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To: Permanent Representatives (Council)

From: Secretary General

REPORTS OF REGIONAL EXPERT WORKING GROUPS

Permanent Representatives have suggested that Ministers would find it more convenient to have presented to them summaries of the bi-annual Reports of the Regional Expert Working Groups rather than the full Reports. Accordingly, summaries are attached of the Reports of the Expert Working Groups on the Situation in the Middle East and Maghreb (1), Africa South of the Sahara (2), Eastern and Southern Asia (3), Latin America and the Caribbean (4), and the Soviet Union and Eastern Europe (5). This compendium will figure as a reference document on the agenda for the forthcoming Ministerial meeting.

(Signed) Joseph M.A.H. LUNS

(1)	C-M(82)68
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REPORTS OF REGIONAL EXPERT WORKING GROUPS

I. <u>THE SITUATION IN THE MIDDLE EAST AND THE MAGHREB -</u> 12th February - 24th September 1982

1. The period since the last report of the Expert Group in February has been dominated by the Israeli invasion of Lebanon, its results and aftermath. The evacuation from Beirut and dispersal of the PLO, the assassination of Lebanon's President-elect, the massacres of Palestinian civilians near Beirut and the peace plans put forward by President Reagan and Arab Heads of State, have produced a new situation and forced changes in the approaches to the Arab-Israeli dispute of most of the countries involved. Recent events in Lebanon have proved the insusceptibility of the Palestinian problem to solution by force.

2. The two peace plans have re-focussed attention on the possibilities of a negotiated path to a settlement, something on which the Arabs, for the moment at least and in the face of a ruthless demonstration of Israel's military might and determination to use it, appear to have reached a consensus. How durable this will prove is, however, highly questionable given Israel's forthright rejection of both plans, the seeming irreconcilability of the major parties to the conflict, and the limited leverage in favour of moderation and compromise which outside powers seem able to bring to bear. Arab disagreements were far from wholly resolved at the Fez Summit and may well reappear should the diplomatic exploratory contacts which are now to follow not reveal any readiness to compromise on Israel's part. Yet hopes of progress rest on those contacts.

3. The dispersal of the PLO is likely to bring out the movement's latent divisions and inhibit rebuilding of its military potential for continuing the armed struggle against Israel. The presence of PLO contingents in a number of Arab countries, many of them already facing internal problems, could pose security difficulties for their hosts, particularly if there is no early solution to the Palestinian problem. But the PLO has not lost its political appeal in the Arab world.

4. Although the completion of the Israeli withdrawal from Sinai took place on time, further progress on Palestinian autonomy was blocked by the war in Lebanon. Egypt has refused to take part in new talks while Israeli forces remain in Lebanon, and the Israeli campaign to break the influence of the PLO in the West Bank and Gaza and replace it with a Palestinian leadership of its own choosing has not yet succeeded. Egypt's position and Mr. Begin's rejection of President Reagan's initiative effectively block further progress within the Egypt-Israel framework.

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5. Early progress towards the withdrawal of Israeli, Syrian and the remaining PLO forces from Lebanon will be difficult, particularly in the confused situation following the assassination of Bashir Gemayel. Clashes between Israeli and Syrian forces could develop into a major confrontation, however. Agreement on a mutual withdrawal, for which Israel is likely to set very firm conditions regarding her security, remains the most pressing problem in the short term.

6. The war in Lebanon has overshadowed the continuing conflict between Iraq and Iran. The focus has switched from the land battle to Iraqi actions against Iranian oil installations in the Gulf. Iran is reportedly preparing a major new offensive: whether this is successful or not, the security of the Gulf States will continue to be at risk while the conflict continues. Mediation attempts have so far foundered, given Iranian determination to punish Iraq.

7. The Yemen Arab Republic forces, despite poor training and lack of coordination, have been successful in reducing the operations of the opposition National Democratic Front. Relations with Saudi Arabia have improved; nevertheless, relations with the Soviet bloc remain close and the YAR's great dependence on the USSR for the supply of military equipment and training is likely to continue. Tentative openings towards the West have also been registered in the People's Democratic Republic of Yemen, triggered no doubt by economic difficulties and the inability or unwillingness of the USSR to provide the necessary economic assistance. It would be premature, however, to expect any dramatic switch in the DPRY's political orientations given the continuing internal opposition and the continuing strength of the Soviet influence.

