathy for the Marxist left brought about the military coup of 1964. Brizola is now working to compel the country's military rulers to hold direct elections for the presidency by 1985, at the latest. We can expect a well-orchestrated international propaganda campaign to support this demand. Brizola himself intends to run for the presidency when elections are announced.

In the meantime, the ground rules announced by President João Baptista Figueiredo call for the transition of power to another general before elections finally take place in 1989. The heir-apparent is the present chief of the national intelligence service (SNI), General Otavio Medeiros. He could, however, be damaged by a scandal that has blown up over the disappearance of a Brazilian editor who had allegedly accumulated an explosive dossier on SNI activities.

■ Colombia's undeclared civil war

Colombia's President Belisario Betancur is gambling on the possibility that he can make a deal with his country's well-organized guerrilla groups, the largest of which, the FARC* (or Colombian Revolutionary Armed Forces) operates under tight Cuban supervision. In the hope of a settlement, he is making overtures to Fidel Castro, has launched rhetorical attacks on U.S. policy in Central America, and has created a 40-man commission to negotiate with the guerrillas. These moves have already excited sharp criticism from the Army high command, and there are fears that the country could slip back into a state of armed chaos, with damaging fall-out for the United States and the region as a whole.

With both a Pacific and a Caribbean coastline, and

* The political command of FARC [Fuerzas Armadas Revolucionarias de Colombia] since 1966 has been through the Soviet-line Communist Party of Colombia (PCC).

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with close proximity to the Panama Canal, Colombia occupies a crucial strategic position in Latin America. It is also the home of the continent's oldest established guerrilla movement, born in the terrible era of civil bloodletting that followed the "Bogotazo" of 1948 in which Fidel Castro was a leading protagonist. Betancur was elected on the Conservative ticket last year, and almost immediately surprised many of his own backers by his efforts to appease Castro and the guerrilla left.



Otto Morales, a former government minister, said recently that he and other members of the President's "peace commission" had conducted talks with the FARC leader, Manual Marulanda (better known by the sobriquet of Tiro Fijo, or "Sure Shot") in a jungle region in the southwest of the country. The news was not welcomed by the Army chiefs, who have been pressing President Betancur to impose martial law and allow them to take stronger measures against a rising terrorist threat that includes the urban operations of the M-19 organization, made notorious by its prolonged siege of the Dominican Embassy two years back, when the American Ambassador was one of the captives.

Multiple murders are again everyday happenings in Colombia. In the Department of Santander, for example, 17 peasant farmers were massacred by leftist guerrillas on February 7. During the month of January alone, more than 200 people were the victims of assassination, and 63 kidnappings were reported. Most of the killings were politically inspired, but the rising tide of political violence also gave criminal elements the chance to prosper.

General Gustavo Matamoros, the chief of the armed forces, has been urging the President to give him the green light for a major offensive against the guerrillas. So far, the general has been rebuffed. The Army chiefs are particularly alarmed by frequent guerrilla ambushes of convoys and military outposts. On February 7, for example, nine soldiers were killed in an FARC ambush and the convoy of food and weapons they were escorting was seiz-

ed. The Betancur government has been trying to suppress the news of such incidents, but our intelligence sources report that they are frequent and bloody.

"Colombia is in a virtual state of undeclared civil war," according to the country's Attorney General, Carlos Jimenez Gomez. Violence from the left has provoked an answering response from the right, in the form of private armies and "death squads."

A rightist organization calling itself *Muerte a los Secuestradores* (MAS) or "Death to the Kidnappers" has surfaced, and many members of the armed forces and the police are believed to be working with it in defiance of government orders. One further sign of the breakdown of presidential authority is that even the Minister of War, General Bernardo Landazabal, while quick to disclaim any military involvement with MAS in public, is reliably reported to be privately sympathetic to its activities.

Veteran analysts believe that it is highly unlikely that either the FARC, the M-19, or the country's third important guerrilla group, the ELN (or Army of National Liberation) will accept an amnesty on the terms President Betancur is suggesting. But it is interesting to note that the group that has been most receptive is the FARC, the guerrilla movement that is most closely controlled by the Soviets and the Cubans. Its leader, Marulanda, has been a guerrilla fighter for three decades. It seems probable that he has been encouraged to meet the President's emissaries by his Soviet and Cuban advisers in order to gain time, demoralize the armed forces, and encourage Betancur's recent flirtation with an "anti-imperialist" foreign policy.

Colombian Mafia in U.S.

Increased political disruption inside Colombia will have direct repercussions for the United States. Colombia is already the source of some 70 percent of the cocaine and marijuana entering the United States. More and more of Colombia's criminal elite have been moving to the United States to establish a firm base—insurance against the possibility that revolutionary upheavals could threaten their safe havens in Medellin, Cali and Bogota. These Colombian "families" can be seen as the Latin American successors to the Sicilian Mafia. Settling mostly in south Florida and in the Queens borough of New York City, they have expanded from drug trafficking into gambling, prostitution and loansharking. They are rich enough and powerful enough to one day challenge the Mafia for the leadership of organized crime in the United States. They have a further asset: some of them have been dealing with high officials in Havana for many years as their sleeping partners.

Before a Federal court in Miami, a former agent of Castro's DGI called Mario Estevez Gonzalez recently revealed that he had worked with one of the major Colombian crime families in smuggling narcotics into the United States. His testimony resulted in the indictment of four top Cuban officials on charges of conspiracy to import drugs into the United States. They were: René Rodriguez Cruz, the head of ICAP (the Cuban Institute of Friendship with the Peoples); Admiral Aldo Santamaria Cuadrado, the chief of the Cuban Navy; Fernando Ravelo Reneda, former Cuban Ambassador to Colombia; and Gonzalo Bassols Suarez, a veteran Cuban intelligence officer most recently assigned to Panama.

Andropov's Propaganda Purge

Heads began to roll in Moscow's propaganda services soon after Yuri Andropov took over as General Secretary. The victims are proteges of the late Leonid Brezhnev.

The first to be ousted was the head of the powerful propaganda department of the CPSU, Yevgeniy Tyazhelnikov, who was packed off to Bucharest as Ambassador.

Next to fall was Valentin Falin, the deputy chief of the International Information Department (IID) of the Soviet Communist Party, and a former Soviet Ambassador to Bonn. The IID is responsible for doctoring news on world affairs for the Soviet bloc media and for "active measures" operations against the West. Early this year, Falin succeeded in getting air-time on West German and Swiss television to attack NATO plans for the deployment of Pershing II and cruise missiles in Europe. Now he has been reduced to writing political commentaries for *Izvestiya*.

A recent Soviet defector experienced in "active measures" operations believes that Falin's boss, Leonid Zamyatin, is also on the way out—into honorable exile, as Ambassador to Algeria.

The purge augurs a major overhaul of Moscow's huge

propaganda machine. What is behind it? Our analysis suggests that the reason Andropov has moved so expeditiously to put his own men in charge of propaganda is that he is getting ready to launch a campaign of denunciation—both direct and indirect—against Brezhnev. Just as Khrushchev reviled the memory of Stalin, Andropov will seek to make Brezhnev the scapegoat for Russia's economic failures, pervasive corruption, and possibly even for the costly intervention in Afghanistan.

