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FAR EAST

Laos: *Who's Going to Khang Khay?*

The dialogue between Vientiane and the Communists may break down—at least temporarily—because of a dispute over representation at the talks to be held at Khang Khay. On 1 September, hours before Prime Minister Souvanna Phouma's departure for an extended trip abroad, Pathet Lao leader Souphanouvong made a last-minute play to get his half brother to agree to the Communist scenario for the second stage of the negotiations. Souphanouvong named a new representative to go to Khang Khay and called on Souvanna to appoint his own plenipotentiary.

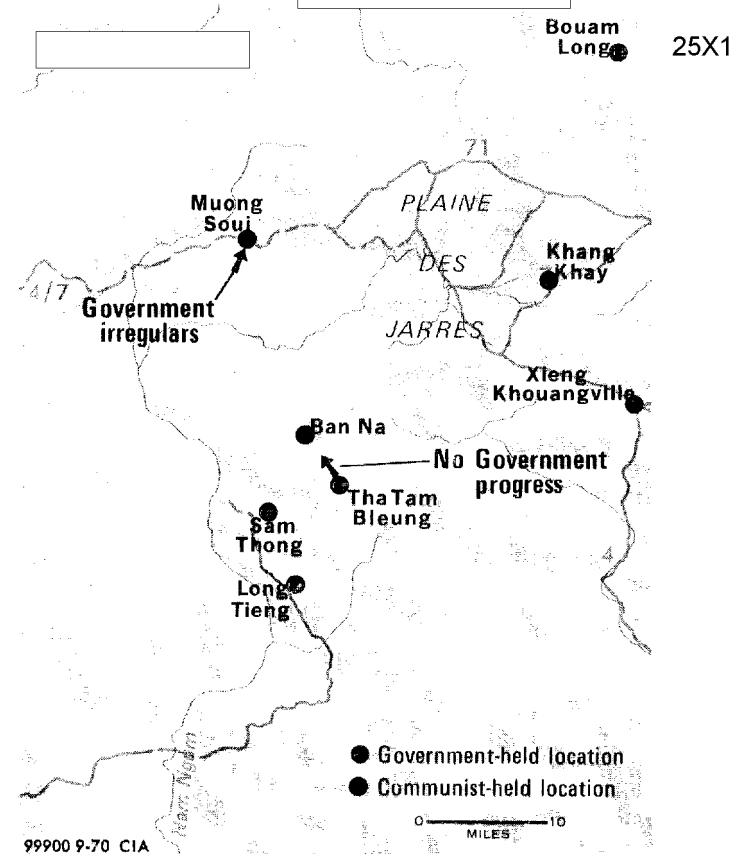
The prime minister had already named an 18-man delegation to represent the "government side" if the talks materialized in his absence. But the Pathet Lao apparently are strongly opposed to meeting with a large group that includes rightists, and they are insistent that Souvanna appoint an individual to represent himself, rather than the government.

Souvanna countered the latest Communist initiative on 2 September with an offer to meet with Souphanouvong himself later this month in Paris. It seems most unlikely that the Pathet Lao chief will accept this invitation, and there is no sign that Souvanna will agree to send a personal representative to Khang Khay. By accepting the Communist plan for talks between plenipotentiaries of the two princes, Souvanna would be acceding to the Pathet Lao contention that he can only speak for himself and for his neutralist party, not for the government of Laos. Moreover, the prime minister recognizes that the rightists and other important political elements in Vientiane expect to have their interests represented in any negotiations that may develop.

It is entirely possible, however, that the present impasse between the two sides on how to proceed at Khang Khay will not be permanent. Both the government and presumably the Communists are interested in reaching some sort of accommodation by which the level of fighting might be decreased for the time being. With Souvanna traveling abroad until late October, there may be a consider-

able delay before the momentum is re-established, but it seems likely that a way to continue will be found.

On the military front, government troops have still made no progress in their extended effort to take Ban Na. But 15 miles to the north, on the western approaches to the Plaine des Jarres, an irregular force of 300 men reached the vicinity of Muong Soui on 1 September without significant opposition. Muong Soui is an important storage and transshipment point on Route 7 that has been in Communist hands since February 1970. Enemy units in the area have already reacted sharply to the government's foray, and the irregular force may have to be evacuated.



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Cambodia: *Phnom Penh Under Pressure*

In the past few weeks the Communists have continued to edge closer to Phnom Penh and have made several attacks on government positions guarding the approaches to the capital. In the closest action to the city since the fighting began, the enemy made an unsuccessful attack late last week on a small government force at the village of Moat Krasas, a scant five miles east of Phnom Penh. Communist troops also occupied the town of Srang, 25 miles southwest of the capital. Current Cambodian Army estimates claim there are approximately 5,600 enemy troops within a 20-mile radius of the city. These forces are opposed by 20,000 government soldiers.

The recent attacks, which have revived speculation that the Communists may be planning an early assault on Phnom Penh, seem to be primarily intended to shrink the city's defensive perimeter, increase its sense of isolation, and demoralize the Lon Nol government and the general population. Enemy harassing actions even closer to the capital are likely, including rocket and mortar attacks, possibly accompanied by hit-and-run terrorist raids.

Organizing the Countryside

The Communist campaign to isolate Phnom Penh and to keep Cambodian forces tied down defending population centers while the enemy filters freely through the countryside probably is designed to facilitate efforts to re-establish border base areas, to revamp and extend lines of communication, and to organize and train ethnic Cambodians in areas under enemy control.

There is increasing evidence that the Communists are making substantial progress in recruiting in rural areas. There are signs also that the

government is at last becoming realistic in its appraisal of this problem. Previously, government leaders had only grudgingly admitted that Sihanouk retained some support among the populace, arguing that his identification with the Vietnamese (and Chinese) Communists had largely dissipated his once considerable popularity. Now, however, [redacted]

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[redacted] a large percentage of the Communist force in Cambodia is made up of ethnic Cambodians.

Nevertheless, the government has yet to make any serious and sustained efforts to counter these Communist organizational activities, and there have been many complaints from provincial officials about this failure. The newly formed Ministry of Community Development has outlined an ambitious long-range program to carry the regime's message to the people, but it probably will be some time before even its initial goals are achieved.

Maneuvering for Position at Lusaka

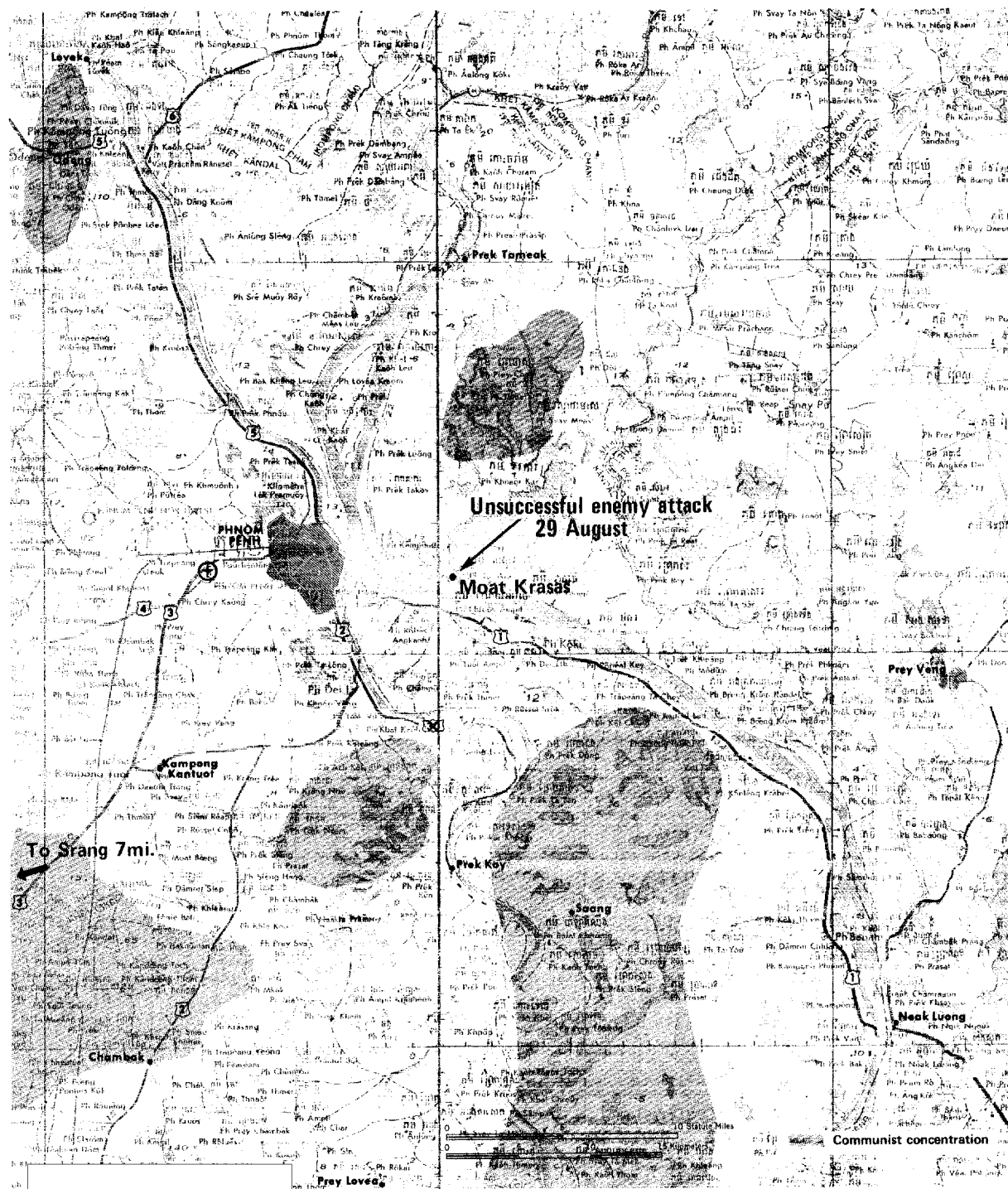
Phnom Penh recently has intensified its effort to have its delegation seated at the Lusaka conference of nonaligned states opening next week. Various delegations have been sent to several African, Middle Eastern, and Caribbean countries to lobby for the Lon Nol government's case. If the government fails to obtain official acceptance at Lusaka, it hopes to ensure that a majority of the countries represented will also refuse to recognize Sihanouk, whose backers have also been busily trying to line up support. Thus far, neither claimant seems to have secured the necessary backing to win a seat, and a large number of prospective participants have indicated they favor seating neither delegation. [redacted]

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Phnom Penh Area



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Vietnam: *A New Round of Communist Activity*

Communist forces began a new flurry of attacks in widely separated areas of South Vietnam on 30 August. The enemy had been planning this upsurge for some time to coincide with several important Communist anniversaries that occur during the period of 28 August - 4 September, including the first anniversary of Ho Chi Minh's death.

On the first day of the Communist attacks, the number of enemy mortar and rocket attacks rose to over 60, the highest number recorded in four months. Over 200 allied troops and civilians were reportedly killed or wounded in these attacks.

These actions did not have much impact, however, on the conduct of the government's Senate elections, which were held on 30 August. Only about half a dozen polling places came under fire, and the Communists apparently made no concerted effort to disrupt the elections.

In contrast with previous flurries this year, when the number of attacks usually dropped on the second day, Communist shellings rose to over 70 on 31 August. From 30 August to 2 September there were 100 mortar and rocket attacks reported in Military Region (MR) 4, 52 in MR 2, 43 in MR 1, and only 22 in MR 3.