8. The military situation in the Western Sahara is one of stalemate as Morocco seems to have consolidated control of the most significant parts of the territory. The failure of the OAU <u>Summit in Tripoli, inter alia, represents a political gain for Morocco</u>.

9. Qadhafi's failure to ensure the success of the Tripoli OAU Summit, to promote a multinational Arab force to confront Israel, or to attend the Fez Summit has resulted in an increase in Libya's isolation from the rest of the Arab world.

10. The Soviet Union's standing in the Arab world has suffered from the war in Lebanon, both because of the mauling which its sophisticated military equipment received and because of its failure to give effective backing to the PLO. The Soviets were seen to be powerless to influence the course of events. Soviet rapid endorsement of the principles agreed at the Fez Summit was an effort to redress the situation. The USSR seems condemned, however, to remain offstage from the diplomatic activity now under way and to confine itself for the time being to waiting for opportunities to reassert its influence.

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11. <u>THE SITUATION IN AFRICA SOUTH OF THE SAHARA -</u> 19th February - 30th September 1982

11. Since the last Group of Experts' meeting on 17th and 18th February 1982, crises in the Horn of Africa, Namibia and Chad have persisted.

12. There has been no alleviation of tension in Southern Africa and if anything friction has increased between South Africa and its neighbours. South Africa continues to provide covert support for UNITA in Angola and there seems recently to have been a marked increase in South African support for the NRM in Mozambique; the South Africans have also almost certainly been involved in some of the recent anti-government activity in Zimbabwe and Lesotho. Neighbouring states continue to develop encouraging alternative regional economic groupings, such as the Southern Africa Development Co-ordination Conference. In the longer term South African destabilizing activity will continue to lead to enhanced opportunities for Soviet and proxy interference.

13. However, the tension in the region would be greatly alleviated, at least in the short term, by a settlement in Namibia in accordance with Security Council Resolution 435. Considerable progress has been made towards this goal. It remains a political reality that a solution has to be found to the question of parallel withdrawal of Cuban forces from Angola. If agreement on this could be achieved, the benefits for Western interests and for increased stability and development in the region would be considerable.

In the Horn, Mengistu's "Red Star" campaign which was 14. intended to crush the Eritrean liberation fronts once and for all, has not been the military success he wanted. He appears ready to accept a long haul, rather than risk major losses in set-piece The Somali-Ethiopean dispute flared up again at the battles. A full-scale offensive by partisans of the end of June. Somali Democratic Salvation Front is currently underway with the support of Ethiopean artillery and Air Force units. It seems likely that the opening shots were fired by Ethiopia. Addis-Ababa may be seeking in this way to turn attention away from the conflict in Eritrea which is a source of embarrassment in view of the partial failure of operation "Red Star". Its main target, however, is apparently to bring down the present régime in Mogadiscio the stability of which seems more threatened than ever by the fact that President Syad Barre is having to cope simultaneously with situations which up to then could be dealt one at a time: a catastrophic economic situation, lack of confidence by the Head of State in his immediate entourage, crisis of confidence in the army and a united front by the State's opponents abroad under the aegis of Ethiopia and Libya. The Ethiopians appear to have taken inadequate account of the opportunity they have given Siad Barre to rally national support to face an external threat.

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In Chad, significant progress has yet to be made on the important question of national reconciliation, in the wake of Hissène Habré's military success and in the prevention of renewed warfare among and between the various factions.

fact that the OAU was able to put together a peace-keeping force in Chad was a successful accomplishment for the Organization.

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The unsuccessful attempt coup in Kenya was amateurish 16. and ill-prepared, and its significance should not be over-played. Its implications depend very much on government reactions. Moi, whose position has been weakened, may face growing discontent over declining economic conditions and narrowing opportunities for political participation in the foreseeable future. The army has become more conscious of its importance, but it remains to be seen whether it will seek to influence political development. The army The Seychelles government also resisted a mutiny within the ranks of the army during this period.

17. Another significant development during the period was the failure of the OAU to hold its 19th Summit on schedule. The OAU now faces a political and constitutional crisis. If agreement cannot be reached in time to hold a Summit meeting before the end of 1982, the Organization, for the first time in its history, will not have held the annual Summit required by the charter. Furthermore, until a summit is held a new Chairman cannot be elected and the present incumbent, President Moi, may be disinclined to continue in office indefinitely. Added to this the organization is in serious financial difficulties, and the Secretary General whose four-year term has expired is inactive. The risk of disintegration exists and it will require intense diplomatic activity if a solution to the political crisis is to be found.