There may be a further motive for the purge. Andropov, himself a specialist in disinformation and black propaganda, wants to streamline the organs responsible for active measures in order to play deception games against the West that will be both more sophisticated and more aggressive than those practiced in recent years. The primary targets will be the Reagan Administration and its West European allies.

It is possible that, as a result of the shakeup, the IID will be closed down altogether, and its responsibilities transferred back to the International Department, the Party's strategic directorate for foreign affairs and all types of covert operations.

SECURITY ALERT

■ Plan to disrupt L.A. Olympics...

A radical coalition is planning to assemble one million protesters at a mass rally in Los Angeles on July 27, 1984, the day before the opening of the Summer Olympic Games.

The rally is the brainchild of a New York-based group called the Federation for Progress (FFP), an alliance dominated by violence-prone organizations such as the Communist Workers Party (CWP). Details were discussed at a planning session held on the Berkeley campus of UCLA on February 5. What most alarms security analysts is that the participants included veterans of the Communist Party, U.S.A.; Young Workers' Liberation League; Venceremos Brigade;* Students for a Democratic Society; the Weather Underground; leftist Iranian students, and activists from a variety of Latin American and Mexican-American groups.

The guiding idea behind the planned demonstration is to take advantage of the media attention that will be focused on the 1984 Olympics in order to publicize various causes and make a strong show of opposition to the Reagan Administration in the run-up to next year's elections. There was a clear division among the cam-

paigned who turned up at the Berkeley meeting over the precise tactics to be employed. While some of the more media-conscious activists harped on the need to give the rally a "peaceful" coloration—to the point of displaying blue-and-white flags bearing doves in place of red banners—others demanded civil disobedience and confrontation with the authorities.

For example, a young Columbia University physicist, Dr. Michio Kaku, who has been involved with Mobilization for Survival, an anti-nuclear coalition, read a message from Philip Berrigan, a defrocked priest and leader of the Atlantic Life Community, which has carried out acts of vandalism and destruction at a number of plants operated by defense contractors on the East Coast and at the Pentagon. Berrigan's theme: There is "a moral duty to create civil disobedience."

The leaders of the Olympic protest planning session were Harry Edwards, a sociology professor at UCLA; and Judy Chu, a UCLA professor of Asian-American Studies. Edwards spoke of the need to build a broad-based coalition to mount the mass demonstration and to expand the role of the Federation for Progress as a launching pad for a grassroots radical movement in the United States.

Professor Chu assailed the U.S. Olympics Committee for allegedly seeking to turn the 1984 Games into "the first Olympic victory for big business." Estimating that one million spectators and 37,000 athletes and officials will turn out next summer, she declared that "the world's eyes will be focused on Los Angeles and we don't intend to allow them *not* to see us, our problems and needs."

Federation organizers agreed to target "the large security apparatus established for the Games." They also agreed to resist any efforts by law enforcement agencies to collect information on planned violence or terrorist at-

* The Venceremos Brigade was established by Cuba in 1969 to recruit a pool of U.S. activists, vetted and checked by the DGI, and some of which are known to have received training in terrorism and clandestine operations. The VB organization, which is ongoing, keeps track of some 5,000 of these pro-Castro activists.

tacks. Such intelligence-gathering was described as "political repression."

Our sources saw no indication that the Federation for Progress is prepared to purge violence-oriented groups like the Communist Workers Party from its membership or exclude them from participating in the scheduled protests. (The CWP is best-known for its shootout with the Ku Klux Klan and neo-Nazis at Greensboro, N.C. and its attempt to fight its way onto the floor at the 1980 Democratic National Convention in New York.)

The FFP advertises itself as an embryonic leftist "third party"—a coalition between Marxist-Leninists, white radicals, third world solidarity groups and ethnic minority organizations. To date, its public activities have been almost exclusively focused on attacking the foreign and domestic policies of the Reagan Administration.

The list of those who signed the call to found the FFP includes: Sidney Lens, a co-founder of Mobilization for Survival who has long been involved with the Chicago affiliate of the Soviet-controlled World Peace Council; Manning Marable, a leader of the National Black Independent Political Party; Nelson M. Johnson, chairman of the Communist Workers Party; Rep. Ronald Dellums (D-Calif.); Rep. Parren Mitchell (D-Md.); William Kunstler, a prominent figure in the National Lawyers Guild; Leonard Weinglass, NLG activist and attorney for the Weather Underground Brink's robbery defendants; Michael Parenti of the Institute for Policy Studies; Russell Means, leader of the American Indian Movement; Georgia State Senator Julian Bond; Don Luce, head of the Southeast Asia Resource Center and a long-time pro-Hanoi partisan; Dr. Benjamin Spock, and Pete Seeger.

■ ...and the Dallas GOP convention

Leaders of the radical anti-defense lobby, Mobilization for Survival, which is involved in the planned disruption

of the Los Angeles Olympics, have also hatched a scheme to stage protests during the August 1984 Republican National Convention in Dallas.

The local organizer in Dallas is Roger Tallenberg, who has been active for some 15 years in the War Resisters League, which claims "pacifist" credentials despite its backing for the Vietcong, the PLO, the Irish Republican Army, the Baader-Meinhof gang, the Black Liberation Army and the Weather Underground. The specialty of the War Resisters League is organizing (and providing training for) civil disobedience demonstrations that sometimes set the stage for violence by other groups.

The Dallas organizers hope to profit from the successful example of the big "Nuclear Freeze and Disarmament Rally" held in New York on June 12, 1982. With the help of super-star entertainers, the New York rally drew a crowd of over half a million. Significantly, the chief logistical planner of the New York rally, Leslie Cagan, has already met with the Dallas group. Cagan is a veteran of the pro-Castro Venceremos Brigade who once co-taught a class at a Marxist study center with a member of the Communist Party's Central Committee.

Building on issues ranging from "peace" and the environment to solidarity with Latin American guerrillas, and from homosexual rights to unemployment, the organizers of the Dallas protests are hoping for a big turnout. Tallenberg says that he wants to bring in "peace groups" from as far afield as Europe and Central America.

Question: Can the left arrange two huge mass rallies, in locations 1,000 miles apart, in the space of less than two weeks in the summer of 1984? The answer depends on money—cash for buses, plane tickets, lodgings, advertising, communications. The fund-raising drive is now on. If it falls badly short of the targets, expect a lot of scrapping between rival organizers over priorities.



FLASHPOINTS

■ **The Enders plan for El Salvador.** Top-level Washington sources tell us that Thomas Enders, Assistant Secretary for Inter-American Affairs and the Administration's prime troubleshooter in El Salvador, has stepped up his efforts to find a negotiated settlement. He is said to have reached the conclusion that the United States is in a "no-win" situation and should seek a graceful way to bow out, à la Vietnam. Enders was in Madrid recently to confer with the new Spanish Prime Minister, Socialist leader Felipe Gonzalez. Gonzalez, who is also President of the Socialist International (SI) is apparently seen by Enders as an ideal intermediary to treat with all sides in El Salvador. The State Department man was apparently not disillusioned when Gonzalez started urging the normalization of relations between Washington and Havana. Some key Administration officials are strongly opposed to Enders' approach. They in-

clude National Security Adviser William Clark, UN Ambassador Jeane Kirkpatrick and CIA Director William Casey. However, we are told that Enders got Secretary of State George Shultz' blessing for his approach to Gonzalez—on the understanding that what the U.S. was seeking was not a power-sharing agreement in El Salvador, but the possible transformation of the Marxist guerrilla movement into a legal opposition. Enders has been saying privately that he's encouraged by the example of the amnesty that Colombia's President Betancur has held out to his country's guerrillas. But, as we detail in our report from Colombia, that formula isn't working too well, and the Enders approach in El Salvador could end up by seriously undermining the pro-U.S. forces there.


