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NORTH KOREA-CHINA

China and North Korea signed a trade agreement this month that covers trade in "major commodities" from 1977 to 1981.

No details are available yet on the pact, which updates a similar agreement for the period 1971 to 1976. North Korea imports coking coal and petroleum products from China and exports iron ore, anthracite coal, and machinery to China.

North Korea's continuing foreign debt problem has increased its dependence on China and the USSR. Both the Chinese and the Soviets appear anxious to avoid any increased tensions on the Korean peninsula and use trade and economic and military assistance to maintain their influence in Pyongyang. In recent years, China has been more responsive to North Korean needs than have the Soviets.

Moscow signed its most recent five-year trade agreement with North Korea about a year ago. It called for a 40-percent increase over the previous period, but official Soviet trade statistics indicate that as of last September North Korean exports were well below expected levels. Pyongyang may have been diverting some of the exports to hard-currency importers to alleviate its debt problem.

In January, a high-level North Korean delegation went to Moscow to resolve outstanding economic problems, and a new trade protocol for 1977 was signed shortly after the visit. The protocol may have projected lower trade levels based on a more realistic appraisal of the North Koreans' capability to meet export commitments [redacted]

Middle East
Africa

PALESTINIANS 46-48

The Palestine National Council—the policy-making parliamentary body of the Palestine Liberation Organization—concluded a 10-day meeting in Cairo



President Sadat (r) and Yasir Arafat at the meeting of the Palestine National Council last week

on March 20; the council last met in 1974. The recent session produced no dramatic changes in Palestinian policy, but PLO chief Yasir Arafat apparently strengthened his political position.

Some 290 representatives of various Palestinian groups attended as delegates, an increase of about 90 over the council's membership in 1974. The enlargement in part reflects an effort by Syria, Egypt, and other moderate Arab states to get the council to follow a line that would help facilitate the negotiations with Israel desired by the moderate Arabs. Arafat apparently resisted attempts to dilute his influence in the council by an even larger expansion.

Arafat remained largely in control throughout the session and was easily re-elected as head of the PLO Executive Committee. The committee reportedly was given a relatively free hand to pursue a flexible strategy toward future peace negotiations.

The delegates did not modify the hard-line Palestine National Covenant—which, among other things, calls for dismantling the state of Israel—and they again rejected conciliation with or recognition of Israel. A political declaration issued by the council

does not, however, directly call for the destruction of the Jewish state nor refer to the secular democratic state concept that is anathema to the Israelis. Instead, the document mentions an "independent national state" on Palestinian soil—phrasing sufficiently vague to be open to several interpretations.

Such wording appears designed to avoid even more serious splits between Palestinian moderates and hard liners and to allow Palestinian leaders maximum flexibility during the negotiating period ahead. The declaration probably was not as conciliatory as Egypt, and perhaps Syria, would have liked. In a meeting with Arafat after the council meeting, Egyptian President Sadat criticized the council for "showmanship" and "sloganeering."

This suggests that the influence of these two states over Arafat is not as great as they believed and that Arafat still must make concessions to the more militant Palestinians in order to preserve a semblance of unity in the movement. The declaration, for example, makes no specific reference to the establishment of links between the PLO and Jordan, an idea that Sadat has strongly advocated in recent weeks. [redacted]

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