Of great concern is the growing realization that most, 18. if not all, countries of sub-Saharan Africa continue to face serious economic problems which are aggravated by the weakness and fragility of their political institutions. For the most part, African economies are based on one or two primary products which are extremely vulnerable to changing world market conditions. Due to the world recession and deteriorating terms of trade, the African States' external debt has almost quadrupled during the latter half of the 1970s. Many of them proved unable to adopt and follow appropriate economic policies.

In view of the host of economic and political problems 19. faced by the countries of sub-Saharan Africa, they remain extremely vulnerable to intervention and pressures from outside powers. Of these, Libya remains active in situations throughout the continent to one degree or another. Qadhafi's actions, while taken independently, (for example, efforts to destabilize Western-oriented régimes), often seem to parallel or complement Moscow's interests.

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20. There has been little change in the Soviet's position. They have concentrated on consolidating existing links, but have avoided any major increase in economic commitment. In the Horn of Africa the Soviet Union continues to give political support to Ethiopia in its conflict with Barre's régime in Somalia. In Southern Africa, they have maintained an obstructive attitude towards Western attempts to promote a peaceful settlement of the Namibia problem.

III. THE SITUATION IN EASTERN AND SOUTHERN ASIA 25th February - 7th October 1982

21. The period since the last meeting of the Experts' Group has been dominated by the 12th Congress of the Chinese Communist Party, together with the holding of exploratory talks between Chinese and Soviet representatives, the continuing war in Afghanistan and developments surrounding Cambodia.

22. The importance of the Chinese Party Congress lies in the increased confidence it has given Deng Xiaoping and his supporters to press ahead with their ideas for modernising China. Although their success was not complete, they made important gains by confirming the authority of the General Secretary, a post held by Deng's protégé, Hu Yaobang, and of the Party secretariat which Hu heads. The outcome is broadly satisfactory to the military; fewer veteran leaders than expected were moved to the new and largely honorific Central Advisory Commission; and the Party as a whole is to undergo a "rectification" which will be designed to sanctify Deng's supremacy by rooting out the remaining pockets of opposition.

23. The Chinese Party now presents an image of greater unity, responsibility and pragmatism. Although nominally Deng does not hold one of the most powerful Party posts, he remains the main driving force of the leadership and no strong challenger to him and to his associates can be identified. While he is laying the foundations for the succession to himself, his major internal tasks now are to reinvigorate the Party and to ensure that his economic ideas are not jeopardised by those of the old school who have clung to their positions. It should be noted, however, that Deng is now aged 78 and his main protégé Hu Yaobang has not yet proved himself fully as General Secretary.

24. In foreign affairs, China has shown signs of being more confident and assertive and this trend is likely to continue. Despite a more critical attitude to United States policy, there are no signs of a genuine rapprochement with the Soviet Union, the barriers to which have recently been restated by Peking in connection with the visit by Deputy Foreign Minister Ilyichev :

- Soviet troop deployments in Afghanistan;
- Soviet troop deployments along China's borders; and
- Soviet support for Vietnam's occupation of Cambodia.

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Provided the recent setting aside of China's difference with the United States over arms supplies for Taiwan holds, Peking is likely to seek a serious and fruitful relationship with Washington. Nevertheless, as the Taiwan arms issue, assertions of sovereignty over Hong Kong and the affair of the Japanese textbooks show, China is likely to be forthright in defending what it perceives to be its interests and jealous of her standing as a power to be reckoned with. It will attempt to strengthen its influence among third-world States.

25. On the economic front, self-reliance has been stressed along with the need to take advantage of foreign investment and technology, especially from Western industrialised countries. Despite calls for a quadrupling of output by the end of the century, the slower pace of economic growth, decreed in 1979, seems likely to last throughout most of the current decade.