■ **Soviet pressures on Japan.** Since Japan's Prime Minister Yasuhiro Nakasone visited Washington and referred to his country as an "unsinkable aircraft carrier," Moscow has kept up an intense propaganda barrage designed to intimidate the Japanese government into abandoning plans to upgrade national defense and pursue a closer alliance with the United States. The Japanese

are uneasily aware of the steady expansion of the Soviet Pacific fleet, which now includes 87 warships, an aircraft carrier with 35 vertical take-off fighter planes and helicopters, 80 attack submarines and more than 30 strategic missile submarines. A fascinating Chinese analysis of Moscow's naval build-up in the Far East published in *Renmin Ribao* comments that "the Soviet Union's fundamental strategic principle is to discourage the relationship between the United States and its allies...At present, due to considerable developments in Japanese-American military cooperation, the Soviet Union has unprecedentedly increased its military pressure on Japan. It attaches more importance than ever before to the use of political infiltration, diplomatic favors and economic seduction."

■ **Qaddafi's exemplar.** On the eve of his public clash with the Reagan Administration over U.S. maneuvers in response to Libyan meddling in Sudan, Muammar Qaddafi offered some startling insights into his personal philosophy—and his psychological stability—in an interview with three Western correspondents. As reported by *Le Matin* (Paris), Qaddafi held "Jews and Zionists" accountable for "a plan to destroy or dominate the world." As examples, he stated that converted Jews had labored to "destroy Christianity from within" and had brought about the rift in the Muslim world between Shiites and Sunnis. "The economic crisis of the past few years," he went on, "is the result of the proliferation of Zionists in treasury institutions, stock exchanges, oil companies and money markets." The Jewish world conspiracy, according to Qaddafi, is "the same plan which failed before in Germany. In fact, although we utterly condemn Hitler for the massacre of the Jews, Hitler understood that plan,

understood that the Zionists wanted to dominate Germany." Asked by the disbelieving French correspondent whether he meant what he had said, Qaddafi went on to underline his point: "Hitler...decided to sacrifice the Jews before they sacrificed Germany."

■ **New threats to the Pope.** Pope John Paul II's impending tour of Central America and the Caribbean poses horrendous security headaches. A number of death threats have already been reported. One of the more bizarre warnings came from an exiled Haitian opposition group, the "Hector Riode Brigade," which sent a letter to the Apostolic Nunciature of Port-au-Prince on January 26 stating that "We will not hesitate one moment in jeopardizing the security of Pope John Paul II during his visit to Haiti should the high pontiff shirk his duty as head of the Catholic Church and place himself at the service of the Duvalier family which rules Haiti." The Pope's visit to Haiti is scheduled for March 20.


■ **The Soviets' friend in Bonn.** The key man to watch in Western Europe today is Egon Bahr, the foreign policy mentor to Social Democrat leader Hans-Jochen Vogel. For many years, Bahr has been a trusted confidant of the Soviet leaders, and a key proponent of moves toward a bilateral security arrangement between Moscow and Bonn that would lead to the break-up of the NATO alliance. Ironically, Bahr was on equally intimate terms in the 1950s with U.S. diplomats and CIA officials in West Germany. But in the early 1960s, following the construction of the Berlin Wall—which shocked many West Germans as an apparent manifestation of American impotence—he switched sides, and is today feared in West European chanceries as the man who could drive a fatal wedge into the Atlantic alliance. 

Africa Activists Target Corporations

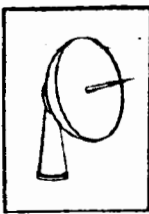
The network of activists backing Soviet-aided guerrillas in southern Africa are again lighting fires under Congressional lobbying campaigns. Key targets include fighting Commerce Department efforts to relax tight export controls to South Africa; maintaining the Clark Amendment prohibiting all U.S. covert or overt action against the Soviet client regime in Angola; promoting U.S. contributions to a United Nations fund for the legal defense of South African terrorists; and supporting legislation proposed by the Congressional Black Caucus to prohibit all new American investment in South Africa.

Playing leading roles in these efforts are a project of the Institute for Policy Studies, the Campaign to Oppose Bank Loans to South Africa; TransAfrica; American Committee on Africa; Washington Office on Africa;

American Friends Service Committee; and the American offices of several African insurgent groups, primarily the South West Africa People's Organization (SWAPO) of Namibia, and the African National Congress (ANC) of South Africa.

Sources report the next media campaign is targeted on March 21, anniversary of the "Sharpeville Massacre." These media campaigns in Western Europe and the United States have, in the past, often coincided with sporadic bombings by local terrorists of companies doing business in Southern Africa. Furthermore, in recent years these campaigns have also been accompanied by sabotage and terrorist attacks against key targets in the South African economic and defense infrastructure. 





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EARLY WARNING

Issue 3, April 1983

How to Win in El Salvador

Over the past two weeks, *Early Warning* has sent two observers to El Salvador—one a veteran intelligence analyst with particular experience of Latin America, the other an expert in guerrilla warfare and counter-insurgency techniques. Their independent reports point to the same conclusion: that unless there is a fundamental change in tactics by the Salvadoran military, the anti-Communist government forces are likely to suffer a devastating defeat, possibly before the end of this year. This would trigger a destabilizing chain-reaction in Costa Rica, Honduras, Guatemala and Mexico; would increase the threat to United States security; and would undermine the credibility of the Reagan Administration's foreign policy in the eyes of Latin America and the world.

Currently, efforts to hold the line in El Salvador against Cuban-backed Communist insurgents are being eroded by the following factors:

1. Salvadoran field commanders who have been trained by the United States in modern counter-insurgency warfare strategy and tactics and have the determination and understanding to put them into action are being thwarted by the military bureaucracy in the capital led by the Minister of Defense and Public Security, General Jose Guillermo Garcia Merino. As a result, the government forces are applying *quasi-conventional* tactics against the leftist Farabundo Marti National Liberation Front (FMLN) irregulars maintaining strong points in the larger towns and rarely venturing quickly or far into the countryside. The result is that Soviet-backed insurgents have considerable freedom of movement and action and are suffering relatively few casualties among their main fighting forces while morale suffers among government troops and their field commanders. Still the conventional warfare formula remains attractive to some senior military officials who are profiteering from the U.S. military aid programs, importing support equipment such as generators and trucks that can be easily—and illicitly—resold to the private sector or even shipped to overseas firms.

2. The certification process, by which the U.S. Congress passes judgment every six months on whether or not the President's request to extend the aid program to El Salvador (and the savage rhetoric from the Left that surrounds it), has created a miasma of uncertainty in El Salvador about the reliability of the United States. Certification is also deeply humiliating to all of El Salvador's anti-Communists and especially to the political, military and business leaders.

3. Over the past three years, El Salvador has been reduced to an economic disaster area. In large part, this is the result of an extended campaign of guerrilla

economic warfare via sabotage of communications, utilities, agricultural equipment and storage facilities, and industrial plants. But a crisis that now raises the spectre of widespread hunger in a formerly self-sufficient agricultural country has been deepened by maladministration of a land reform program fraught with corruption and feather-bedding.