The Communists concentrated most of their attacks on outposts of the government's territorial security forces, which defend the villages and transportation arteries in the countryside. In conjunction with the shellings, however, Communist terrorists and local forces increased their harassment of civilians. Although some enemy artillery and sapper units have participated in the current round of attacks, major Communist ground forces have not been committed.

Thieu's Political Troubles to Continue

The South Vietnamese Senate that has emerged from last Sunday's elections probably will be no more tractable than its predecessor. The three favored ten-man slates have won the 30 seats at stake in the 60-member Senate, according to unofficial returns. The An Quang Buddhist-backed ticket headed by Vu Van Mau held a slight lead over incumbent Senator Cao's progovernment list, with the slate headed by an independent, Upper House Chairman Huyen, in third place.

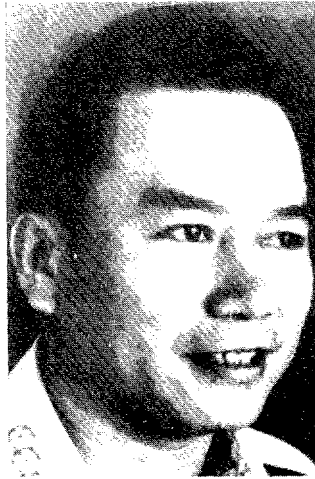
The victory of the Mau list will ensure the continuation of strong opposition in the Senate, although members of the list are among the more moderate elements in the An Quang faction. The ticket appears to have run even better than anticipated. Its strong showing should serve to ward off allegations of government rigging, such as followed the 1967 voting. The outcome may thus strengthen moderates within the An Quang leadership and encourage the Buddhists to be politically more active within the system rather than to promote antigovernment agitation in the streets.

Prospects for the government's legislative program in the new Senate may depend on how the Huyen slate lines up. The ticket appears generally sympathetic toward the government, but it contains independent-minded men who probably will not vote consistently with either progovernment or opposition blocs.

Neither the government nor most other groups involved in the elections, except for the Buddhists, appear to have made much of an effort to get out a large vote. Because of this and probably in part because the election was the third nationwide one this year, voter interest appeared

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Huynh Van Cao
Government stalwart

relatively low. Only about 65 per cent of the country's registered voters went to the polls—a figure somewhat lower than the turnout for similar elections in the past.

In another development that threatens problems for Thieu, the Supreme Court may set aside the conviction of Lower House Deputy Tran Ngoc Chau late this month. A Supreme Court



Vu Van Mau
Buddhist political opposition goes respectable

justice has told US Embassy officials that the court will consider the imprisoned deputy's appeal on 25 September. Because of the precedent set by an earlier decision of the court, the justice said that he expects a prompt decision voiding Chau's conviction.

The controversial methods used by the government in securing the arrest and conviction of Chau last winter on charges of pro-Communist activities aroused a storm of criticism. President



Nguyen Van Huyen
Hews to independent line

Thieu staked his personal prestige on the Chau case, and he would be extremely reluctant to free the deputy.

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North Vietnam's Birthday Comes and Goes

Hanoi's 25th anniversary celebrations produced no surprises. The North Vietnamese leaders promised to go the full course to final victory, the Chinese congratulated them on their capacity for revolution, and the Soviets wished them well in

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the "building of socialism" and in promoting a "correct" solution to the war.

In the major speech of the day, Premier Pham Van Dong put special emphasis on the Viet Cong as alleged advocates of "peace" in South

Vietnam, suggesting that the Communists see some grounds for capitalizing on this issue in the coming months. Recent antigovernment demonstrations in South Vietnam, he claimed, were a "natural outcome" of the aspirations of the "townspeople and the great policies of the Liberation Front in search of peace." [redacted]

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USSR-INDONESIA: Moscow has agreed to the settlement of Indonesia's \$800-million debt on 30-year terms similar to those accepted by Western creditors. The rescheduling reduces Indonesian debt payments to manageable proportions and will permit Djakarta to move ahead with planning for long-term economic development.

Although neither country seems eager to renew significant Soviet military and economic aid, a Soviet mission will visit Indonesia to explore completion of economic projects discontinued several years ago and to discuss possible new economic aid. [redacted]

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Malaysia: *Government Edges Back Toward Parliamentary Rule*

Prime Minister Rahman's announced retirement strongly suggests that the leadership sees that a return to open political activity is now manageable. Declaring that he will step down on 21 September, the Tunku announced last Monday that Parliament will reconvene in February 1971. Parliament has been suspended since rioting occurred between the Malay and Chinese communities following elections in West Malaysia in May 1969.

In dealing with the non-Malay community, the government's position is sharply circumscribed by the unwillingness of the Malay extremists to accept any lessening in Malay domination of the government. In fact, further constitutional legislation designed to increase the Malay position is slated for introduction when Parliament reconvenes.

The Tunku, however, also affirmed that the National Operations Council (NOC), the Malay-dominated organization that has been running the country since May 1969, will continue to function "to deal with the dangers of Communist activity." This undoubtedly is the leadership's way of cautioning opposition political elements that it intends to retain close control over national affairs. In any case, Kuala Lumpur now has a six-month grace period in which to test reactions to greater political freedom.

In the short run, the new Malaysian government should prove fairly stable and will maintain its predecessor's style of muddling through and suppressing those who try to rock the boat. Rahman predictably named his deputy prime minister, Tun Razak, as his successor. Razak, long accustomed to being number two, will probably tend to rely on the wisdom and expertise of the Tunku, who will not be averse to exercising his influence from behind the scenes.

The new leadership, however, will be faced with some long-term problems. The top echelon

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has no depth. [redacted]

25X1 [redacted] Tan Sri Ghazali, the opportunistic permanent secretary of the Ministry of Foreign Affairs, is expected to play a major role in the new government, and he may take on the post of minister of foreign affairs. Beyond these few, however, candidates for the front-rank are not now obvious.

The new Malay leadership may also prove less than prepared for communal violence. In the process of gathering the reins of power more securely into its own hands, Kuala Lumpur has bypassed and eased out senior Chinese leaders in the key police Special Branch. Lowering Chinese morale in this heretofore efficient and heavily Chinese-staffed branch will inevitably reduce the government's access to information within the Chinese community, the group most susceptible of Communist exploitation. [redacted]

AUSTRALIA: Reforms in the opposition Labor Party, about to be implemented, should enhance its electoral chances in 1972 and in the senatorial race this year. The party's Federal Executive is preparing to dismiss the Communist and leftist-dominated leadership in the state of Victoria and reconstitute the state executive there. Action may even include stripping several key Victorians of party membership. Steps toward these moves began in early August and have gained wide support among the party's rank and file, trade union

leaders, and parliamentarians who are fed up with Victoria's autocratic, extreme leftist party leadership. The Labor Party's inability to win a national election in the last 21 years derives in great part from voter reaction to Communist influence in the party's branch in Victoria, where over 25 percent of the nation's population is concentrated. Genuine reform in that state should both reduce present divisiveness in the Labor Party and broaden its electoral base. [redacted] 25X1

Communist China: *People's Congress Complications*

25X1 Peking is moving forward with its plans to convene the Fourth National People's Congress (NPC), the civil government counterpart to a party congress, but at an uneven pace. Even though the congress is largely a rubber-stamp body, extensive preparations for it have been made at the local levels, and these have reportedly proved more complicated and time-consuming than expected. [redacted]

[redacted] Regime officials have refused to confirm a date.

Regime propaganda has so far shed little light on a possible agenda in contrast with

practice prior to past sessions of the NPC. [redacted] central directives covering preparations were issued as early as last June. At that time, Peking reportedly called for a nationwide group study program to discuss revising the state constitution that was promulgated in 1954. More recently, extensive name lists, made up primarily of people who attended the Third NPC in 1964-65, have been publicized in major cities. As of late August, however, a final selection of delegates in these areas was still to be made.

In line with previous screening practices, the name lists probably were sent out by Peking to

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various local authorities well before June. The elapse of time since, however, suggests that final delegate selection may have become yet another bone of contention in various areas between rival factions eager to ensure adequate representation for their adherents at the congress.

These procedural problems could be rapidly overcome once a format is found that is both acceptable to Peking and workable at the local levels. Furthermore, the revised constitution is a

drastically simplified version of the one promulgated in 1954. Such an abbreviated form suggests that, as was the case of the ninth party congress last year, Peking may go ahead with a pro-forma NPC that would announce a new president and constitution and probably a restructuring of ministries. Some of the more troublesome details of various political and personnel changes engendered by the Cultural Revolution, however, may be left for a later date.

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COMMUNIST CHINA: Last month's announcement that Chou En-lai had accepted in principle an invitation to visit Southern Yemen has evoked a high level of interest in a considerable number of Asian, African, and European capitals and has given rise to widespread rumors that he will include several other countries in his itinerary. It is in fact highly unlikely that Chou will confine his trip—his first to a non-Communist nation since the onset of the Cultural Revolution—to Aden. A stopover in Pakistan seems a virtual certainty, and visits to Nepal, Tanzania, Zambia, Albania, and Romania also seem good bets. Other possibilities include Congo (Brazzaville) and Sudan, and the

French have been unofficially claiming that a visit to Paris is also in the works. Peking is eager to restore and improve relations with a wide variety of states in an effort to circumscribe the influence of the "superpowers," but if Chou is actually contemplating visits to all these countries he will probably have to schedule several trips. No date for the visit to Southern Yemen has been set, but it is unlikely that the trip will take place in the next month, as Chou is almost certainly preoccupied with preparations for China's upcoming National People's Congress.

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Communist China: *Substantial Increase in Foreign Aid*

Seeking to improve relations and to augment its more active foreign policy, Communist China is increasing its economic and military aid to a number of countries in Africa and the Middle East. During the past three months, Communist China has extended \$400 million in economic aid to Tanzania and Zambia, and Sudan and Southern Yemen have each received about \$40 million from Peking. This amounts to nearly half of all Communist Chinese economic aid previously extended to less developed countries during the

past 15 years. The recent surge in aid commitments and Chou En-lai's foreign tour reportedly planned for this fall underscore Peking's emergence from its self-imposed foreign isolation during the Cultural Revolution.

Southern Yemen, the most recent Chinese aid recipient, has earmarked a 20-year, interest-free credit of \$43.2 million for the construction of roads and light industrial plants. Aden, which has not yet used most of a Chinese credit of \$12

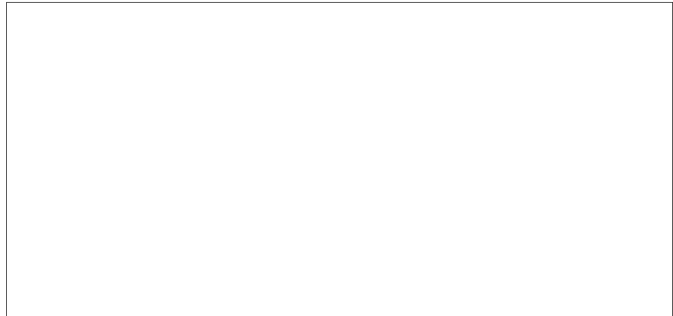
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million extended in 1968, has expressed surprise at Peking's largesse.

The largest Chinese aid project is the 1,060-mile Tan-Zam railroad on which construction will commence in October. Peking has extended a 30-year, \$400-million credit for rail construction, locomotives, and rolling stock. Repayment will be either in commodities or in any convertible currency. Peking also will furnish Tanzania and Zambia with commodity credits permitting them to purchase Chinese goods, which they will then sell to cover local costs. Although the agreement provides for a maximum of 2,000 Chinese to work on the project in Tanzania at any one time, shortages of local manpower may require the use of additional Chinese labor.