26. In Afghanistan the Soviet Union, despite more vigorous and indiscriminate military operations, is no nearer achieving its objectives of defeating the Mujahidin and securing international recognition of the regime in Kabul. The USSR remains clearly reluctant to put in the enormous numbers of troops which might achieve military victory and would be required for subsequent garrison duties. The Soviets are also hampered by the weakness of the Afghan army which continues to exhibit political differences within the officer corps, poor morale, desertions and ineffectual performance in the field. Politically, Babrak Karmal has been unable to stifle factional infighting within his party.

27. Against this, the resistance movements seem to be no nearer to overcoming the effects of wide geographical distribution and the political and religious conflicts which divide them. The prospects, therefore, are for a continuation of the present pattern of harassing operations by the Mujahidin, and large scale operations by Soviet and Afghan forces followed by the return of the resistance fighters to positions from which they have been temporarily dislodged by superior weight of men and equipment.

28. Indirect talks under UN auspices between Pakistani and Afghan representatives do not seem to have led to any significant change of positions, apart from some signs of flexibility of a more tactical nature. Although encouraged by the Soviets in the hope of promoting recognition of the Karmal regime and taking the heat out of international criticism, the talks seem headed for impasse given the refusal of Pakistan to deal directly with Karmal and the lack of inclination on the part of the Soviet Union to modify its unacceptable conditions for a peaceful settlement.

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29. In these circumstances it will be important to secure impressive backing for a further UN resolution calling for Soviet withdrawal. Any significant drop in support compared with 1981 would encourage Moscow in its expectations that world opinion will tire of the issue. Pakistan is of key importance and is already working to secure support for a resolution which reiterates demands for a Soviet withdrawal.

30. The formation of a three-group coalition government of Cambodian resistance movements opposed to Vietnamese occupation and the Heng Samrin regime has somewhat improved the image of the resistance; it represented a considerable success for ASEAN and a setback for the Vietnamese. The latter's proposal for a conference to discuss ways of bringing peace to South-East Asia in general, thus blurring the focus on Cambodia, was rejected by the ASEAN nations who despite their differences saw nothing new in Vietnam's position.

31. The Vietnamese Party Congress ushered in an extensive turnover below the top level leadership and took place amid criticism of past mistakes and disagreements over economic policy. No significant shift in foreign policy emerged. Vietnam will continue its present policy in Cambodia. Despite signs of strain in the Soviet-Vietnamese relationship, neither side can afford to allow serious discord to develop.

IV. THE SITUATION IN LATIN AMERICA AND IN THE CARIBBEAN -5th March - 14th October 1982

32. The Falklands conflict and the worsening of the foreign debt and economic situations of many countries of the area, together with improved conditions for a political solution to disputes in Central America, have been the more outstanding developments in Latin America in the last six months.

The Latin American countries have supported Argentina's 33. claims to sovereignty over the Falkland Islands. Argentina's use of force, however, received very little practical support. The opposition to Argentine use of force and the solidarity shown to the United Kingdom by the countries of the European community and Canada, followed by the United States after the failure of its efforts at mediation, strained Western relations with Latin America. Although the long-term negative effects cannot yet be clearly assessed and are moreover different from country to country, there is no doubt that anti-Western and third world oriented forces have been encouraged. But the initial back-But the initial back-lash has largely faded away. The longer-term opportunities for the Soviet Union to intrude in Argentina and for Cuba to escape its hemispheric isolation are the results most directly affecting Western interests.

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34. Encouraging indications of a general trend towards a restoration of more democratic patterns of government in the countries of South America continue to be in evidence. Uruguay is still on target for the gradual reintroduction of civilian rule with elections due to be held there in 1984. In Bolivia, a civilian government has been formed. In Argentina, the restoration of civilian rule has been promised by March 1984.

Although the Brazilian Government is still committed 35. to "abertura" they are determined to keep a tight reign on the opposition as evidenced by the electoral law which was widely seen as a heavy handed attempt to guarantee government success. In Argentina the military Junta, which had not functioned since the decision to appoint Bignone as President because of profound differences between the heads of the three armed services, was reconstituted on 1st October. There are currents within the armed forces which do not share President Bignone's policies and may seek to slow down his attempts to lead the country to civilian rule by early 1984, but this has developed a momentum of its own due to a reduction in the prestige of the military. Economic problems in Chile continue to be a major concern and President Pinochet's popularity has reached a new low, due to the regime's somewhat uncertain handling of the economy in recent In Paraguay the armed forces continue to provide support months. and stability for Stroessner and his right wing Colorado Party, although there are signs that the army is becoming concerned over the succession to the ageing President.

