

International Bulletin

Vol5 No5



Published by INTERNEWS 40 cents

Mar 13, 1978

ERITREA, OGADEN

Roots of the Conflict in the Horn

Most U.S. observers are viewing the fighting in the Horn of Africa in a global context, as a balance-of-power struggle between the Soviet Union and the United States. This view has gained currency within the Carter administration in recent weeks, with national security adviser Zbigniew Brzezinski apparently taking the hardest line. Brzezinski has warned that continuing Soviet support for Ethiopia could jeopardize a new Strategic Arms Limitation (SALT) agreement.

Despite the overlay of big-power politics, the fighting in the Horn has its origins in long-simmering regional border disputes and fierce nationalisms. Whatever global dimensions the fighting assumes, a long-term peaceful settlement will hinge on resolution of two intractable disputes: the conflict between the Ethiopian government and the Eritrean independence movement, and the battle between Ethiopia and Somalia over who should control the Ogaden desert.

Eritrea: Eritrean rebels are facing a moment of truth in their 16-year-old war to win independence from Ethiopia. In December and early January, the guerrillas appeared to be on the verge of military victory. They controlled more than 90 percent of Eritrean territory and all but 300,000 of its 3 million population. And the guerrillas were closing in on the last remaining Ethiopian strongholds—the provincial capital, Asmara, the ports of Massawa and Assab, and Ethiopian garrisons in the towns of Barentu and Adi Caieh.

But the Eritrean offensive has faltered. After weeks of heavy fighting, the guerrillas withdrew from Massawa, with reported losses of hundreds killed and wounded. It was the heaviest defeat to date for the Eritreans. The offensive to take Barentu has also failed so far.

In both battles, massive Soviet and Cuban military aid to Ethiopia played a key—perhaps decisive—role. Late last month, an Eritrean People's Liberation Front (EPLF) spokesperson in Rome charged that Cuba has now gone one step further—sending Cuban soldiers into combat for the first time against Eritrean forces. The EPLF says 1,000 Cubans have joined the Ethiopian troops besieged at Asmara. The State Department announced Feb. 27 it had received reports that Cubans were in Eritrea acting as "advisers and pilots." The Ethiopian government has acknowledged Cuba's combat role only in the Ogaden.

Whether or not Cubans are directly involved in combat in Eritrea, Havana's decision to support Ethiopia marks a turning point for the Eritrean movement. As recently as the early 1970s, Cuba supported the Eritrean cause and trained Eritrean cadre. Originally, the Soviet Union even backed independence for Eritrea—opposing the move by Western powers in the early fifties to get the UN to federate Eritrea with Emperor Haile Selassie's Ethiopia. But now, instead of fighting an emperor supported by the United States and other Western nations, the

[continued on page 2]



photo/EPLF

Eritrean fighters of the EPLF at training base

BATTLE OVER WESTERN ECONOMIC STRATEGY

Now It's the "Convoy" Theory

The leading non-communist industrial nations are gearing up for another economic summit conference—this one tentatively scheduled for July in West Germany. In preparation for the summit—the fourth in as many years—efforts are under way to paper over sharp differences that have developed among the industrialized nations—especially between the U.S. and West Germany—over strategies for economic recovery and growth in the West. Officials believe that the Western powers must begin now to bury their differences if they are to avoid a major split at the summer summit, which would further damage business confidence in the West.

At a strategy session held in Paris at the end of February, senior economic officials from the 24 nations in the OECD (Organization of Economic Cooperation and Development) agreed to adopt a new approach to the West's economic ills. The new strategy—which has been dubbed the "convoy" theory—calls for a number of industrial nations to adopt moderate economic stimulus programs to boost growth in Europe beyond the 2.5 percent currently forecast by the OECD for 1978. Included in the convoy of nations would be the so-called big three—the U.S., West Germany and Japan—as well as nations with weaker economies like Britain, France and Italy.

The new strategy marks a shift away from what is known as the "locomotive" theory, which relied on West Germany and Japan to join the U.S. in pulling weaker economies of Europe

[continued on page 8]

Indonesia's Troubles in Timor

Indonesia's military rulers—pressed by continuing student protests, serious economic problems and conflicts within their own ranks—are re-evaluating their intervention in East Timor. The East Timor war has received scant international press coverage, and the Indonesian government now claims that there are only a few hundred guerrilla holdouts fighting against a successful annexation of the former Portuguese colony. But senior Indonesian military officers privately acknowledge that the war is continuing without an end in sight and that the costs to Indonesia in casualties and resources have been high.

Information about the conflict in East Timor has spread by word of mouth in Indonesia despite official press censorship of war news. Student demonstrators—who have been protesting since January against government corruption and the expected unopposed election of President Suharto to a third five-year term March 12—have also expressed opposition to the East Timor intervention.