Peking extended its first economic assistance to Sudan in late June. The \$42-million loan, repayable over 16 years, will be used to construct a fertilizer plant and several light industrial factories.



Peking's military assistance in Africa is concentrated in Tanzania, where both Western and Soviet military programs have been closed out. The Chinese are constructing a naval base at Dar es Salaam and will assist in the construction of a new air base beginning early next year. On completion of pilot and ground support training, jet fighters will be delivered. More than 200 Chinese military advisers are assigned to the Tanzanian Army. Peking also has promised to provide Congo (Brazzaville) with four patrol boats and training on the craft.

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EUROPE

ARMS CONTROL: The 25-nation Geneva disarmament conference concluded its 1970 meeting this week amid expressions of strong support for the latest revision of the US-USSR draft treaty limiting military utilization of the seabeds. Several nonaligned states represented at the arms control talks particularly applauded changes set-

ting forth in greater detail the options available to verify compliance with the treaty. Prospects now appear very good that the upcoming UN General Assembly will endorse the treaty, which would then be opened for signature early next year.

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USSR: *Brezhnev Speaks in Central Asia on Foreign Policy*

In his tour of Central Asian republics this week, party chief Brezhnev combined meetings with provincial leaders with a report to the nation on the foreign policy matters that have occupied Soviet leaders this summer. The top leaders, in fact, had just forgone their customary August vacations in their haste to sign the treaty with West Germany and to arrange formal Warsaw Pact endorsement of the move. Speaking in Alma-Ata on 28 August at the celebration of Kazakhstan's 50th anniversary, Brezhnev delivered a careful and probably Politburo-approved explanation of the treaty and of the cease-fire in the Middle East. From Kazakhstan, he moved on to the neighboring republics of Turkmenia and Tadzhikistan, where he apparently gave much the same address in each capital.

Brezhnev praised the West German Government—"we unequivocally value" its "realistic approach"—and the treaty—a "serious contribution" toward easing tension in Europe. He expressed Moscow's desire for speedy ratification, with the counsel that only this would allow all of the opportunities created by the treaty to be realized. At the same time, he went into some detail in justifying Soviet accession to the treaty. He stressed that it recognized the inviolability of existing borders in Europe and resulted from Soviet efforts since World War II and from close consultation with the countries of the Warsaw Pact.

Moscow's willingness to negotiate with West Germany sprang from decisions taken by the Soviet leaders in the aftermath of Brandt's election to the chancellorship in September 1969. They clearly decided that it was then possible to acquire Bonn's endorsement of the status quo in Europe, and that such an agreement would offer more security than the walls of hostility they had maintained for the past quarter century.

In this Central Asian tour, Brezhnev was clearly intent on associating himself personally with the fruition of Soviet diplomatic efforts that the treaty represents. In his June election speech Brezhnev had given pointed stress to the usefulness of Moscow's direct talks with Bonn. In his recent speeches he continues to move away from the more rigid tone of most of his past pronouncements toward a more flexible stance on questions of foreign policy. Premier Kosygin, of course, has on occasion shown a proclivity for quiet diplomacy, and politburo member Mikhail Suslov, in particular, has argued for a rapprochement with European social democrats.

The treaty, however, tends to go against attitudes deeply ingrained in the Soviet masses and officialdom, and weakens the prop that the "German threat" has served for many Soviet institutions and controls. On the other hand, the senior leaders can claim a very tangible accomplishment that can serve them in building a record and program to present to the party congress next March.

Brezhnev's conciliatory comments on China reflect Moscow's current tactic of restraint vis-a-vis Peking. He acknowledged that the border talks in Peking are "going slowly," but pledged a "constructive and patient approach" on Moscow's part, and called on the Chinese to respond in kind. Brezhnev, however, took pains to refute "imperialist fabrications" that the Soviet - West German treaty frees Moscow's hands for increasing pressure on China, thereby drawing attention to this consideration.

On the Middle East, Brezhnev emphasized Moscow's "positive" view of recent diplomatic developments, including the cease-fire, and criticized those who have resisted this "small step toward peace." He demanded total Israeli withdrawal from all occupied territory but again voiced Soviet support for the national rights of all states in the area.

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Yugoslavia: *The Party Strengthens Its Hold on the Military*

The promotion of Vice Admiral Branko Mamula to commander in chief of the Yugoslav Navy—replacing retiring Admiral Mate Jercovic—further strengthens the party's hold on key slots within the military hierarchy. Mamula, a dedicated Communist and political officer, has built his career on diligent party activity. He is the tenth military leader influential in the party to have received such a prominent post.

Since the occupation of Czechoslovakia in August 1968, the party and government have been very much concerned about reducing the isolation of the armed forces from the rest of the population. Until then, Yugoslav leaders had encouraged the military to remain aloof from politics and social programs, thereby inadvertently fostering the estrangement of some elements in the armed forces from society as a whole. The regime now wants to ensure an identity of views and purpose with the military, especially on policy objectives and the country's new system of decentralized defense.

Specifically, the reformers who now hold sway in the party are concerned that once Tito is gone, the conservative, more orthodox Commu-

nists might unite with like-minded elements in the military to reverse the progress already made toward decentralization and reform in Yugoslavia. To guard against this, the party structure in the military has been decentralized and reorganized to resemble Republic party organizations. In addition, political discussions and debates within the armed forces' party organs have been encouraged. If this program is to be successful, however, the party needs younger, more politically sophisticated officers in key positions—men who are articulate, knowledgeable, and well grounded in Yugoslavia's complex political life.

In January, progress was made toward this goal by the appointment of Colonel General Milos Sumonja, the former chief of staff, to the post of deputy minister of defense, and of Colonel General Viktor Bubanj to replace him as chief of staff. Both men have been active in party affairs and both are closely identified with and support the regime's new defense strategy. Among other appointees whose careers include a strong party orientation are Inspector General Ante Banina and Colonel General Vlado Scekic, who was named commander of the Frontier Guards in January 1969. [REDACTED]

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ICELAND: The governing coalition's late-August decision not to dissolve itself, as one of its members wished, marked the beginning of a period of intense political activity, during which Iceland's political parties will be jockeying for favored positions from which to contest the general elections in May 1971. Prime Minister Hafstein, who assumed leadership of the Independence (conservative) Party upon the death of Prime Minister Benediktson in July, has been able to consolidate

his control over the party, the leading member of the coalition. The party has just held the first of its primaries to prepare for the election, however, and there are clearly other party leaders waiting for a chance to challenge, should Hafstein stumble. In any case, preoccupation with this maneuvering is likely to produce a period of indecisiveness in Iceland's domestic and foreign policies. [REDACTED]

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MIDDLE EAST AFRICA

Another Crisis Flares in Jordan

Both the Jordanian Government and fedayeen moderates seem to be trying to avert an all-out clash, although shooting—presumably prompted by radical elements on both sides—continues.

Jordan's latest crisis grew out of a series of clashes of varying intensity before, during, and after the meetings of the Palestine National Council on 27 and 28 August. Some of the fedayeen were quick to charge that the incidents were deliberately caused by unspecified "elements" within the Jordanian Government who were trying to provoke an army crackdown on the commandos. Both sides made genuine efforts to defuse the situation, however; fedayeen leaders and government officials met on 28 August and agreed to try to avoid friction. Nevertheless, tension persisted and armed fedayeen continued to patrol the streets.

The crisis peaked when members of a radical fedayeen group—the Popular Democratic Front for the Liberation of Palestine, [redacted] fired a rocket at King Husayn's motorcade on 1 September. The assassination attempt was followed by heavy and continuous shooting, including rocket and mortar fire, in most parts of Amman. Radio Baghdad and fedayeen spokesmen in Beirut charged that army troops were systematically bombarding refugee camps in Amman, but these reports may have been exaggerated and they have been denied by the Jordanian Government. By the evening of 1 September the worst of the shooting was over, although isolated clashes, sniper fire, and instances of banditry and disorder continued.

The major complicating factor in the government's handling of the situation has been uncer-

tainty over the intentions of the Iraqis. [redacted]

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Iraqis seem to have backed down; there has been no sign of movement on the part of regular Iraqi troops in Jordan. Despite their rhetoric, the Iraqis are unlikely to commit their troops to the fight, unless it becomes obvious that the fedayeen have the upper hand.

Both sides seem to prefer talking to shooting, at least at the present stage. Amman radio reported that the Jordanian cabinet has adopted "effective" measures to restore order and strengthen the "ties of fraternity" between the army and the fedayeen—an indication that the government is probably not contemplating a military crackdown. For their part, the commandos have called for an emergency meeting of the Arab League to discuss the Jordanian situation; according to Egyptian press reports, the 14-member body will convene on 5 September.

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The fedayeen—who have been seriously demoralized by the widespread popular backing for the US peace initiative—probably do not feel strong enough to risk a showdown with the government at the present stage. Radicals in the movement, however, may believe that they have little to lose in attempting to push matters to a head and are unlikely to submit to discipline unless they regard themselves as dangerously

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isolated. The King, for his part, is probably less willing to compromise than on previous occasions, particularly because he can be sure of at least moral support from President Nasir. As al-

ways in Jordan, extremists on either side could easily engineer a situation that could rapidly get out of hand. 25X1

Middle East: *Cease-fire Violations*

Israel's Position

The Israeli cabinet failed to reconcile its differences over Israel's position toward the peace talks and its reaction to the Egyptian cease-fire violations in meetings on 30 August and 1 September. The next meeting is scheduled for 6 September. Yosef Tekoah, Israel's representative to the peace talks who has been in Israel to participate in the cabinet sessions, will probably delay his return to New York at least until after Sunday's meeting.

Some members of the cabinet were reported by the Israeli press to be opposed to making an issue of the violations at this time and to be in favor of continuing the talks. By the middle of the week, however, the views of Defense Minister Moshe Dayan, who had earlier been described as insisting on the correction of the Egyptian violations before talks could continue and as pressing for authority to take direct military action if necessary, were reported to be gaining strength.

Most observers believe, however, that Prime Minister Golda Meir will avoid a cabinet crisis even at the price of agreeing to Dayan's views.

At any rate, the increased cabinet concern over the violations has been responsible, at least in part, for the hardening of Israel's position toward the talks. Press reports from Tel Aviv have indicated that Israel will insist that Egypt remove from the cease-fire zone the missiles the Israelis say were moved into the zone since the cease-fire went into effect on 7 August. As yet, however, no

responsible Israeli official has tied Tekoah's return to a roll-back of the Egyptian missile installations.

Egyptian Stance

Media attention in Egypt this week has focused on Israeli charges that Cairo continues to abrogate the cease-fire, and on the slow pace of settlement efforts under the US peace initiative. An article in Egypt's semiofficial newspaper *al-Ahram* on 31 August charged that the Israeli uproar over the movement of Egyptian missiles closer to the Suez Canal was meant to conceal the electronics arms deals Israel has been making with the US. Another tack taken by the Egyptian media, adopted as well by some officials, was that the Israeli charges of violations by Egypt were meant to divert attention from the peace-making effort and perhaps to provide an excuse for not seriously cooperating with UN mediator Gunnar Jarring. Egypt also recently began to counter the Israeli claims by accusing Israel itself of cease-fire violations. 25X1

In New York, Egypt's chief UN delegate, Muhammad Hasan Zayyat, again met with Jarring on 31 August and afterward charged that Israel was trying to avoid "the danger of facing peace." Israel's "expansionist policy," Zayyat continued, could not be served by peace, which would place a limitation on that policy. The Egyptians are probably eager to see the peace contacts begin in earnest, fearing among other things that critics of Cairo's acceptance of the cease-fire will find fresh ammunition in Israel's hesitancy to participate. 25X1

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Expanding Iranian Navy to Assume Greater Role in Persian Gulf

Iran recently took possession of a British-built destroyer, the largest combatant in the Iranian Navy. Although the ship was built in 1946, it underwent a two-year refit and modernization by a British firm after being purchased by Iran in 1967.