36. Peru's civilian Government of President Belaunde still enjoys widespread support and has so far managed to contain increased terrorism without the intervention of the armed forces. The military in Ecuador are dissatisfied with President Hurtado's <u>domestic policies</u> and there have been rumours of a possible coup; however, it is <u>unlikely that a suitable successor to Hurtado would</u> be found. The elections in Colombia saw a good turnout and a new Conservative President Betancur seems ready to tackle the country's problems including the patronage and corruption with a new vigour. In Venezueal short term debt problems have caused the government to take urgent steps to stem the outflow of reserves.

37. By introducing his policy of "sowing oil", President Lopez Portillo wanted to give Mexico a sound structure. However, towards the end of his six-year term of office, the policy of growth, based on the expectation of continually rising oil prices, proved unsustainable and led to an economic crisis. President de la Madrid's term of office will in any case be overshadowed by growing inflation, rapidly increasing unemployment, disappointment, embitterment and even unrest on the part of a population which has so far hardly had a share in the growth of the national economy, lack of confidence among the international banking community.

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38. Political developments are taking place against a backdrop of general economic isntability throughout the region which creates a less favourable climate for the liberalization of existing regimes. The debt situation, largely precipitated by the impact of global recession and high interest rates on development strategies heavily dependent on foreign borrowings, has weakened the overall performance of governments.

39. In the Caribbean, the trend towards political moderation continued with the election victory of Mr. John Compton in St. Lucia and of Mr. Jorge Blanco in the Dominican Republic. The last of the West Indies Associated States, St. Kitts-Nevis, has published proposals for independence. There are encouraging signs of greater co-operation among some of the island states. Meanwhile, with the establishment of a Soviet Embassy in St. George and various new trade agreements with Eastern Europe, Grenada's links with the Communist world continued to strengthen. This is a matter of concern for the other Eastern Caribbean States and for the West.

The conflicts in Central America continued. 40. The maintenance of a reformist and democratic-oriented process in El Salvador and the increasing attention paid to regional peace proposals were favourable developments. However, fears have grown that the isthmus as a whole is likely to become even more affected by insurgency in El Salvador and Guatemala. The restoration of the democratic process in Honduras has been maintained but it faces severe economic problems and is becoming increasingly involved in combatting guerrillas at the frontier of El Salvador, while the situation on the border with Nicaragua remains tense. Tension has risen between Nicaragua and Costa Rica which is also facing extremely serious debt problems. Belize has come through its first year of independence successfully but continuing Guatemalan territorial claims, and the accompanying military threat, cause concern.

V. THE SITUATION IN THE SOVIET UNION AND EASTERN EUROPE -20th March - 21st October 1982

41. The imposition of martial law in Poland has brought neither stability nor economic recovery. The Polish regime has enacted a law dissolving Solidarity and other trade unions and has shown its determination to use force when necessary to keep the security situation under control. It has shown no sign of readiness to permit the growth of a genuinely independent political movement: the new unions to be set up are clearly intended not to have this function. In spite of the relaxation of certain martial law provisions, many restrictions are still in force and seem likely to remain even if martial law were to be technically ended by December 1982, as Jaruzelski has conditionally promised. -11-

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42. Jaruzelski has pursued a policy comprising a mixture of blandishments and repression, but with the accent on the latter. Many of those detained in December and January have been released, but large numbers have been arrested and imprisoned following demonstrations and other violations of martial law regulations. New legislation which dissolved existing trade unions including Solidarity places all future legal trade union activity under tight government control, denies membership to workers in key sectors and heavily qualifies the right to strike. By requiring the Sejm to adopt this law, Jaruzelski has clearly indicated that a dialogue with Solidarity forms no part of his current plans for a future Polish society. In sum, the three criteria laid down by the Alliance in January for lifting the measures taken against the Polish government are far from being met.

43. The Polish Church has sought to preserve the gains it acquired since August 1980 while playing its traditional rôle of intermediary between the people and the regime. Archbishop Glemp, who has appealed against violence and repeatedly called for the release of political prisoners, hardened his attitude following displays of force by the Authorities and relations between the Church and the regime have worsened. However, Jaruzelski may still regard the Church as an essential element in his plans to win eventual acceptance for his policies from the population and has so far refrained from moving against the Church's privileges. It remains to be seen whether the agreement in principle to a visit by the Pope in 1983 will hold.