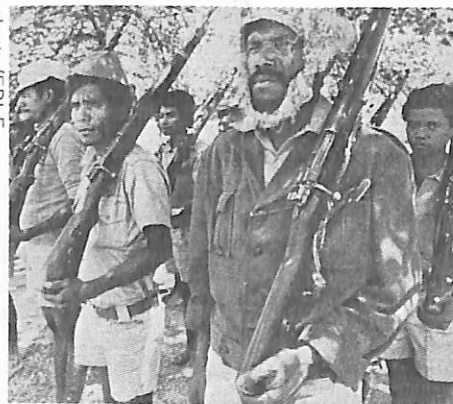
Indonesia invaded East Timor on December 7, 1975 after failing in its efforts to sponsor a takeover of the territory by a small indigenous movement favoring merger with Indonesia. Following a brief civil war, the East Timor independence movement, Fretilin, had declared East Timor independent of Portugal November 28. Fretilin's Democratic Republic of East Timor was recognized by only a handful of governments, including the newly independent former Portuguese colonies in Africa, and Vietnam and China. The United Nations did not recognize the Republic but did affirm East Timor's right to self-determination and called on Indonesia to withdraw its armed forces from the island.

The Ford administration quietly approved the Indonesian takeover. Just 12 hours before the invasion, President Ford and Secretary of State Kissinger left Jakarta after consultations with President Suharto on Timor and other matters. U.S.-supplied military equipment was used in the operation. Washington recognized Indonesia's formal annexation of East Timor as its twenty-seventh province in July 1976. The Carter administration says that Indonesian use of U.S. weapons in East Timor does not violate congressional prohibitions on use of U.S.-supplied military equipment for aggression against another country, since the conflict is now an internal matter. The administration is asking Congress for \$42.5 million in military aid to Jakarta, while the Pentagon last month said it

plans to sell Indonesia 16 F-5 jet fighters for \$125 million.

The East Timor issue continues to be raised in the United Nations, although the Indonesian government has survived the period of greatest international opposition to its takeover. Portugal acquiesced to the annexation in 1976, and this January the conservative government in Australia recognized the takeover despite opposition from the Labor Party.

Although international attention on Indonesia's role in East Timor has declined, the war appears to be a growing issue inside Indonesia itself. Indonesian losses have been high—reportedly in the thousands—although there are no agreed-upon figures. The Indonesian army reportedly has been largely ineffective due to poor discipline, bad leadership in the field, and a lack of motivation.



Fretilin guerrillas: a stalemate?

Fretilin sources say that the Indonesian military might have been able to destroy Fretilin's armed forces if it had used even greater force in the initial attacks. But Fretilin survived the first difficult months and has since strengthened its organization and fighting ability. One Fretilin representative said that the East Timorese population—totaling at most one million people—has learned to cope with the Indonesian presence. The civilian population, he said, is now suffering far fewer casualties than it did in the first six months of the war when whole villages, the representative said, were wiped out—instead of evacuated. That early period of the war led to the high estimates of civilian deaths—ranging from 10,000 to 100,000. But the civilian population's experience in protecting itself, Fretilin's representative said, has led to a dramatic drop in casualties.

Fretilin says it has 15,000 regular army troops and another 30,000 guerrillas in its militia, facing Indonesian forces, variously estimated at 20,000 to 35,000 strong. Fretilin also says it con-

tinues to capture large quantities of weapons and ammunition from the Indonesians, and still has ample stocks of NATO-supplied war materiel that was sent to Timor in the late 1960s and early 1970s to bolster the colony's defenses.

Indonesia has tried to "Timorize" the war by training several hundred East Timorese to begin taking over the fighting from Indonesian troops. But Fretilin claims that many of the Timorese troops have defected or mutinied and that the program apparently has been abandoned.

The war appears to be a stalemate. Fretilin cannot force Indonesia out of East Timor militarily, while Indonesia apparently cannot defeat Fretilin—at least not in the near future and not without an even greater commitment of troops and resources. And such a commitment would have to be made by Indonesia without any firm assurance of success.

Top Indonesian generals are known to be concerned about the costs of continuing the war and are discouraged about the prospects of winning. Reports suggest that some of the generals may be willing to pursue a negotiated settlement of the war. And talks with knowledgeable diplomats suggest that Fretilin is also interested in negotiations. These sources say that Fretilin is apparently willing to make concessions to Indonesia to secure withdrawal of Indonesian forces from East Timor and self-determination. Fretilin leaders are said to recognize that East Timor is located in an isolated part of the world between two powerful non-communist nations—Indonesia and Australia—and that the East Timorese must ultimately live and work with their neighbors. Fretilin is thought to be willing to consider licensed exploitation by Indonesia of its natural resources, including offshore oil reserves. Fretilin may also be willing to agree to close economic ties with Indonesia, and to abstain from supporting separatist movements in the vast Indonesian archipelago.