A recent report prepared by a Washington consultancy group for the U.S. Agency for International Development established that some \$25 million provided by the United States for El Salvador's agrarian reform program is unaccounted for. *EW* has also learned that tracts of land that formerly supported up to 7,000 people now support less than 1,000. There is enormous confusion over land titles. USAID has commissioned a study to determine the legal basis for the extension of clear titles, but our sources report that no serious consideration is being given to the issue of compensation for expropriated land. This is adding to the country's divisions by deepening the frustrations of the Right.

4. The Salvadorans, under U.S. guidance, have been unable to pursue a "forward strategy" involving hot pursuit of FMLN insurgent bands into their sanctuaries across the Honduran border. For its part, the United States has so far proved incapable of decisive moves to reclaim any of the territory lost recently to hostile regimes in Central America and the Caribbean—Nicaragua, Suriname and Grenada—which provides a morale boost for the Salvadoran rebels.

5. The United States has been completely ineffective in discouraging the Sandinista regime in Nicaragua from making its territory available not only for training FMLN forces and as the operational headquarters of the

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FMLN leadership, but also as a vast warehouse for their supplies and weapons sent via Cuba from the Warsaw Pact regimes, Vietnam and now, our sources report, even from Soviet clients like Algeria and Libya. It is difficult for the government in San Salvador to envisage a real cessation in the civil war not linked to fundamental changes in Managua.

Elections are scheduled to be held in El Salvador next December. But the auguries are not good for a smooth transition to an elected presidency. The elections of March 1982 demonstrated overwhelming support for the democratic process, but that was supposed to bring decisive leadership and the defeat of the insurgents. This failure has spawned growing disenchantment which the FMLN's supporters have encouraged. The Constituent Assembly has not only failed to provide decisive political leadership, but it has so far failed to produce what it was created to supply—a new constitution. (The committee charged with drafting a constitution meets rarely and some members have never turned up for a single session.) All the same, a multiplicity of presidential candidates is expected.

The current President (*ad interim*) Alvaro Magana Borja will be one of them, although he is handicapped by the indecisiveness he has demonstrated in the presidency and by his close links with an opportunistic circle led by Minister of the Presidency Francisco Jose Guerrero whose members have very visibly enriched themselves over the past year, perhaps in connection with the U.S. aid program.

Indeed, the presidential succession in El Salvador may be traumatic. The Christian Democrats, the largest single party, already are engaged in furious internal disputes. The former Junta president, Jose Napoleon Duarte, is lobbying to become his party's candidate. One of his prime challengers, Foreign Minister Fidel Chavez Mena, popular with the American Embassy, is young, ambitious, personable and a political moderate, but lacks leadership ability. Whoever emerges as the Christian Democratic candidate can probably count on backing from Venezuelan President Luis Herrera Campins. However, Herrera Campins is being distracted from regional political affairs by economic problems that virtually guarantee the defeat of COPEI, his own Social Christian party, in Venezuela's next elections.

The Salvadoran right also is split. The charismatic but unstable Roberto d'Aubisson, Speaker of the Constituent Assembly, is among the presidential contenders. Another is Vice President Gabriel Mauricio Gutierrez Castro of the ARENA party.

An intriguing third choice is Lieutenant Colonel Sigifredo Ochoa, currently living in exile at the Inter-American Defense College in Washington, D.C. As discussed in our first issue, Ochoa was removed from his military command in Cabanas province by Defense Minister Garcia because he presumed to criticize the management of the war by the military bureaucrats in San Salvador.

Of late, Ochoa has become the darling of the Right in El Salvador, but he is a complex figure. For example, reliable intelligence sources indicate that Ochoa is closely associated with the highly ambitious commander of the Panamanian National Guard, Colonel Dario Paredes.

This is the same Col. Paredes who publicly threatened to expel U.S. Ambassador Ellis Briggs, Jr. a few weeks ago, claiming the Ambassador was "spying." The intelligence chief of Panama's National Guard is Colonel Manuel Antonio Noriega who has close Cuban ties and travels frequently to Havana for consultations. In short, while only praise has been heard for Ochoa's military capabilities, it would be misleading to characterize him as "right-wing." The history of Latin America is replete with examples of "conservative" military men who turned into left-of-center "populists" overnight—and vice-versa.



The intense political activity on-going until the December elections is expected to fractionalize existing political alliances. This process may weaken the Salvadoran government's ability to wage an effective anti-guerrilla campaign.

Meanwhile, a well-orchestrated international network of propaganda fronts continues to deluge Congress and the U.S. media with material designed to generate support for the Castroite guerrillas and discredit U.S. policies and the Salvadoran government. A captured report by Farid Handal, brother of the Salvadoran Communist Party leader, on an organizing visit to the United States in 1979, showed that this network of "solidarity committees" was established with the aid of the Communist Party, U.S.A. and activists from the Institute for Policy Studies, National Council of Churches and U.S. Peace Council. The office of California Congressman Ron Dellums was used as an organizing base for Handal in Washington. Recently released U.S. intelligence reports confirm that the establishment of the international El Salvador "solidarity committee" network was a Soviet "active measures" effort.

The effectiveness of this *apparat* is evident not only from the fact that the terrorization of El Salvador's rural population receives far less attention in the U.S. media than abuses attributed to government forces or the Right, but from clandestine broadcasting by the FMLN guerrillas themselves which reflect their high satisfaction with the image they are maintaining abroad.

Ironically, while leftist politicians like Guillermo Ungo and Ruben Zamora of the Democratic Revolutionary

Front (FDR) based in Mexico continue to serve as spokesmen for the guerrillas, sources with access suggest that both are increasingly nervous over the precariousness of their situation. While presently useful as "ambassadors" of the FMLN to Western governments and political parties, they realize that they have little voice in the conduct of the guerrilla campaign and that should the FMLN attain a full victory, they might be swept aside just as were the non-Castroite leaders of the Nicaraguan revolution once the Sandinistas seized power. This may explain Zamora's fervor in approaching moderate leaders in San Salvador and making it known that he is interested in a negotiated *salida*—a "way out." Nevertheless, it is clear that even the FMLN hard-liners backed by their Cuban and Soviet advisers have been urging negotiations to form a coalition government that would include the FMLN forces rejected so strongly in the 1982 voting.

It must also be recognized that negotiations and formation of a coalition government with the FMLN (which would still be able to retain its camps inside Honduras and its supply depots and bases in Nicaragua) would not alter the basic problem in El Salvador and the region as a whole. Yet as noted in the last issue, a number of influential State Department "non-interventionists" are quietly urging such a change in U.S. policy so as to allow the U.S. to back away from its Hemispheric responsibilities and leave open Central America and the Caribbean to further destabilization from Havana and Moscow. Also clear is the fact that present U.S. policy which allows the Salvadoran insurgents permanent sanctuary in Nicaragua cannot lead to lasting success. As long as this remains, *the Soviet leadership and its Cuban proxy will be able to tie down the physical and psychological resources of the United States in Central America.*

When the Reagan Administration took office, it evinced an accurate understanding of the *strategic* nature of the conflict in El Salvador. So far, however, it has failed to find the appropriate *tactics*. This has left an opening for the reemergence of the idea of a "negotiated settlement" *a la* Vietnam pressed by elements in the State Department. *EW's* analysts believe that this could prove to be a prescription for the total demoralization of the resistance in El Salvador and ultimate political collapse.