The attitude of the people remains hostile to the 44. Outbursts of protest will probably continue but, after regime. the initial manifestations of anger at the outlawing of Solidarity, the leaders of the underground organization may find it difficult to agree on and co-ordinate an appropriate course of action which would pose significant problems for Jaruzelski. Nevertheless, individual acts of sabotage or violent resistance to the government are a distinct possibility and spontaneous rioting could occur unexpectedly and test the regime's security forces. The authorities will find it very difficult to instil a more positive attitude to work and to combat absenteeism. This has been partly responsible for a continuing decline in the Polish Other factors involved have been the suspension of economy. Western credits and the reduction of imports to make funds The economy is not likely to available for debt servicing. improve in the near future.

45. The Soviet leaders would prefer the re-establishment of direct Party control. They appear, however, to have accepted that, given the continuing disarray of the Polish Party and the need for a strong regime, military rule must remain the vehicle for Party control for the time being. They have displayed qualified approval of Jaruzelski's actions over Solidarity and the maintenance of internal control.

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46. With the possible exception of Bulgaria, all the Eastern European members of the Warsaw Pact continue to experience economic difficulties. Their energy situation poses particular problems which the Soviet Union appears unwilling to alleviate. Government reshuffles in some countries have been directly attributable to economic problems. However, nowhere in Eastern Europe are conditions comparable to those which led to the events of August 1980 in Poland and the regimes have taken care to crack down when necessary on manifestations of popular It seems certain, however, that economic difficulties discontent. will continue to worsen throughout the area and this will pose increasing domestic political problems as well as conflict between the need for reforms and Moscow's insistence on political orthodoxy.

47. Among the contenders for the succession to Brezhnev, Chernenko and Andropov now seem to be the front runners. Whoever is finally chosen, all the signs still point to a reaffirmation, at least in the short-term, of collective leadership and to continuity of policies. Meanwhile the campaign of repression of all kinds of dissidence has become more ruthless. Organized dissent has been decimated and the authorities have intensified their drive to cut off all who actively oppose the regime from contact with the West. Emigration has been drastically cut.

The Soviet economy continues to falter. There has been 48. no sign of willingness to move away from the rigid over-centralized Growth rates continue to decelerate, targets in many key system. industrial sectors have been missed, and agricultural performances The 1982 grain harvest will be the fourth bad one remain poor. in succession, and grain imports will again be high. The Food Programme, launched 18 months after Brezhnev called for it, contains no radical reforms of the system and is unlikely to bring significant improvements. Nevertheless, the economy is vast and is still growing albeit slowly. It is less vulnerable to outside forces than most others. The Soviet leadership does not yet appear to be at the point where economic difficulties would force a profound reappraisal of investment priorities, particularly those affecting military expenditure.

The determining factor in Soviet foreign policy 49. continues to be uncertainty about its relationship with the The Soviet Union wishes to contractualize the United States. advantage which it enjoys over INF, and one of its main objectives is to undermine Alliance cohesion with the purpose of derailing the 1979 double decision. The Soviet "peace programme" has been accompanied by efforts to give the impression of willingness to negotiate seriously over arms control and has been accompanied by propaganda designed to weaken the Western negotiating position. Talks with China at These trends can be expected to continue. Deputy Foreign Minister level have been resumed but prospects for a substantial improvement in relations in the short term are not In the Third World the Soviet Union has been concerned to good. consolidate existing gains rather than embark on new ventures. It suffered an important diplomatic setback over the war in Lebanon; and has been unable to overcome the tarnishing of its image resulting from its occupation of Afghanistan.

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50. The 12th Congress of the Yugoslav League of Communists, held in June, reaffirmed the basic policies of self-management, national unity and non-alignment. There was, however, some lively debate among the delegates, many of whom represented post-war generations, and calls for greater party democratization were heard. The two main problems facing the authorities are those of Albanian nationalism in the Kosovo Province, and Yugoslavia's worsening economic situation, to cope with which a programme of austerity measures has been adopted.

51. Despite five ministerial changes in the Albanian government since Ardil Carcani took over the premiership in January, there has been no radical shift in domestic and foreign policies. While Xoxha holds office his policy seems certain to continue.