Expansion of Iran's naval forces was begun in 1966 when the Shah decided to increase purchases of equipment from both the UK and the US. The Shah views the partial and possibly complete British withdrawal from the Persian Gulf as a development that will afford Iran an opportunity to assume a pre-eminent role in Gulf security, and he considers an expanded navy essential to this new role. The Shah has been paving the way for Iran's increased presence by easing relations with the Arab states of the Gulf through such steps as giving up claims to Bahrain.

The Iranian Navy presently has five corvettes, one frigate, 23 patrol boats, and 19 non-combatant ships. In addition, the navy has recently acquired eight new British-built amphibious hovercraft, each capable of carrying 30 combat-equipped troops at a top speed of 60 knots.

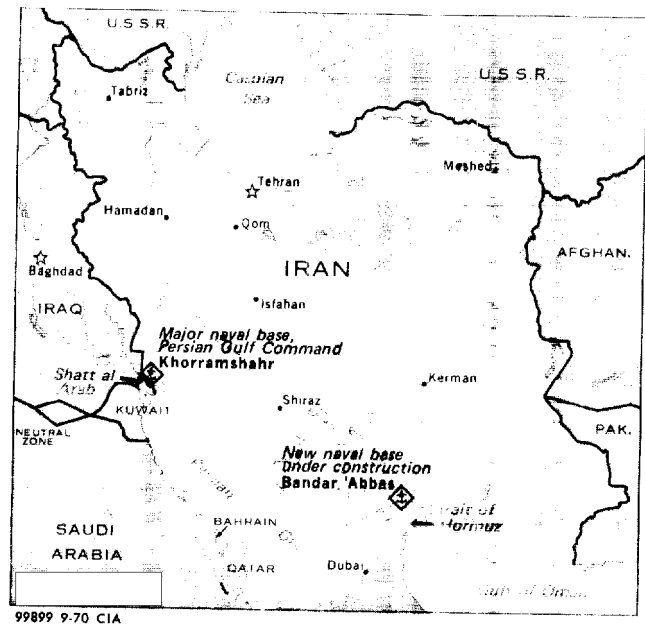
In early 1971, Iran will begin receiving from the UK four new 1,200-ton frigates armed with Sea Cat missiles. Three of the frigates already have been launched. The Sea Cat is a short-range, surface-to-air missile system primarily for use against subsonic, low-flying aircraft. It also, however, has some capability against incoming supersonic targets.

Iran's naval headquarters are located in Tehran. The main naval base, capable of handling

most repair and maintenance, and the headquarters of the Persian Gulf Command are located at Khorramshahr, about 40 miles up the Shatt al Arab River. Because the river forms a common boundary between Iran and Iraq and relations between the two states have been tense for some time, new headquarters are under construction at Bandar 'Abbas on the Strait of Hormuz. The port is completed, but many facilities and naval installations are not yet finished.

The Iranian Navy presently is capable of conducting fairly effective coastal patrol operations in the Persian Gulf and the Gulf of Oman. Continued improvement in its training and the procurement of modern weapons should, by 1972, give the navy a capability for effective defense against small surface combatants.

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ARAB STATES: The mood among the moderate Arabs might be typified by the current atmosphere in Lebanon. The optimism there that immediately followed the announcement of a cease-fire agreement now is giving way to pessimism. Israeli allegations of Egyptian cease-fire violations are seen as a pretext to avoid serious negotiations for peace. Tel Aviv's acquisition of advanced military hardware and sophisticated electronic equip-

ment is viewed as more serious than Egypt's violations because these will improve Israel's offensive military capability. There is also concern that the US, whose initiative in arranging the cease-fire is regarded as its most "evenhanded" action since the June 1967 war, may bow to Israeli pressure and supply Tel Aviv with even greater amounts of offensive military equipment. [REDACTED]

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PALESTINIANS: The emergency session of the Palestine National Council held in Amman on 27-28 August produced few surprises. As expected, the council formally rejected the US peace proposals. Its most concrete action was to ask Egypt and Syria to allow the 3,000-man brigades of the Palestine Liberation Army that are presently under their command to transfer to Jordan. Because this action would only add to the fedayeen's ability to interfere in the current peace developments, however, it is unlikely that the council's request will be granted.

Stating that the Palestinian movement is beset by plots to liquidate it, the council called for the immediate unity of all fedayeen organizations. It further demanded that the powers of the Palestine Liberation Organization central committee be strengthened to channel effectively the activities of the fedayeen. The obvious absence of George Habbash, the leader of the Popular Front for the Liberation of Palestine, however, underscored the fact that individual fedayeen organizations, which have ignored earlier calls for unity, will continue to resist any effective limitations on their freedom of action. [REDACTED]

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Libyan Coup Anniversary

The first anniversary of the Libyan coup on 1 September passed without Premier Qaddafi's taking any action against the foreign oil companies in Libya, although such action had long been expected.

made by Qaddafi, which, although murky in spots, underlined Libya's great desire to be a leading force in bringing about Arab unity, especially the establishment of unified military forces capable of successfully confronting Israel.

The volatility of Libyans generally and the political immaturity of the members of the ruling Revolutionary Command Council can lead to swift and sometimes violent actions against foreigners. The atmosphere in Libya has become tense over the status of the Arab-Israeli situation, and the negotiations with the oil companies are still deadlocked, with the government continuing to add pressure through enforcing the reduction of oil production. The combined tensions in Libya were obvious in the anniversary speech

Qaddafi displayed Libya's recent acquisitions of modern arms from the USSR and France, as well as earlier weapons acquired from Britain and the US, as evidence of the military progress the new republic had made in a year. He postponed, however, a detailed discussion on domestic topics, which will presumably include statements on petroleum affairs, until he speaks again in Benghazi on 4 September. At that time the other shoe may drop. [REDACTED]

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WESTERN HEMISPHERE

Bolivia Counters Insurgents

Bolivian security forces have had their hands full the past two weeks coping with guerrillas in the countryside and a rising tide of student agitation and urban terrorism in the cities.

Guerrillas of the extreme left Army of National Liberation (ELN) have generally managed to elude army units pursuing them through the mountainous jungles north of La Paz, but the guerrillas' numbers are slowly being reduced. Some have surrendered, a few have been captured, and at least 16 have been killed in the five skirmishes that have occurred since 31 July. The army says it has lost only one man; the ELN appears to have lost 20 to 25 men out of an original total of approximately 70.

Meanwhile, agitation by leftist students who sympathize with the ELN cause has increased, particularly after the military announced two weeks ago that four students who left school last July to join the guerrillas had been killed. Two were well-known university leaders. Urban terrorism also reached a high point on 27 August when nine bombings occurred in La Paz. The targets included the homes of US and Soviet diplomatic officials, as well as private US businesses and official Bolivian installations.

Although the police and military have restrained themselves so far, they are increasingly tempted to ignore university autonomy and eliminate what they see as the principal safe haven for guerrillas and terrorists. They believe that some ELN guerrillas have escaped from the current area of operations and are hiding at San Andres University in La Paz. There is also strong evidence that the recent series of bombings is the work of student radicals.

In spite of, or perhaps partly because of, the increasing preoccupation of the police and military with student agitation and rural and urban violence, relations between President Ovando and the principal military leaders continue strained. Many of them still do not trust Ovando, and although the military have taken a hard line toward insurgents whether they are students or not, Ovando has preached the need for negotiations with the "student idealists." Thus, the political breach between the President and armed forces leaders continues to widen. Some military leaders expect that Ovando's final day of reckoning will come before 26 September, the first anniversary of his seizure of power.

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ECUADOR: The Ecuadorean armed forces are preparing themselves to play a greater role in the government.

[Redacted]

Already, the military have pre-empted a number of civilian functions. The navy has taken over control of the port of Guayaquil, and last week the country's two major airports were placed under military administration. The air force has recently taken over the functions of the customs police and of the civil aviation administration.

This new aggressiveness by the military results in part from their decision in August to offer greater cooperation with civilian authorities. Although military leaders have publicly pledged their support of the government, many of them are increasingly concerned about the President's ability to govern Ecuador in the face of his continued administrative ineptitude. Ecuadoreans are quite accustomed to political and economic disarray, but there is a limit to the amount of confusion they can tolerate before they demand political changes.

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Cuba: No Ready Solutions for Regime Ills

Fidel Castro seems to be groping for solutions to his economic and administrative problems. Despite the long list of setbacks and production failures he enumerated in his speech on 26 July, Castro has so far failed to reveal any comprehensive plan of attack that would overcome his difficulties and satisfy the expectant and disgruntled elements of the population. The only measures he has adopted—the replacement of a few top-level administrators and the creation of a new cabinet post—fall short of the extensive changes required to revitalize the economy and refurbish his somewhat tarnished image. His admission that there is no spectacular overnight panacea, however, is realistic and contrasts with his vindictive reactions, such as the “revolutionary offensive” and the “microfaction purge,” to setbacks in previous years.

In a rambling speech on 23 August, Castro made further reference to his vague schemes for greater public participation in the decision-making process that he discussed on 26 July. He tabled no specific proposals, however, and left his listeners in the dark as to how this was to be carried out. He spoke whimsically of developing “truly democratic principles that will replace habits which were merely administrative during the first years of the revolution,” but admitted that “we still do not have all the formulas.”

In acknowledging the necessity of overcoming deficiencies in the country’s mass organizations, he placed special emphasis on developing fully the Cuban Workers Central Organization

(CTC). This suggests that the fifth national council of the CTC, which is scheduled for early September, will bring about an overhaul of the entire labor union apparatus. Increasing labor productivity, reducing overtime work, and forming workers’ councils to assist in the administration of work centers will probably be the major topics of discussion during the meeting.

Castro also earmarked the association of owners of small farms (ANAP) for revamping. In statements over the past year, he has made it clear that small farms, of which there are about 200,000, are uneconomical and therefore should be absorbed by the state. This process now seems to be under way, and Castro apparently believes that ANAP is the best political mechanism to control any possible adverse reaction from those who have lost their lands. The poor performance of the small-farm owners in the 1970 sugar harvest was probably also a factor in his decision to restructure ANAP.

In discussing international topics in his speech on 23 August, Castro went over much the same ground he covered on 26 July and 22 April. He repeated his scurrilous description of the Organization of American States, renewed his threat to take offensive action against those countries that would permit the launching of attacks against Cuba from their territories, and reiterated his disposition to establish, “if possible,” even closer military ties with the Soviet Union.

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PANAMA: General Torrijos, already concerned about the plotting of Panamanian exiles in the US, may soon have to deal with growing unrest within the National Guard.

many junior officers and enlisted men are grumbling about low pay and slow promotions. Guard factionalism and discontent coming at this time may work to the advantage of anti-Torrijos forces, which include former Guard chief of staff Colonel Sanjur.

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USSR-Peru: *Economic Cooperation on the Increase*

The USSR is pressing forward with trade and technical assistance but remains wary of responding to Peruvian requests for large development projects.

Moscow has announced final agreement on a \$30-million line of credit to Peru for the purchase of Soviet agricultural machinery and other heavy equipment. The credit, first discussed in December 1969, is to be repaid over 10 years at an annual interest rate of 3 percent for government use and 3.5 percent for private borrowers.