But if negotiations do not get started, the war could spread to West Timor and threaten Indonesian control there as well. There already have been armed clashes in West Timor between Indonesian forces and a West Timor independence movement, and in one battle seven Fretilin soldiers were captured. Fretilin clearly could choose to step up its support for the West Timorese to complicate Indonesia's military problems—although such a Fretilin strategy could also lead to a harder line on negotiations in Jakarta.

—BANNING GARRETT

Convoy

[continued from page 1]

out of lingering recession. To do this, they were expected to pursue faster growth policies at home, stimulating demand for the products of weaker economies and helping them to recover. Although the Carter administration has been the most outspoken in pressing West Germany and Japan to adopt the locomotive approach, Britain, Italy and the OECD economists have also backed this strategy.

But Germany and Japan rejected the locomotive role, arguing that speeding up growth would interfere with their efforts to control inflation. Under stiff U.S. pressure, Japan finally agreed to set a growth target of 7 percent for this year, compared to a 5 percent rate achieved in 1977. But most economists regard Tokyo's new target as unrealistically high. West Germany has bluntly resisted U.S. pressure to expand its economy more quickly, and has set a 3.5 percent growth target for this year. Officials and the press in West Germany are openly hostile to what they regard as U.S. browbeating on the issue. The conflict has contributed to what the Carter administration only now seems to be recognizing is a sharp deterioration in U.S.-West German relations.

The dispute over economic growth strategy reflects the seemingly intractable problems facing the capitalist industrial nations. The gap in growth rates between the U.S. and Europe is widening—U.S. growth last year reached 4.9 percent compared to 2.4 percent for West Germany. This gap is producing dislocations in trade and in currency markets and is straining relations among the Western allies. OECD economists argue that either the U.S. must slow down, or Europe must accelerate its growth.

Carter and Schmidt are each trying to convince the other to take on the burden of adopting politically unpopular measures to resolve the problem. In the Carter administration's view, Bonn's failure to boost growth in Europe is partly to blame for the huge U.S. trade deficit. Last year the U.S. sold \$26.7 billion less in exports than it bought in imports. As



We got ourselves a convoy . . .

long as growth in Europe lags far behind that in the U.S., European demand for U.S. goods will be relatively weak, and the U.S. will be stuck with its trade deficit. U.S. officials argue that as a great economic power—and one which had an \$18 billion trade surplus last year—West Germany should take more responsibility for European recovery. In short, says the U.S., Bonn should adopt more government spending and tax relief programs so that Germans will buy more abroad. From Schmidt's point of view, this means risking an inflationary spiral which would be political suicide in West Germany.

On the other hand, Bonn insists that Washington's real problem is not that West Germany is growing too slowly, but that the U.S. is growing too fast and is importing too much foreign oil—the biggest single factor in the U.S. trade deficit. Washington's faster growth policies, says Schmidt, are inflationary and short-sighted. What Carter should do, the West Germans say, is bite the bullet and plan for slower American growth and greater energy conservation.

The U.S. made a last-ditch attempt in February to convince Bonn of Washington's point of view. Treasury Secretary Michael Blumenthal reportedly raised the issue without success at a semi-secret meeting of the so-called "Group of Five" in Paris February 12. The Group of Five—which includes the U.S., West Germany, Japan, Britain and France—holds periodic high-level, secret meetings to discuss pressing economic issues. The next day Blumenthal went to Bonn for a meeting with Chancellor Schmidt, who once again told the U.S. that West Germany has no plans to accelerate its projected growth rate.

The apparent failure of Blumenthal's mission sent the dollar plunging again in international currency markets, since it seemed to indicate that no breakthrough had been found to reduce the massive U.S. trade deficit.

Having failed to sway Schmidt, the Carter administration seems to have ac-

cepted the new convoy strategy in the hope that it will add at least some steam to European growth. But it is too early to tell whether the U.S. has completely given up its hopes of forcing West Germany to play the locomotive role. There are reports, for example, that Blumenthal carried a letter from Carter to Schmidt last month hinting that U.S. participation in the July summit might hinge on clear progress by Bonn toward its 3.5 percent growth target.

In addition, even if U.S. officials end their verbal pressure on Bonn, the continuing slide of the dollar still has the effect of pressing Schmidt to consider further stimulus measures. The decline of the dollar against the German mark makes German goods relatively more expensive and less competitive in foreign markets. A reduction in exports—which account for 30 percent of West Germany's gross national product—means slower German economic growth. To make up for the loss in exports, Schmidt may be forced to adopt additional government spending and other pump-priming programs—exactly what Washington wants. Many German economists in fact suspect that the U.S. is deliberately allowing the dollar to fall for exactly this reason.

—JAN AUSTIN

International Bulletin
P.O. Box 4400
Berkeley, CA 94704

11367K*HE1400 W 602503N
ARNOLD KOHEN
144-75 MELBOURNE AVE
FLUSHING NY 11367

IF YOU DON'T ALREADY SUBSCRIBE . . .

☐ I enclose \$12 for a 12-month subscription to the International Bulletin.

Name

Address

City State Zip

TIME VALUE