A decisive crossroads will be reached in El Salvador this summer, between May and August. May is the planting season. August will initiate the next "certification of offensive"—the next phase of the campaign to cut off U.S. aid. This period will be the ideal time for the guerrillas to escalate their offensive, using positional warfare to tie down government troops while their own mobile units encircle and destroy regular units and strike at larger cities—maybe even the capital. One military observer tells us that he believes the guerrilla objectives in this new phase will be major urban centers like San Miguel, Santa Ana and Usulután. He thinks there is also a possibility that if the government's position continues to deteriorate, the rebels could risk an operation against San Salvador before October of this year.

EW believes that the only chance of upholding a non-Marxist political order in El Salvador is to mount a strong military offensive geared to the realities of irregular warfare. To create the conditions for this would involve:

► **Placing effective command in the hands of frontline officers who are motivated to fight and grasp the principles of counter-insurgency operations.** The Salvadoran military have been floundering under the direction of Defense Minister Garcia, whose private wealth is a source of scandal. (He owns expensive homes in Miami and Tampa and recently flew a large party of guests and a mariachi band to Florida to celebrate a daughter's wedding.)


Civil action and psychological operations have been the exception rather than the rule. Field intelligence needs to be expanded and restructured, pooling the resources of the Army, the National Guard, and the Treasury Police. A more imaginative policy for encouraging defectors and informers should be adopted. (Government forces are often reduced to fighting a lumbering, quasi-conventional war—barreling down the roads in their trucks in the wake of a guerrilla attack, frequently to run into an ambush.)

It is less important who holds the title of Defense Minister than who exercises *de facto* control of operations. Nonetheless, there is a widespread feeling among effective Salvadoran officers—and among U.S. military advisers in the country—that Garcia must go.

► **Arranging for military aid from third countries.** The size of the U.S. military aid program for El Salvador—both in money and in manpower—is relatively puny. It should be supplemented by increased aid from third countries that can be offered discreet inducements by Washington to lend their support. Third countries that might be involved include Chile (a traditional friend of El Salvador that is currently supplying ammunition), South Korea, Taiwan, South Africa and Israel (already pursuing a forward policy in Central America). One possibility that has already been canvassed in some defense circles in Washington is that such third countries might take over the entire military aid program, thus freeing El Salvador from the numbing effects of the U.S. certification cycle.

► **Rebuilding the economy.** At present, some 30 percent of El Salvador's 1982 coffee crop is sitting in warehouses. A simple way to improve the country's economic plight is for the United States to sponsor the purchase of Salvadoran coffee at premium prices. This is all the more important because this year's harvest—despite the guerrillas—is expected to be a bumper one. The U.S. private sector should be encouraged to help out by sending experts to report on how incentives for investment, or reinvestment, might be developed.

► **Seizing the psychological offensive.** Very little has been done to date to concert a psychological warfare program that would dwell not only upon the brutal treatment of the civil population by the guerrillas and their Communist backing, but would intelligently exploit the evident divisions in their own ranks.

Some of these proposals are already circulating in top Administration circles in Washington. Whether or not they are adopted will probably decide whether El Salvador will go the way of Nicaragua. 

Tremors Around the Gulf

Unconfirmed reports from Teheran indicate that Ayatollah Khomeini, now 82, recently suffered a stroke. A large team of cardiac specialists headed by Dr. Manafi is said to have been rushed from the well-equipped heart disease center in the capital to the Ayatollah's retreat at Jamaran.

Khomeini's death could open a power-vacuum in Iran which the Soviets (amongst others) would not be slow to exploit. Significantly, the Farsi-language broadcasts the Soviets put out over their transmitter in Baku have contained only the mildest criticism of the recent arrest of Tudeh (Communist) Party leaders in Iran. Instead, Radio Baku has directed earnest entreaties to Khomeini to act against a clique of "reactionary" mullahs who are supposedly conspiring against him and his revolution. It is clear that the Soviets have more than one iron in the fire in Iran, and that they are actively seeking to divide Khomeini's loyalists in the hope of exploiting confusion that would result from his death.

While Khomeini's death might not be altogether unwelcome news in Riyadh, the Saudi government could be endangered by the ensuing regional destabilization. The Saudis were repeatedly threatened by the Iranians in the course of the OPEC price negotiations, and these threats extended to a none-too-subtle warning of possible Iranian military action. Such saber-rattling from Teheran cannot be entirely discounted in view of information EW has received from a recent KGB defector who states that members of Khomeini's fanatical Revolutionary Guards—the Pasdaran—have been trained to pilot U.S. jet fighters.

While media attention has been rivetted on a series of international economic crises—the OPEC fiasco, the risk of defaulting Third World debtor-countries, the strains within the European Monetary System—serious challenges to the stability of the Gulf region are reemerging that could have a dramatic effect on world markets if they are not contained.

Secret diplomacy in the Middle East took an intriguing twist when Sayyid Qaddaf ad-Dam arrived in Riyadh in mid-February, and had a private audience with Saudi Arabia's King Fahd. Qaddaf ad-Dam is one of the most powerful men in the Libyan regime, the chief of subversive operations in Colonel Qaddafi's secret service and a close personal confidant of the dictator himself. Some Arab intelligence sources believe that Qaddaf ad-Dam is a leading contender to succeed Qaddafi. They also suggest that his visit to Riyadh was made as a result of a Saudi initiative. The main item on the agenda: Iran.

It appears that the Saudis have been seeking to use Libya as an intermediary in dealing with the Ayatollah. EW sources report that King Fahd and his advisers gave the Libyan envoy details of Iranian involvement in a number of subversive operations against the Saudi monarchy. The Saudis are said to have suggested that they were ready to cut back sharply on their support for Saddam Hussein's regime in the Iraq-Iran war in return for an Iranian undertaking not to stir up trouble inside Saudi Arabia, where the presence of a large Shi'ite community in the eastern oilfields area holds out a permanent

threat of social unrest and possible sabotage. One inducement they may have held out to the Libyans to relay this message was that Saudi Arabia would refrain from criticizing Qaddafi's African adventures, including his efforts to overthrow Sudan's President Numeiri.

In any event, there is cause for Saudi unease about the current drift of events in the Gulf region, despite the arrival of a new Pakistani brigade in the country last January. For a start the weakening of OPEC and the sharp decline in oil prices have reduced Saudi influence.

■ **The PLO build-up in South Yemen.** There are indications that South Yemen is in the process of becoming the main military base for the PLO. The Marxist regime in Aden has long provided sanctuary and training facilities for 'rejectionist' Palestinian forces, notably George Habash's leftist PFLP, as well as for international terrorists who have received instruction from Soviet, East German and Cuban advisers. But Saudi concern is focused on the fact that South Yemen is a major source of support for radicals from neighboring Arab states whose aim is to overthrow moderate regimes. For example, the National Democratic Front of North Yemen is largely controlled by Aden, which supplies arms and ammunition. The South Yemenis have also supplied specialist training in guerrilla warfare and sabotage of oil installations for Saudi dissidents. Though for the moment, South Yemeni leader al-Hasani seems to be cultivating an image of responsible leadership through a partial detente with both North Yemen and Oman, the arrival of large numbers of Palestinian guerrillas in Aden since the Israeli invasion of Lebanon (many of them PFLP and DFLP leftist radicals who were unhappy with curbs imposed on their activities in other Arab states) is not reassuring for the Saudis or the other moderate Gulf states. Furthermore, South Yemen continues to be used by the Soviets and their satellites as a major transshipment point for arms consignments to proteges throughout the Arab world, and large caches of weapons are still being assembled along the borders with both North Yemen and Saudi Arabia.