Trade between the two countries has been minimal. Soviet figures registered a total exchange of only \$1.4 million last year. The USSR, however, announced the purchase of a large consignment of Peruvian cotton last month, but the amount is not yet known. Trade could increase sharply if the Soviets commence direct purchases of Peruvian fishmeal rather than making its purchases through European brokers.

Purchases of Soviet equipment are more likely to be made by the Peruvian Government than by the private sector, particularly in those ministries where the Soviets are providing advice. Some 30 Peruvians already are studying agrarian

cooperatives in the USSR, and Soviet technicians will advise the Ministry of Agriculture on the establishment in Peru of similar cooperatives.

The Soviet Union reportedly also will assist Lima in the development of its fishing industry.

Moscow will build a fishing port in Peru and may provide fishing boats equipped for on-board processing. The Peruvians are seeking Soviet assistance for building shipyards, primarily for the construction of fishing vessels. Lima, however, has so far failed to elicit any Soviet commitments for major economic assistance for the construction of the Olmos irrigation and hydroelectric project in northern Peru or for the development of mineral resources.

Although Moscow formally canceled its trouble-ridden airlift of relief supplies to Peru last week, it has sought landing rights for one additional flight and has indicated that other individual flights might also be made. There may be some need for the urgent delivery of low-bulk medical supplies to maintain their medical aid effort. Soviet officials announced earlier that aid not delivered by the 21 flights completed out of the planned 65 would be shipped by sea.

URUGUAY: The Tupamaros remain silent on the fate of the two hostages they have held for over four weeks. Since the kidnappings, intensive search operations in Montevideo by thousands of police and soldiers have resulted in the capture of about 40 Tupamaros, including some of the principal leaders. Nine of those, including Raul Sendic and Raul Bidegain, went on trial this week.

The Pacheco government has allowed the 20-day suspension of civil rights to expire, but has moved decisively against recent student agitation.

On 28 August, all secondary schools were closed until the new school year begins next March. Although political activity within the educational system by leftist students and teachers has seriously damaged the quality of education in Uruguay, there has been little public support for reform. Closure of secondary schools has been unpopular, and President Pacheco may have given his opponents an issue on which to attack him. He is firm in his position, however, and some moves to bring much-needed educational reforms may be initiated soon.

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Colombia: *President Pastrana's Conciliatory Start*

President Misael Pastrana has successfully weathered the first critical month of his administration, and he probably will have clear sailing for the foreseeable future. His cabinet and gubernatorial appointments generally reflect his independence from political forces that might attempt to wield an unduly strong influence over him. Most of the cabinet appointees, although relatively young and unknown, have the technical or political qualifications needed for the job, and for the most part have been well received by Colombian politicians. There are strong indications, however, that some of the new ministers were named in order to settle old political debts and that there will be changes in a few months.

Although Pastrana's followers did not win a clear majority in Congress, his position in the legislature has improved substantially. The President apparently has secured the cooperation of defeated presidential candidate Evaristo Sourdis by appointing two of his men to cabinet posts. Moreover, there are deep divisions in former president Rojas' National Popular Alliance. Even so, Pastrana's legislative programs will still face opposition in Congress.

Pastrana's unenviable position of being the last president under the National Front system of

government, nevertheless, is likely to cause him increasing difficulties as time goes on. Already there is evidence that leaders of the various political parties have begun to maneuver in preparation for the municipal and departmental elections in 1972 and the presidential contest in 1974. Most of these politicians, possibly including former president Carlos Lleras, a Liberal, are expected to go into open opposition to Pastrana, perhaps within the next six months.

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Although partisan political interests are strong in Colombia, Pastrana's evident desire to provide for the disaffected masses and his call to all political parties to join him in a "Social Front" are cause for optimism. He seems to sense from Rojas' near victory last spring that popular discontent and the traditional political leadership could cause a major shake-up in Colombia's course if adjustments are not made soon.

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EL SALVADOR - HONDURAS: The two countries took a step forward last week by agreeing to restore postal and telecommunication services disrupted since the five-day war of July 1969. The more difficult issues, including the boundary dispute and the re-establishment of diplomatic relations, are expected to be tackled during the next round of bilateral talks scheduled to begin in October.

The economics ministers of the five Central American countries, meanwhile, have been

meeting in Guatemala in an attempt to resolve some of the Common Market problems that were severely aggravated by the Salvador-Honduras dispute. Guatemala, Nicaragua, and Costa Rica have been attempting to deal with Honduras' demands that means be found to liquidate its chronic intraregional trade deficit and to assist its industrial development. There is some concern among these countries, however, that Honduras will refuse to compromise and may withdraw from the integration movement.

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THE CARIBBEAN: Prime Minister Shearer of Jamaica has become the first head of state to reverse his decision to attend the nonaligned countries' conference in Lusaka. His decision not to attend because he felt the conference would be of no importance also led to the cancellation of a planned African tour and a scheduled meeting with British Prime Minister Heath. Shearer's absence from the conference has upset the Kingston diplomatic community, particularly the British. A delegation headed by the attorney general and minister of legal affairs will attend, however. In-

ternal political considerations were probably the main reason Shearer decided not to attend the meeting. He is a senior official in one of Jamaica's two major labor unions that are engaged in a vigorous election campaign and a struggle over worker representation. Shearer also does not want to be upstaged by Guyana's Prime Minister Burnham, who is leading a large delegation. Burnham may be tempted to use the meeting as a forum for his new nationalistic and independent posture, with which Shearer does not necessarily agree.

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DIRECTORATE OF
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WEEKLY SUMMARY

Special Report

*The Third Nonaligned Summit:
The Swan Song of Yugoslav Predominance*

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THE THIRD NONALIGNED SUMMIT: The Swan Song of Yugoslav Predominance

The sound of the gavel in Lusaka on 6 September will mark the successful culmination of a two-year effort on the part of Yugoslav President Tito to restore interest in the moribund nonaligned movement. Whether or not Belgrade has been successful in breathing new life into the movement will not be known, however, until months—even years—after the gathering.

Because of the varying and often conflicting interests and views of the participants, the Lusaka summit may possibly be the last world-wide gathering of nonaligned nations. The fact that it is being held at all is a tribute to Tito's prestige and to the ability of Belgrade's Foreign Ministry to stimulate interest in a movement that two years ago was considered dead.

The first two days of the meeting will be devoted to consultation among the foreign ministers, at which time—hopefully—the thorny problem of whether or not to seat rival Cambodian and South Vietnamese delegations will be resolved. The foreign ministers are also expected to decide on whether to seat African liberation movement delegations. The heads of state will then meet on 8 September.

The Lusaka gathering, however, reveals nonalignment at a critical crossroad. The agenda is broad enough for all participants to accept, and undoubtedly a number of resolutions will be published—including a denunciation of the war in Indochina, support for the Palestinian cause, and condemnation of the remnants of colonialism in Africa. Considering Tito's age (78), he cannot be expected to hold nonalignment together much longer. Therefore, the challenge at Lusaka will be to lay the foundation for a nonalignment movement that can survive its most prestigious and foremost advocate.

Tito's Role

Nonalignment is the stepchild of the cold war. During the late 1940s and 1950s, the developing and newly independent nations considered themselves at the mercy of the superpowers. There arose a gradual recognition that the peoples of the Middle East, Africa, Asia, and Latin America might have a common interest in promoting peaceful coexistence and in avoiding

an alliance with one or another of the superpowers. This led to the convening of the first nonaligned summit nearly ten years ago.

If it were not for Tito, it is safe to say there would be no nonaligned summit in Zambia. He alone of the four original supporters of nonalignment (Nehru of India and Sukarno of Indonesia—both deceased—and Nasir of the UAR) has given the movement momentum. Nonalignment began

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to take shape as far back as 1947 in the policy objectives and pronouncements of India's Prime Minister Nehru. In the early 1950s President Tito helped give the movement meaning. In the words of one student of nonalignment, "Tito, the Croatian metal worker, accomplished what Nehru, the Brahmin aristocrat, thought beyond reach—the vitalization of nonalignment."

Tito is the most traveled nonaligned leader, and his personal diplomacy has been a key to the movement's success. The first inkling of Tito's future role on behalf of the nonaligned cause came during his 1954 visit to India. In an address to the Indian Parliament, Tito called for active cooperation among states with different social systems "to remove all elements liable to impede a broad cooperation between states, large and small."

The concept of nonalignment was aided by the Bandung Conference of 29 Asian and African countries, held in Indonesia in April 1955 to promote peaceful coexistence. The Bandung gathering was strictly a regional conference, including representatives from some states that were clearly aligned. The decisions adopted, however, fitted Tito's own foreign policy objectives as much as if he had taken part in drafting them. The gathering strongly condemned colonialism,

advocated universality of membership in the United Nations, and called for disarmament as well as the prohibition of nuclear testing.

The first nonaligned summit was held in Belgrade in September 1961. Attended by 25 countries as full members, three countries as official observers, and 19 national liberation movements and Socialist labor splinter groups as unofficial observers, the summit adopted a program whose tenets have become standard nonaligned rhetoric—world disarmament, the closing of foreign military bases, a condemnation of imperialism, and the restoration of the rights of the Palestinians. In addition, the summit called attention to the needs of the developing nations and urged that Communist China be admitted to the UN.

The initial achievements of nonalignment were impressive. The various nations accelerated their move toward decolonization through lobbying efforts at the UN and in bilateral talks around the globe. Moreover, as a result of a united stand by the nonaligned countries, the UN Disarmament Committee was enlarged in 1962, and by their implicit rejection of Moscow's "troika" proposal for leadership of the UN when Dag Hammarskjöld was killed in an airplane accident, they contributed to the solution of that crisis.



Participants at the first nonaligned summit, September 1961, in Belgrade, Yugoslavia.



Tito, Ben Bella, and Nasir in Cairo on the eve of the second nonaligned summit in October 1964.

The cohesion that marked the initial phase of nonalignment and promised so much, was, however, short lived.

By the time the second summit was held in Cairo in October 1964, the earlier harmony and unity were gone. Forty-seven nations were on hand as full members and ten as observers, but along with the increased number of participants, contradictory regional interests and rivalries flared. Indonesia's President Sukarno spearheaded a pro-Chinese, anti-imperialist, and anti-peaceful coexistence platform that nearly wrecked the meeting. Through the united efforts of Tito, India's Prime Minister Shastri, and Nasir, the conference was able to end on a positive note by condemning colonialism and stressing the economic needs of the third world.

The diversity of interests displayed at Cairo, the growing detente in East-West relations, as well as the end of most colonial rule in Africa took much of the punch out of nonalignment. In the succeeding years, the movement waned and appeared to be on the verge of extinction. A num-

ber of world events, however, convinced Tito that nonalignment should be revived and actively pursued. These included the Soviet occupation of Czechoslovakia, the continuation of the war in Indochina, and the failure to resolve the Middle East crisis. Beginning in 1968, Yugoslavia renewed its activity in support of convening a third nonalignment summit.

Yugoslavia's call for a viable nonaligned movement brought hope to the third world by offering an alternative to leaning on either the East or West. Furthermore, Tito's message is based on the example of Belgrade's past successes as well as on an appeal to emerging governments as co-equals. Yugoslavia's problems are much the same as those of many third-world nations. Large parts of the country remain backward, and it is still struggling for national identity, internal cohesion, and political independence. In spite of all this, however, Belgrade has made great strides both economically and socially. Moreover, under Tito's leadership, Yugoslavia's neutrality toward the superpowers is backed up by its actions: Belgrade does business with both the East and West, but it maintains an independent foreign policy.

Nonalignment and Yugoslavia

Belgrade owes a great deal to nonalignment. Not only is it the vehicle by which Yugoslavia emerged from diplomatic isolation in the early fifties, but it has enabled Tito to play an active and far greater role in international politics than he otherwise could have managed. As a result, nonalignment gave Yugoslavia a source of pride and accomplishment no other policy could offer.

Belgrade, however, has offered the third world something more tangible than just the theory of nonalignment. Since the mid-1950s, it has extended slightly over \$900 million in credits and other assistance to some 40 less developed countries in Africa, Asia, and Latin America.

Almost all of the credits have been given to finance Yugoslav exports of capital equipment

and for associated technical assistance. The largest recipients have been India, Indonesia, Pakistan, the UAR, and Iran. Included in the wide variety of complete projects financed are hydroelectric and thermal electric power stations, food processing plants, building-materials factories, textile plants, ships, port facilities, water-supply systems, and geological exploration.

Most recently, the Yugoslavs signed a two-year program of technical cooperation with the East African countries of Kenya, Uganda, Tanzania, and Zambia. In connection with the summit itself, Belgrade is picking up the bill for the physical plant in Lusaka. The 60 "prestige" houses as well as the conference hall are being built with Yugoslav money and by Yugoslav technicians. Although the Yugoslav aid program does not depend directly on Western grants and credits, the large volume of such assistance to Yugoslavia has put it in a better position to continue its own economic aid program.

Backed up by the extension of credits, Belgrade's policy has called for a rising share of trade with the less developed countries, both to provide outlets for exports that cannot compete in Western markets and to acquire needed raw materials. The results of this policy have been far less than hoped. Many of the recipients of Yugoslav credits have been slow to draw upon them—only \$300 million had been drawn and an additional \$140 million definitely contracted for by the end of 1967. Moreover, difficulties in arranging mutually satisfactory exchanges of goods have led to a near stagnation of Yugoslavia's clearing trade with less developed countries in recent years. Trade turnover with this area last year accounted for only 9 percent of total Yugoslav trade compared with 11 percent in 1966.

The aid program itself is not without its critics and problems. A number of Yugoslav officials ask why Belgrade offers technical assistance to developing countries when large parts of Yugoslavia remain backward and woefully in need of assistance. Moreover, Belgrade's assistance has not

always been well planned or smoothly executed. Yugoslav businessmen have in the past committed themselves to projects they were totally unprepared to handle and have shown naiveté in thinking that Yugoslav responsibility ended with the completion of the projects. As a result, the Yugoslavs have left finished plants and projects in the hands of totally unprepared and unqualified bureaucrats.

These problems will not prevent the Yugoslavs from continuing their assistance program, however, inasmuch as it has enhanced their image and political influence in the third world. According to one source, "the Yugoslavs are the most appreciated whites in Africa—they are able, conscientious, and do not come as missionaries of a particular cause." Moreover, the Yugoslav brand of socialism holds some appeal for new nations. Not only is "socialism" a potent political word—rightly or wrongly conjuring up thoughts of social justice, economic improvement, and political democracy, but Yugoslavia's decentralized system of enterprise management holds a great deal of fascination for the third world. The UAR's Corporation Law, adopted in early 1966, may well reflect Yugoslavia's experience with autonomy for plant managers.

Belgrade has given a great deal to nonalignment, but it has also taken much. Because of it, Yugoslav influence and prestige have grown out of proportion for a country its size. Psychologically at least, this has helped make it difficult for Moscow to bring overt pressure on Belgrade to rejoin the Communist bloc.

In Moscow's eyes, nonalignment has only compounded the sins of Yugoslavia's erring ways. The Soviets are well aware of the attraction Belgrade holds for the developing nations and view its nonaligned activity as working at cross purposes and undercutting Soviet influence. However, as long as nonalignment attacks colonialism and imperialism in terms acceptable to the Soviet Union, the Kremlin must tolerate it. The problem, as Moscow sees it, is that Yugoslavia takes its

nonaligned neutrality seriously. It not only criticizes US involvement in South Vietnam but denounces the Soviet occupation of Czechoslovakia, and insists that both the US and Soviet fleets withdraw from the Mediterranean in the interest of peace.

The Lusaka Gathering

Belgrade began preparing for the upcoming summit early in 1968 but did not succeed in mustering enough support for a preparatory conference until 1969. In July of that year, 51 non-aligned nations met in Belgrade in what was a well-managed and low-key affair, but they hesitated to call a summit.

The next step was a meeting of the foreign ministers of the nonaligned states in New York last September during the 24th UN General Assembly session. It was then decided to proceed with plans for a summit, and a second preparatory conference was set for this April in Dar es Salaam, Tanzania.



Tito and wife on arrival in Tanzania last February as Yugoslavia's charismatic president continued his drive to drum up support for nonalignment.

Before the Dar es Salaam gathering, however, Tito began to use the power of his personal diplomacy to gain support for the summit. In late January and February he toured eight east African nations, praising the merits of nonalignment at every stop. Tito's tour was paralleled by that of Dimce Belovski (head of the Yugoslav mass organization SWAPY) through seven west



President of the Revolutionary Command Council of Sudan, Jaafar Numayri, welcoming Tito to Khartoum last February.

African nations, and by Foreign Minister Tepavac's excursion to southeast Asia in March.

Tito's tactic apparently worked. The meeting in Tanzania was attended by 51 countries and, to the surprise of many, proceeded swiftly and efficiently, side-stepping potential pitfalls and postponing settlement of the Cambodian and South Vietnamese representation problem until the summit itself.

In all, approximately 74 nations have been approached on attending the meeting in Lusaka, and the latest count indicates 45 will be represented. An anticipated additional 17 would raise this total to 62. Among the government heads committed to attend are Tito, India's Prime Minister Gandhi, and Emperor Haile Selassie of Ethiopia. Representatives of most of the African national liberation movements are expected to be on hand, as are delegates from the Palestinian Liberation Movement.

The motives of those attending the Lusaka gathering are as varied as are the participants. For Cairo, as well as most of the Arab world, the

DELEGATIONS EXPECTED TO ATTEND THE NONALIGNED SUMMIT

<u>Country</u>	<u>Position on Cambodia</u>	<u>Heading Delegation</u>
Afghanistan		Premier Nur Ahmad Etemadi
Algeria	S	Foreign Minister Bouteflika
Botswana	L	President Seretse Khama
Burundi		President Micombero
Cameroon		Vice President Muna
Central African Republic		President Bokassa
Ceylon	S	Prime Minister Mrs. Bandaranaike
Chad		President Tombalbaye
Congo (B)		
Congo (K)	L	President Mobutu
Cuba	S	
Cyprus	N	President Makarios
Ethiopia		Emperor Haile Selassie
Equatorial Guinea		President Macias
Ghana	N	Prime Minister Kofi Busia
Guinea	S	President of National Assembly Leon Maka
Guyana		Prime Minister Burnham
India	N	Prime Minister Gandhi
Indonesia	L	President Suharto
Iraq		Vice President Hardan Abd al-Ghaffar
Kenya		Vice President Moi
Laos	L	Prince Souvanna
Lenanon		Foreign Minister Majdalani
Liberia	L	Vice President Tolbert
Malaysia	L	Deputy Prime Minister Razak
Mali	N	Foreign Minister Sory Coulibaly
Mauritania	S	President Ould Daddah
Morocco		Foreign Minister Abdelhadi Boutaleb
Nepal		King Mahendra
Rwanda	L	Foreign Minister Sylvester Nsanzimana
Senegal	Both	Foreign Minister Gueye
Sierra Leone	N	Prime Minister Stevens
Singapore	L	Premier Lee Kwan Yew
Somalia	S	Foreign Minister Omar Arteh
Sudan	S	President Numayri
Swaziland		Prime Minister Dhlamini
Tanzania	S	President Nyerere
Tunisia		
UAR	S	Foreign Minister Riad
Uganda		President Milton Obote
Yugoslavia	S	President Tito
Zambia		President Kaunda

S = Sihanouk

L = Lon Nol

N = Neither Cambodian Representative

Also expected to attend as official or unofficial observers are: Argentina, Bolivia, Brazil, Chile, Ecuador, Gambia, Japan, Jordan, Kuwait, Malawi, Peru, Jamaica, Somalia, Syria, Trinidad and Tobago, the Vatican, Colombia, the Yemen Arab Republic, Turkey and Venezuela.

AFRICAN LIBERATION MOVEMENTS LIKELY TO PARTICIPATE AT THE SUMMIT*	
African National Congress (ANG or SAANG)	Popular Movement for the Liberation of Angola (MPLA)
South West African People's Organization (SWAPO)	Zimbabwe African National Union (ZANU)
Mozambique Liberation Front (FRELIMO)	Zimbabwe African Peoples Union (ZAPU)
Mozambique Revolutionary Committee (COREMO)	African Party for the Inde- pendence of Guinea and Cape Verde (PAGIC)

*All have offices in Lusaka except PAGIC

Lusaka summit marks a return to overt support for nonalignment. Obviously the Arabs hope to gain support for their cause against Israel. It also provides them with a convenient forum from which to gain a strong endorsement of the rights of the Palestinians. Nasir, originally a major supporter of the movement, has had little time to devote to nonalignment since the June 1967 war, and he only returned to the fold after meeting with Tito last February at Aswan.

India, by virtue of its historical role in nonalignment, is committed to attend. New Delhi, however, even before Nehru's death, had begun changing its concept of nonalignment. Although its basic principle—avoiding commitments to any great-power alliance system—has been maintained, Indian interest in association with a nonaligned bloc has waned, and the country's interests are now concentrated on South Asia. It is going to Lusaka with a view toward protecting its own particular interests and to see what benefits there may be for it in refurbishing its fading image as a leader of the nonaligned nations.

For Indonesia, Asia's other giant neutral, the summit at first held out prospects of reasserting its international posture after several years of preoccupation with domestic policy following Sukarno's ouster. The overthrow of Cambodian Prince Sihanouk and Djakarta's strong support for Lon Nol has—to many who will be gathered at Lusaka—undercut Indonesia's credentials as a nonaligned nation.

The Black African states take a particular pride in the summit because it is being held in Zambia. The attitudes of the various countries concerning the merits of nonalignment vary, but there is a general consensus that with Lusaka as host, the entire region has gained new prestige. Economic cooperation will be foremost in the minds of many Africans attending. Furthermore, for a few short days the world will be focusing on an international conference in which they will play a vital role. The Black African states, therefore, have a vested interest in the success of the conference and will work toward this end.

Some 12 Latin American countries may be in Lusaka. Each has its own reason for attending, but all view their presence as a means of self-expression. As the nations of Latin America move away from the United States politically, nonalignment becomes more attractive. Most of them are leery of both the USSR and the US, and therefore are willing to explore nonalignment as an alternative.

The Agenda

In an effort to avoid the friction and tension that marred the Cairo summit, a broad, clearly defined agenda has been drafted for the Lusaka gathering. The major points for discussion will be: 1) a general review of the international situation; 2) the democratization of international relations as well as the safeguarding and strengthening of peace, freedom, development, and cooperation; 3) the safeguarding of national independence, sovereignty, territorial integrity, and equality among states—including support for liberation movements and a strong anticolonial stance; and 4) the economic development and self-reliance of the nonaligned states.

More narrowly defined issues will include a strong restatement of support for the rights of the Palestinian Arabs. Portuguese, Rhodesian, and South African policies toward the blacks will come under strong attack as will Britain's decision to resume limited arms sales to South Africa. There also may be some movement toward

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developing a program of closer economic and technical cooperation between the nonaligned states with an emphasis on self-reliance. In addition, support for Communist China's admittance to the United Nations is anticipated.