■ **The progress of the Iran-Iraq war.** A Spanish reporter recently asked one of the key figures in the Iranian regime, President Sayyid Ali Khamene'i, whether the objectives for Teheran in the war with Iraq included the capture of the oil port of Basra and the capital, Baghdad. Khamene'i responded: "I must tell you that all the aims which you have mentioned form part of our aim. The Wal Fajr operation is one of great magnitude and will be decisive." Ayatollah Khomeini and his spokesmen continue to insist that their goal is nothing less than the overthrow of the present Iraqi regime, and some military observers believe that this is not beyond their grasp. The Iraqis managed to repel an Iranian attempt to break through into the heartland of the country, but they have been forced back into a defensive posture, and there have been increasing attacks by the pro-Khomeini Iraqi Shi'ite "mujaheddin" behind the lines. Last month the Iraqi rebels claimed to have launched successful rocket attacks on oil storage facilities, pipelines and turbine pumps in the Ayn Zalah area. The emergence of a regime hostile to the Saudis in Baghdad would have a profoundly destabilizing effect throughout the Gulf region. □

SECURITY ALERT

■ Anti-US terrorism in West Germany

West German security officials expect an upsurge in terrorist attacks on U.S. civilian and military targets in coming months. Three distinct groups probably will be included: (1) Baader-Meinhof-style revolutionary cells; (2) the militant fringe of the "peace" movement; and (3) elements of the neo-Nazi underground. There is a common link: all have ties to Soviet-aligned Middle Eastern regimes and terrorist groups, and members of the Baader-Meinhof-style groups and the neo-Nazis have received terrorist training in PLO camps staffed in part with Soviet-bloc advisers.

The Greens, who now have 27 deputies in the Bundestag, are pledged to stop the deployment of medium-range U.S. missiles in West Germany through nationwide civil disobedience including the blockade of military bases and nuclear weapons stockpiles. Though the Greens disavow "violence against people," they are helping to create a climate of opinion in which violent extremism will thrive. An ominous foretaste of what may lie in store was the bombing of the French consulate in Amsterdam on February 10 by a militant Dutch group that calls itself the "Autonomy Front."

The Greens favor West Germany's withdrawal from the NATO alliance and are less than even-handed in their denunciations of the defense plans of the two superpowers. U.S.-educated Greens leader Petra Kelly said in a recent interview with a French magazine, *Le Point*, that her party "does not equate" Russia's SS-20s with U.S. cruise and Pershing missiles. "The Soviets do not want war in Europe," she explained. "The real threat of war comes from Reagan."


Green Party secretary-general Lucas Bechmann boasted to a Soviet bloc correspondent immediately after the March 6 elections that "should the deployment of

American missiles on FRG territory begin, the Green Party is determined to carry out even direct actions against these missiles during their transportation." This interview, published in Bratislava *Pravda*, on March 8, raises the specter of nuclear terrorism.

Significantly, Libya's erratic dictator Colonel Qaddafi has become the patron of some Green Party luminaries. Otto Schily, Bundestag deputy for the Greens (and a Berlin lawyer) is a frequent visitor to Tripoli. Gertrude Schilling, one of the Greens' more voluble "thinkers," has referred to Qaddafi as a "pacifist mystic."

Admiration for the Libyan leader and ties to the PLO form the bonds between the radical fringe of the peace movement and West Germany's neo-Nazis. Bizarre as it may sound, West German security sources are convinced that neo-Nazis with Middle East connections will be involved in a new wave of attacks on U.S. citizens, possibly in tactical alliance with elements of the Baader-Meinhof underground.

There is a recent, and ominous, precedent. Last December, there was a series of bomb attacks on U.S. military personnel in Frankfurt. Investigators were at first inclined to link the bombings to earlier operations by radical leftists. Since then, however, the West German authorities have arrested several of the terrorists responsible. They have made full confessions, and turn out to be members of a Nazi cell led by Walther Kexel. The group is linked to the notorious Military Sports Group/Hoffman, some of those members were trained in PLO camps in Lebanon prior to the June 1982 Israeli invasion.

In our assessment, the risk to U.S. businessmen traveling in West Germany has increased, as has the sophistication of the methods used by the local terrorist networks. For example, the Kexel Group not only disposed of an impressive arsenal (including advance-type detonators for car bombs) but had assembled a collection of U.S. military uniforms and other disguises. The major leftist terrorist organizations—the Red Army Fraction (RAF) and the Revolutionary Cells (RZ)—are believed to be even better-supplied. 

Europe's Socialists and the Freeze

The campaign to get the U.S. Congress to pass a resolution calling for an immediate freeze on the testing and deployment of nuclear weapons, if successful in the House of Representatives when the issue is revived after the Easter recess, will create new headaches for America's strongest allies in Europe. In particular, it would complicate life for Helmut Kohl's center-right coalition in West Germany by encouraging the opposition Social Democrats (SPD), not to mention the Greens, to oppose deployment of cruise and Pershing-II missiles under any circumstances. Passage of the freeze resolution could also diminish the ability of the Kohl government to influence its West European partners to stand by the 1979 NATO decision in favor of deployment of medium-range missiles to match the already deployed Soviet arsenal of SS-20s.

It was Kohl's Christian Democrat Party (CDU), for example, that played the key role in persuading the ex-

ecutive bureau of Holland's Christian Democratic Appeal (CDA) not to join with the Inter-Church Peace Council (IKV)—the most influential Dutch peace movement—in planning and sponsoring a huge anti-nuclear demonstration scheduled for October 29. Despite the leak of two reports by the Dutch security service last November, documenting the involvement of Soviet agents with the IKV, this church-based organization remains a highly effective unilateral disarmament lobby, and the vote by the CDA executive on March 14 is only round one in a continuing fight.

Meanwhile, in the aftermath of their rout at the polls on March 6, West Germany's SPD leaders face the task of trying to restore cohesion in their party and of strengthening its state, district and local organizations. *EW sees little prospect that the moderate wing of the party will succeed in recapturing control, at least in the making of defense policy.* The pro-NATO forces in the SPD have

been seriously weakened by the withdrawal from politics of Georg Leber, a former defense minister, and the defeat of Peter Corterier, a former state secretary in the foreign ministry, in the contest for his parliamentary seat at the last elections. *EW expects that at its next congress, scheduled for the end of this year, the SPD will take a stand against deployment of any American medium-range missiles.* The consolation is that, even with the full support of the Greens in parliament on this issue, the SPD will not have sufficient votes to impose a veto. But the risk of civil disobedience and extra-parliamentary violence will grow, as outlined in the "Security Alert" section.