The summit is expected to praise the first 25 years of the United Nations. Moreover, a special resolution calling for the strengthening of that organization (to be presented at the 25th UN General Assembly jubilee session) will be drafted. Among other things, the resolution is scheduled to call for the implementation of the 1960 UN Declarations on Decolonization, a statement of respect for national sovereignty and territorial integrity, the formulation of an international development strategy for the 1970s, a proclamation to make the 1970s the "Decade of Disarmament," and a "Declaration for Peace, Freedom, Development, and Democratization of International Relations."

A number of problems will have to be dealt with, however, if the gathering is to be a success. First and foremost is the question of seating the rival Cambodian delegations. The preparatory meetings simply avoided the issue by referring it to the summit. At the moment neither the Sihanouk nor the Lon Nol representatives appear to have enough support to win a seat, and a large number of prospective participants are in favor of recognizing neither. Many of those going to Lusaka who might otherwise favor seating Sihanouk or his group are concerned about the danger of setting a precedent in recognizing a government in exile.

Despite rumors to the contrary, there is no evidence that Sihanouk intends to put in a personal appearance at Lusaka. The possibility, however, cannot be ruled out. Just what the impact of his presence would mean is difficult to say, but Lon Nol supporters are concerned that it could start a stampede on Sihanouk's behalf that would end in the seating of his government.

For its part, the Lon Nol regime is actively lobbying for admission at Lusaka. Two delega-

tions have been dispatched to Africa to present the Cambodian Government's case for a seat at the summit. The effort appears to be in vain, and best indications are that few, if any, converts will be made. All Lon Nol can realistically hope for is that these governments will abstain on the Cambodian question. At the moment, a quick count of the delegates committed to Lusaka indicates Lon Nol simply does not have enough support to gain a seat. The best bet now is that the issue will die in committee.

Also touchy is the problem of seating the Communist Provisional Revolutionary Government of South Vietnam. As in the case of the Sihanouk delegation, a large number of those countries planning to attend the conference are wary of setting a controversial precedent. Furthermore, a great many of the delegates maintain ties with Saigon, and the seating of the Viet Cong could cause the conference to break down by making it impossible for nations such as Indonesia to continue its participation. It is unlikely, therefore, that any South Vietnamese delegation will be seated.

Beyond the Summit

The Lusaka summit will probably end on a positive note, with the nonaligned nations successfully drafting a program to present to the UN jubilee session in October. The final results, however, will undoubtedly reflect the lowest common denominator upon which the participants can agree. Just as in Cairo in 1964, this will mean heavy emphasis on the broadest possible issues and a de-emphasis of specific problems.

A major question for this meeting, however, is the future of nonalignment itself. As it was conceived and practiced in the late 1950s and early 1960s, nonalignment is no longer applicable to today's world in a meaningful way. It has limitations, and even Tito recognizes that his once-cherished dream of a large, cohesive bloc of nonaligned states dramatically influencing the course of world events has not borne fruit. If nonalignment is to survive and play a role in

world affairs, it obviously will have to undergo some basic changes.

One possibility is to organize along regional lines. Most recently, the Ugandan Foreign Minister, Sam Odaka, has suggested that future cooperation follow the example of the East African community—a loose organization providing a number of common services for and economic cooperation between Tanzania, Kenya, and Uganda.

The Lusaka summit could also be the end of Yugoslav predominance in the nonaligned movement. From the beginning, this has been Tito's pet project; the rest of the Yugoslav leaders are somewhat less enthusiastic, although they are nearly unanimous in recognizing the merits of the movement. Tito's years at the helm in Belgrade are numbered, and whoever follows him is unlikely to have the qualifications or the drive to lead nonalignment. Moreover, most Yugoslav leaders are looking for more immediate and more relevant returns.

Furthermore, Yugoslavia itself has changed drastically. Belgrade now feels its security and future lie in a loose association with the West, and it is actively and successfully cultivating a wide range of political and economic contacts in Western Europe—including a recent and significant agreement with the Common Market. Although the new generation of Yugoslav leaders will undoubtedly continue to cultivate Belgrade's political and economic ties in the third world, nonalignment will no longer hold center stage in its foreign policy.

The real challenge for the delegates gathered at Lusaka will be to lay the foundation for a movement that can transcend Tito's personality and survive with a smaller Yugoslav commitment. Chances are that neither Nasir, Mrs. Gandhi, nor Suharto has the time or interest to lend prestige to such an endeavor. If a new moving spirit is to appear, it will probably come from among one of the better developed but smaller states that profess nonalignment as a policy.

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DIRECTORATE OF
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WEEKLY SUMMARY

Special Report

*Britain and the European Communities:
The Accession Negotiations Begin*

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BRITAIN AND THE EUROPEAN COMMUNITIES: THE ACCESSION NEGOTIATIONS BEGIN

The negotiations on the accession of Britain, Ireland, Denmark, and Norway to the European Communities (EC) begin in earnest this month. The formal opening session on 30 June, which provided the participants an opportunity to present their basic positions, generally got the negotiations off to a good start. The first working session on 21 July settled a number of procedural matters and cleared the way for the discussion of substantive issues. These preparations made it plain that the negotiations will not be easy, and that the greatest effort will be required to keep them relatively short and general. In spite of the difficult issues to be settled,* the parties seem determined this time to succeed. The new Conservative government in Britain, although faced with widespread public opposition to entry, is strongly "European." Present EC members are all interested in seeing the Communities enlarged, and both Britain and Europe are aware that their marriage would be a momentous achievement.

The Formal Opening

Although there were few surprises at the formal opening of negotiations in Luxembourg on 30 June—a meeting that had been billed primarily as an occasion for a "family photograph"—the presentations made it inescapably clear that the talks will be arduous and that success is not foreordained. Pierre Harmel, Belgium's foreign minister, speaking for the Communities in his capacity as president of the EC Council, used the opportunity to mention again the triptych so frequently heard in community rhetoric the last few months: the leftover business of the Common Market's transition period, the EC's internal development, and its enlargement must all move forward simultaneously. One objective cannot be allowed to overshadow the others.

After speaking briefly about the EC's completion and internal development, Harmel pre-

sented in general terms the EC's "common position" for enlargement negotiations. Most important, he said, the candidates for membership must accept the treaties on which the Communities were founded and all the decisions that have since been taken. Furthermore, although the EC recognizes that certain adjustments will have to be made as the candidates are admitted, these must be transitional measures, not changes in existing community rules. The transition period with respect to the customs union should be the same length for all the candidates, but in other areas, transition periods could vary in length from subject to subject and from country to country. Finally, Harmel said, the treaties of accession for the new members and the arrangements reached with the remaining countries of the European Free Trade Area (EFTA) should all come into force on the same date.

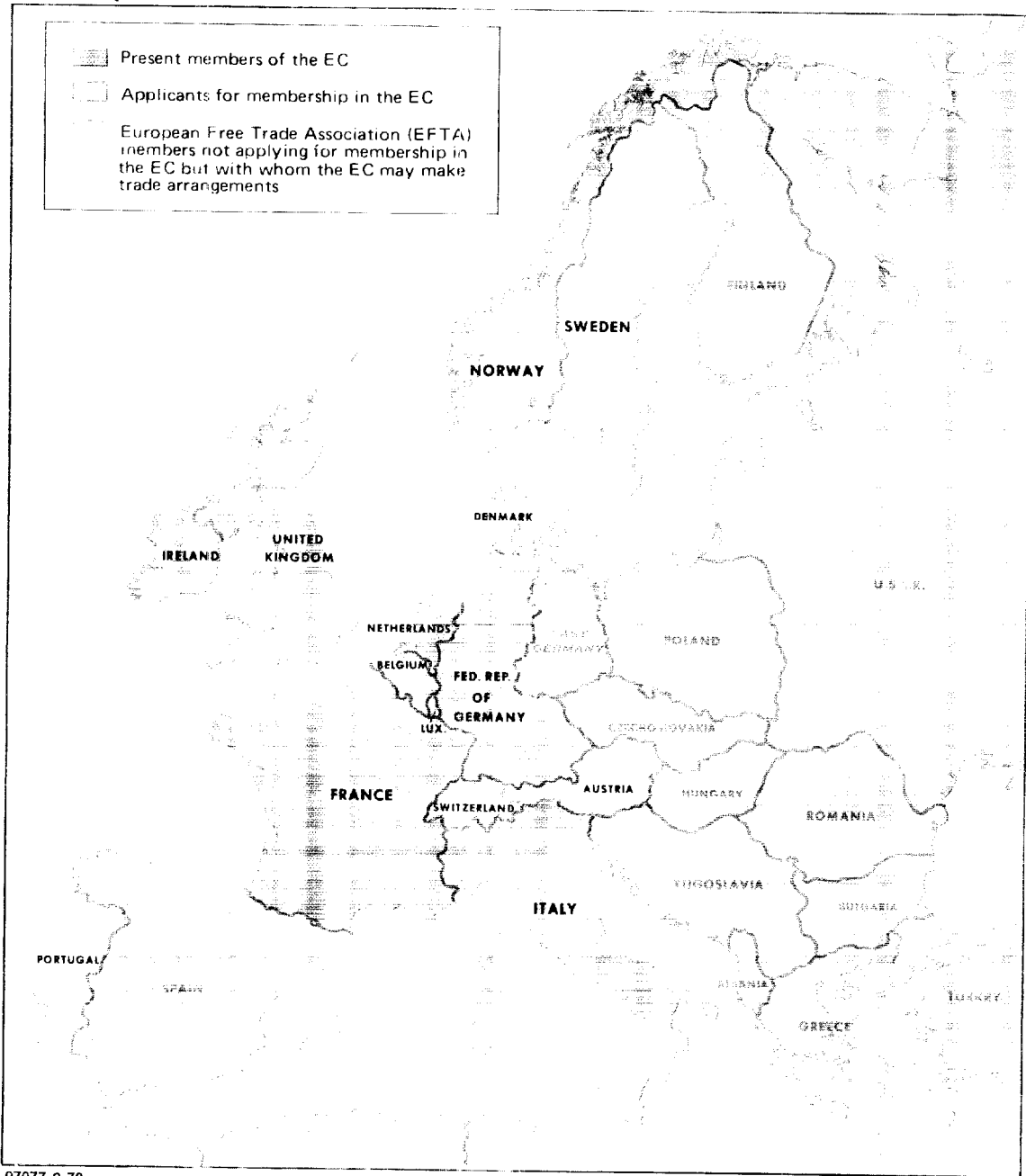
Following Harmel, Jean Rey, the outgoing president of the EC Commission, elaborated

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somewhat on the political aspects of enlargement. An increase in the number of member states, he said, could cause the Communities' decision-making machinery to become unwieldy and cumbersome. Especially in the field of institutions, therefore, the enlargement negotiations should be an occasion to proceed with the EC's development. By this Rey no doubt meant, as the Commission has often emphasized, that the powers of the European Parliament should be extended and that the taking of decisions by majority vote should become general practice in the Council.

Anthony Barber, at that time Britain's chief negotiator, made it clear in response that the newly elected Conservative government, like the Labor government before it, did in fact accept the treaties of the Communities and the decisions subsequently taken. But, he said, there were certain problems to be solved—most importantly those concerning agricultural policy, Britain's contribution to the EC's budget, and a variety of Commonwealth matters (especially how to accommodate the large amounts of Commonwealth sugar and New Zealand butter presently exported to Britain).