And the pressure that prominent SPD figures can bring to bear, both nationally and internationally, should not be underrated. To prepare for the possibility that the SPD would not be returned to office, Egon Bahr—a party leader with close ties to the Soviet bloc—began as early as last November to orchestrate an intensive campaign to ensure (as he put it to some of his confidants) that it would be "impossible even for a Chancellor Kohl to accept the missiles." Bahr's key lieutenants in this campaign, inside West Germany, are Oskar Lafontaine and Erhard Eppler. Both of them, like Bahr, sit on the national executive of the SPD.

Bahr counter-attacks

Bahr and his long-time patron, Willy Brandt, do not intend to confine their anti-deployment campaign to the Federal Republic. Brandt (according to his close advisers) intends to hold onto the chairmanship of the SPD until 1985. But he has no stomach for the feuding inside the party, and he wants to spend most of his time playing the part of an "international statesman." Both Bahr and Brandt are fully aware that whether West Germany will finally be able to accept the missile deployment largely depends on the actions of allied governments in NATO, that the disarmament movement is powerful in Belgium, Holland, Denmark and Norway, and that there are ways of stepping up pressure on the Italian and British governments too.

Bahr's special platform is the so-called "Scandilux" grouping; Brandt's is the wider vehicle of the Socialist International. "Scandilux" was founded in January 1981 as a result of the "action program on disarmament" adopted by the Socialist International the previous year. It originally consisted of the Socialist parties of Norway, Denmark, Belgium, Holland and Luxemburg. It was the brainchild of Dutch Labor Party leader Joop den Uyl and Flemish Socialist leader Karel van Miert, both vehement antagonists of the deployment of the Euromissiles. The stated purpose of Scandilux is to advance the cause of disarmament. More specifically—although this has never been publicly admitted—it seeks to apply pressure on Italy's Socialist and Social Democratic parties to upset Italy's agreement to deploy cruise missiles in Sicily. A reliable source among the Scandilux organizers told *EW* that the leadership was crowing over the fact that Bettino Craxi, the leader of the Italian Socialists, took a weak line on deployment when he addressed the Italian Communist Party congress in the first week of March.

Within weeks of its first get-together, the Scandilux group invited the SPD and the British Labour Party to send delegates to its meetings, and Bahr was promptly designated by Willy Brandt for this purpose. Written off by some diplomats and reporters last year as moribund, Scandilux is currently very much alive, with Bahr as a moving spirit. Last January Denmark's Social Democratic Party produced its own peace program, calling for a freeze on all nuclear weapons, nuclear-free zones in Europe, continuation of the Geneva talks without any time limit (and no deployment of U.S. missiles while they go on) and "a further reduction in the number of SS-20s"—which must have bemused the Soviets, since they are *increasing*, not reducing, the number of medium-range missiles pointed at Western Europe.

Both the Danish and the Norwegian Socialists (who have adopted a similar "peace" program) are in the opposition, but they command the largest factions in their respective parliaments and are well-placed to threaten minority conservative governments in their two countries.

While Bahr works through Scandilux, Brandt—who was 100 percent confident that he would be reelected president of the Socialist International at its conference in Portugal on April 7-10—is working to keep disarmament at the top of the SI's agenda. However, the SI is the scene of a growing rivalry between French and West German Socialists. With the SPD out of government, the French Socialist Party views itself as the "senior" partner in the SI, and wants to take over the role of Moscow's primary interlocutor among member-parties while expanding its influence in the Third World and the Middle East.

The Suslov recipe

While much public attention has been focused on the colorful dramatics of mass demonstrations and sit-ins, the conversion of many of Western Europe's Socialist parties to the cause of unilateral disarmament in recent years poses the most serious challenge to the execution of NATO strategy. One *EW* intelligence source quotes a remarkably revealing statement made by Mikhail Suslov in December 1977 to a prominent West European Socialist visiting Moscow that underscores the importance that the Soviets attribute to the SI in their "active measures" campaign to disarm the West. Suslov, who died early last year, held the Kremlin's "active measures" portfolio and was its most powerful member.

In discussing the Soviet-inspired campaign against the so-called "neutron bomb," Suslov made only passing reference to demonstrations and other mass protests that had captured the headlines. He declared his conviction that the Soviet Union would ultimately win the "battle of wills" because of its ability to influence West European political parties—in particular the Dutch Labor Party, the Belgian Socialist Party (since 1979 two parties—Flemish and Walloon), the British Labour Party and the West German SPD.

Focus on France

The economic traumas inflicted on France by President Mitterrand's brand of socialism are adding to strains inside his coalition government of Socialists and Communists which suffered the humiliation of a major reverse in municipal elections last month. Reports from Paris outline other aspects of the French malaise:

■ **The Communists and the air-waves.** Socialist-Communist rivalry is at its most intense in the struggle for control of France's state-run TV and radio networks. The Communists have succeeded in taking over FR3, Channel 3 on French television, where Michel Naudy (formerly employed by the Communist Party organ *L'Humanite*) now controls the news coverage. Naudy brought in a *L'Humanite* colleague, Jean-Paul Girault, as editor of FR3's station in Bordeaux which covers all of southwestern France.

Another Communist, Michel Cardoze, now is deputy editor-in-chief of "France Inter" and controls all its morning radio news programs which command the country's biggest morning audience as there is no breakfast-time television. As a follow-up, Cardoze and his fellow Party members are seeking to dislodge France Inter's evening news chief, Patrice Bertin. The newsroom recently was flooded with pamphlets signed "Radio Liberty, the Journal of the Communists of Radio France," blasting Bertin's 7 p.m. news programs, and accusing him of disseminating "disinformation" on behalf of the conservative opposition. Bertin wrote to Radio France chairman Jean-Noel Jeanneney to demand an inquiry into how this Communist tract had been disseminated in his newsroom, but Jeanneney did not reply.

On TFI—TV Channel 1, Luc Mano, another former reporter for *L'Humanite*, has been assigned to cover...the Communist Party!

■ **Secret service changes.** Francois de Grossouvre, for many years Mitterrand's trusted confidant, is the man in the Elysee Palace with overall responsibility for supervising France's secret services. Admiral Pierre Lacoste, the recently appointed chief of the DGSE [see *EW* No. 1] reports to Grossouvre if he wishes to relay something directly to the President. It was Lacoste's service that handled a secret multi-million dollar payment to the Bolivian government that was a *quid pro quo* for the extradition of Nazi war criminal Klaus Barbie. Intelligence sources in Paris say that Lacoste has established a set of priorities for future DGSE operations in which rebuilding good working relationships with the CIA, West Germany's BND and Britain's MI-5 and MI-6 figures close to the top.

It is reliably reported that French intelligence has learned in some detail from an Iranian defector that the Ayatollah's regime is planning to take revenge on France for its arms deals with Iraq, and that Iranians now entering and transiting France are being carefully monitored by the DGSE and the DST.

One of the many unsolved mysteries involving the French secret service is the death of Lieutenant Colonel Bernard Nut, whose body was found on a deserted mountain road near Puget-Theniers in the south of France. He had been shot in the back of the neck with his own

revolver. There were no traces of gunpowder on his hands. The gun, a .357 Magnum, was located 15 feet away from the corpse, under a thin blanket of snow. Could Nut have tossed his weapon that far away after twisting his arm around to shoot himself in the back of the neck?

DGSE contacts say that, so far as they are aware, Nut had no reason to commit suicide. Since he had worked closely with Italian investigators when they visited the south of France on the "Bulgarian trail," one line of speculation is that Nut may have been the victim of a terrorist network that he was attempting to monitor.

■ **Gray eminence at the Quai d'Orsay.** Harris Puisais, a 58-year-old left-wing technocrat, is the only man who has publicly contradicted his nominal boss, French Foreign Minister Claude Cheysson. He is also a very effective influence in support of expanding economic links between France and the Soviet bloc. Puisais has an interesting past. He has been a member of the National Committee of the "France-USSR Association" since 1958. Between 1960 and 1981, when the Socialist Party assigned him to the Quai d'Orsay (where he is also head of the party's unofficial oversight committee), Puisais was successively a consultant to French companies on East-West trade, the key official in the European Economic Community's East-West trade department in Brussels, then the director in charge of trade with the Soviet Bloc for Air Industrie, a subsidiary of the conglomerate Saint-Gobain-Point-a-Mousson while filling the same role at Saint-Gobain-Emballage, another subsidiary.

Puisais first surfaced from the obscurity of a mathematics teaching post in a *lycee* in Rochefort to become a "technical adviser" in the Ministry of Sports in 1950. The revolving door politics of France's Fourth Republic enabled him to switch jobs in several cabinets until he rose to the Prime Minister's office as *chef de cabinet* to the Secretary of State when Pierre Mendes-France was premier. Until the advent of De Gaulle's Fifth Republic in 1958, Puisais was *chef de cabinet* to the Minister of Fine Arts and later Minister of Education. He then began devoting his energies to boosting East-West trade.

A member of the national bureau of the left-of-center Radical Socialist Party from 1954-58, he later switched to the executive of the leftist *Parti Socialiste Unifie* (PSU) before landing a position on the executive of Mitterrand's Socialist Party. Puisais has lectured and written extensively on the Communist countries and the supposed need for Western nations to expand trade with the East and deepen the process of *detente*.

Thanks in part to Puisais' efforts, France has become Russia's third most important trading partner (in annual volume) after West Germany and Finland. French firms are involved in the Kama truck plant, the world's biggest producing up to 150,000 heavy trucks a year plus 100,000 truck and tank engines. Commented a Soviet propaganda organ that provides "legal covers" for KGB and GRU agents, "With the French economy in crisis and unemployment rampant, the role of Soviet orders providing work for tens of thousands can hardly be overestimated." France also imports large quantities of Soviet fuel and raw materials—and its deficit in trade with the Soviet Union now tops \$1.2 billion. □



FLASHPOINTS

► **Andropov's failing health.** Reports that Soviet leader Yuri Andropov has undergone intensive care for a kidney disease have reopened speculation about the next stage of the Soviet succession-struggle. The recent elevation of veteran Foreign Minister Andrei Gromyko to the rank of a First Deputy Prime Minister is probably part of a balancing act between rival survivors of the Brezhnev era. Gromyko lacks a significant personal power base in Moscow and is not a serious contender to take over from Andropov, although there is always an outside chance that if the former KGB chief died tomorrow, the Foreign Minister could emerge as a compromise candidate. One man with his eye on Andropov's job is Geydar Aliyev, the 59-year-old former career KGB man and Party boss in Azerbaijan who currently ranks as the *de facto* number two in Moscow. But he has to contend with powerful enemies, including top figures in the General Staff.

► **Colombian kidnappings.** EW sources in Colombian security predict an upsurge in kidnappings of foreign businessmen and wealthy nationals this summer in the wake of the abduction of Texaco executive Kenneth Bishop. The M-19 terrorist organization, with many members trained in Cuba and which has close links with Castro's DGI, has been conducting a drugs-for-arms barter trade and is looking for increased exposure—and more operational funds. M-19 leader Jaime Bateman recently concluded a deal with Libyan intelligence; the Libyans are now supplying weapons and cash and Colombian recruits have been flown to Tripoli for training.

► **Soviets squeeze Japan for credits.** The Soviets have laid it on the line to top officials of the Tokyo Bank, the Sumitomo Bank and the Mitsubishi Bank: If the Japanese want major plant orders from Russia, they will have to agree to huge medium-term fixed-interest loans. The message was initially delivered during the visit to Moscow by a large Japanese commercial delegation in February. Since then, a debate has been raging in Japanese banking circles over how to proceed. EW's Tokyo sources say that Mitsubishi is keen to extend new credits to Moscow because overseas markets for the major industrial companies in the group have been shrinking, and they are hungry for plant orders from abroad. Sumitomo is said to be in a similar position. Officials at both banks rate the Soviet Union as a more reliable debtor than some other countries. (The Iraqis have told Mitsubishi Heavy Industries and Chiyoda Chemical Engineering—both of which belong to the Mitsubishi group—that they want to defer payments on outstanding loans for two years.) Weighing against these feelings is a concern not to offend the U.S. government, reinforced by an appeal from both the Japanese Foreign and Finance Ministries to refrain from making new loans to the Soviets.

► **Soviet fears of satellite TV.** A recent Moscow Radio broadcast confirmed that the Soviets are deeply alarmed by the prospect that Western governments—or private corporations—might one day start beaming Russian-language TV broadcasts into the USSR via satellite. Science correspondent Boris Belitskiy explained that “misuse of the media” causes “friction” and that “privately owned mass media in countries such as the United States and Britain...could be used to cause economic damage to other countries if they are allowed to operate internationally in an uncontrolled fashion.” For these reasons, he claimed, they have proposed that “direct TV broadcasting to foreign countries should be subject to a special international convention.” The Soviets must be relieved that, among all the Reagan Administration's plans to expand and improve broadcasting to Communist countries, the possibility of Russian-language satellite TV has yet to be seriously discussed.

► **The Hong Kong deadline.** The treaty under which the New Territories—a vital part of the colony of Hong Kong—were leased to Britain will expire on July 1, 1997. Neither the lease, nor the treaties by which Hong Kong Island and the Kowloon Peninsula were ceded to Britain in perpetuity in the last century are recognized by the People's Republic of China. Nervousness about the eventual fate of the colony is growing, and is reflected by the recent pull-out by a number of British business firms, including the exclusive Asprey's. EW sources in Hong Kong maintain that the aggressiveness with which Beijing is likely to pursue its formal claim to the colony will be directly related to the state of its relations with Moscow. In the event of a rapprochement between the two Communist superpowers, they believe, the Chinese pressure on the British government could increase dramatically.

Such a Sino-Soviet detente appears far-off. But there are some interesting recent straws in the wind. For example, Russian students, research fellows and teachers are scheduled to arrive at Beijing, Nanjing and Shanghai universities this year after a 23-year absence.

► **Castro's European visit.** Cuba's President Fidel Castro is due to visit France, Spain, Austria and Sweden later this year in his first-ever trip to Western Europe. Behind the scenes, the coordinator for this tour was Regis Debray, the French guerrilla theorist-turned-presidential adviser.

► **Leftist magazine with top-secret NATO documents.** West German police unearthed copies of NATO documents classified Cosmic—the highest level of classification—in the Hamburg editorial offices of the magazine *Konkret*. They included ultra-sensitive nuclear plans. A major investigation has been initiated by the Federal Chancellery. The case illustrates a symbiosis between Soviet espionage and sections of the left-wing press that is by no means unique to West Germany. The former husband of the terrorist leader Ulrike Meinhof (who were both involved with *Konkret* in its early days) has admitted that the magazine was created with the aid of a secret budget from East Germany. K