Barber stressed in particular the problem posed by the EC's financing arrangements—in effect, the problem of financing the Common Agricultural Policy (CAP), which presently consumes the lion's share of the EC's budget. He quoted the 1967 judgment of the EC Commission itself that the CAP's financing arrangements, if applied to Britain, would "give rise to a problem of balance in the sharing of financial burdens." The EC's decision last December on how the Communities should be permanently financed, he added, had only made the problem more severe. Unless a solution is found, according to Barber, "the burden on the United Kingdom could not be sustained and no British government could contemplate joining."

Barber went on to say that Britain welcomes EC progress in economic and monetary integra-



British Foreign Secretary Douglas-Home and French Foreign Minister Schumann at the formal opening of negotiations in Luxembourg on 30 June.

tion, in industrial policy, in regional policy, and in technology. London is ready to play its full part in these advances, and it realizes that progress in the Communities requires effective institutions. Barber also expressed support for EC efforts to find new methods of coordinating foreign policy and defense—a remark that caused a considerable stir among his listeners.

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The representatives of Ireland, Norway, and Denmark spoke after Barber, addressing themselves to the special problems accession would pose for their countries. The Irish statement was the most sanguine, and the Danes indicated that most of their problems could also be resolved. The Norwegian representative, however, irritated his Community listeners by insisting on the need for exceptions to a number of EC policies.

Problems and More Problems

The opening statements, in short, confirmed what had been widely expected—that the most

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troublesome and crucial issue of the negotiations will be Community financing. The EC's financing agreement of December 1969 is pre-eminent among those rules that Harmel said the candidates would have to accept. Because the Communities realize, however, that the British financial burden under the present arrangements would be enormous, the question becomes one of what sort of adjustments can be made. Harmel put the EC position plainly: any adjustments made on Britain's behalf must take place during a transitional period and cannot change the basic policy.

The formal statements pointed to a number of other matters that will be tough. Britain's Commonwealth commitments were mentioned only briefly, but finding acceptable ways to accommodate specific Commonwealth exports will take time and patience. Harmel's insistence that the agreements reached with the four candidates and with the noncandidate members of EFTA be put into force at the same time could cause complications. Several of the EFTA countries are not sure what sort of arrangement they want with the Communities, and the EC is uncertain in some cases about the type of arrangement it will offer. Settling on a transition period for the customs union which, as Harmel stated, would be the same for all the candidates, could also prove difficult. The Danish representative, for example, said in his statement that Copenhagen would prefer to have no transition period at all.

The First Working Session

Most observers considered the Luxembourg meeting a hopeful beginning, but the subsequent meeting on 21 July in Brussels—at which the representatives of the EC and Britain settled on negotiating procedures—was somewhat less smooth. Several preliminary meetings had been held at the working level to prepare the way for

the Brussels session, but the EC still seemed surprised by the British proposal to establish six working groups to produce sets of agreed facts on the main issues to be negotiated, and had to withdraw for five hours to come up with a response.

The compromise that the two sides eventually agreed upon preserved the essence of the British initiative but put it in a form acceptable to the Communities. The EC Commission, in cooperation with the British, will conduct fact-finding studies on five negotiating topics: agriculture (including financing), New Zealand, Commonwealth sugar, coal and steel, and the production of English texts of EC regulations. The deputy negotiators of the EC and UK will examine the application of the Common External Tariff to Britain and the application of the CAP to certain particularly troublesome product areas.

It was also agreed that negotiators for the EC and the UK will meet twice quarterly at the ministerial level and twice a month at the deputies' level. The deputies are scheduled to resume on 16 September, the ministers in the latter part of October. A joint secretariat for the negotiations has also been set up.



West German Foreign Minister Scheel, the current president of the EC Council, and Anthony Barber, the UK's chief negotiator, at the first working session of the negotiations on 21 July in Brussels.

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Another procedural matter the July session settled is when and how the agricultural financing issue should be taken up. France came to the meeting still convinced that this question should not be broached at the beginning of the negotiations, but Barber's strong statement that the British would "be perfectly willing to accept the Common Agricultural Policy as members of an enlarged community" softened the French view. This crucial issue can therefore be taken up as soon as the Commission finishes its fact-finding work, probably not long after negotiations resume this month.

Bad Omen?

Those who believe that the accession negotiations must necessarily be quick if they are to succeed were somewhat discouraged by the outcome of the first working session. If the Communities needed five hours to respond to a British initiative that had been widely rumored beforehand, how quickly are they likely to proceed, it was asked, when substantive issues are at stake? Others have also been troubled that the first working session may have revealed the extent to which the member states intend to keep rigid control over the negotiations as they proceed.



Nevertheless, both sides have publicly expressed their pleasure with the outcome of the July meeting. Barber, speaking to the press when he returned to London, was elated at how much of the British fact-finding idea the Communities had accepted, and Franco Malfatti, the new president of the EC Commission, has pointed out how far the British have gone toward embracing the CAP as it is. Furthermore, although the negotiations remain largely under the control of the Council, where national interest is frequently the

main consideration, the Commission itself now has been given a significant role. Many observers are predicting that this role will increase further because those who control the facts will have a good deal to say about the solutions that are reached.

The First British Papers

Despite the August vacation, part of the Commission staff has begun work on the fact-finding exercise. The British have been making contributions to this effort, the most interesting being a paper on agricultural financing. Others deal with the Common External Tariff (CXT) and the Commonwealth Sugar Agreement.

The paper on agriculture estimates some of the effects of applying the EC's financing regulations, unaltered, in an enlarged community in 1978. Britain's contribution to the EC's budget for that year, according to the paper, would be over \$1.3 billion. This would represent 31 percent of the total budget, as compared with the 21 percent contributed by Germany and the 16 percent contributed by France. Britain's receipts from the CAP's agricultural fund, on the other hand, would be \$250 million, or only six per cent of the total receipts. Britain would thus be a net contributor of about \$1 billion to the Communities' budget for 1978. In contrast, Germany would be a net contributor of only \$315 million, and France would be a net recipient of \$765 million.

These estimates are quite similar to those arrived at in the British White Paper of last February. This time, however, the UK has tried to lend an appearance of greater accuracy to its figures by avoiding the wide ranges of its earlier estimates. The British paper can best be viewed as part of the general UK strategy of getting the Communities to admit that there is a real problem in applying the present financing regulations to Britain, and then enlisting the Communities' aid in figuring out solutions.

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In its paper on the CXT, the UK states that it will accept and apply the tariff levels that will be in effect after the final Kennedy Round cuts have been made. For 12 commodities—mostly raw materials—that now enter Britain duty free from Commonwealth and EFTA countries, however, the application of the CXT would have a damaging effect on British industry. The British paper recognizes that arrangements with the Commonwealth and EFTA countries during the course of the negotiations can resolve some of these difficulties, and it expresses the hope that the remainder can be dealt with through existing EC rules.

The paper on the Commonwealth Sugar Agreement is largely a descriptive document, showing the importance of the agreement to the Commonwealth countries that are dependent on sugar exports. In addition, it notes that if the UK becomes a community member, its obligations under the agreement will end on 31 December 1974, at which time it must consult with the Commonwealth parties to the agreement to find other ways to fulfill its objectives. London may therefore be suggesting that this would be the time to phase out the present arrangements and to bring into effect the new.

Changes in Britain

Neither the change of government in London in June nor the appointment of a new chief negotiator in late July has had a noticeable impact on the progress of negotiations so far—but both may prove helpful. Many in the Communities who favor British accession welcomed the Conservative victory in June. The lingering doubts on the Continent about Wilson's devotion to European ideals have never quite disappeared, but Heath's credentials have rarely been questioned. The new cabinet, moreover, has several other "strong Europeans" in Foreign Secretary Douglas-Home, Minister of Agriculture Prior, and Chancellor of the Exchequer Barber—the close and trusted associate of the prime minister who

represented the UK at the opening of the entry talks. Barber's performance at both the 30 June meeting and the 21 July working session was widely praised in the press and in official circles.

Since Barber was named Chancellor of the Exchequer upon the death of Iain MacLeod in late July, Geoffrey Rippon from the Ministry of



**Geoffrey Rippon,
the UK's new
chief negotiator**

Technology has taken over as chief negotiator. Another close associate of the prime minister, Rippon was a junior member of Heath's team at the 1961-63 negotiations. Although his right-wing views on a number of issues and his sharp tongue have made him something of a controversial figure, few doubt his strong support for British entry into the EC. He will not be tested until the negotiations resume in the fall, but his recent public statements have indicated that he will take the long view

on accession and will try to avoid minutiae. In a press interview after his appointment, Rippon said that Britain should "demonstrate the necessary political will on the main issues and...go ahead with it." Some observers thought it hopeful that he did not emphasize, as has become almost obligatory for British spokesmen, that the price of Common Market entry must be "fair."

It had been widely speculated before the general election that Harold Wilson in opposition would play politics with the British entry issue and gradually turn against membership in the Communities. There have been no indications so far, however, that this is occurring; instead, by appointing Harold Lever as Rippon's opposite number in the shadow cabinet, Wilson has shown that his support for British membership continues. Lever is one of the shadow cabinet's ablest

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members and is known for his strong European sympathies. Furthermore, the majority of Wilson's shadow cabinet favors accession, Healey and Jenkins being the best known of the "Europeans."

Government and opposition support for British entry will be essential to the prime minister when he begins the formidable task in the next several months of reversing public opinion on the Common Market. The British people at this point are far from enthusiastic about entering the EC even on the best of terms. Polls taken before the negotiations began, for example, showed that only about 22 percent favored British membership. If the negotiations seem to be going well, however, some of the popular opposition will no doubt begin to disappear. But the prime minister and his team must still convince the public that short-run increases in the cost of butter are insignificant when compared with the long-run political and economic advantages of membership. Luckily for Heath, the "anti-Marketees," although noisy, remain a fragmented grouping, and are concentrated neither in one party nor in any one segment of the population. Those like Enoch Powell, the noisiest "anti-Marketee" of them all, are nevertheless still forces to be reckoned with.

Outlook

At this point, most officials are hesitant to hazard a guess as to how long the negotiations will last—let alone predict whether they will succeed. Some believe that the negotiations will take at least two years, although West German Chancellor Brandt said recently that their direction should be clear by next spring.

The best chance for success is to keep the negotiations relatively short, to focus on getting agreement on the big issues, and to avoid becoming bogged down in detail. Even a confirmed "European" like Heath might find it hard to sustain London's application in the face of a British public opinion that had become convinced

that the negotiations were going nowhere. A number of press accounts of the opening negotiating sessions thought tendencies in this direction could already be detected. The *Economist*, for example, called them "haggling sessions" in which everyone's eyes were "firmly fixed on the ground."

But it is unrealistic to expect the negotiations to deal only with lofty themes or even with general principles. If the agricultural financing issue is to prove susceptible of solution, there will probably be some fine calculations of national advantage, often close to haggling. Britain's persistent insistence on some adjustments in the financing arrangements is partly for home consumption

Although there have been signs of a growing convergence of interest in the Communities on lower CAP support-price levels—a development that would make the CAP much more palatable to Britain—this too is a divisive issue, even among the present members. EC Commissioner Mansholt is about to propose a scheme that would freeze prices at their present levels for three years with the aim of eventually reducing them, and the French would favor this objective because of the inflationary effect of the present support levels and the enormous cost of the system itself. The West Germans, however, and farm elements generally, continue strongly to oppose any reduction in prices.

Thus, as the opening sessions this summer were dominated by form and procedure, technical matters, of which agriculture is only one, will be the principal concern of the negotiators in the fall. In this context, it may be too easily forgotten that a development of profound political importance is potentially at stake. As outgoing Commission president Jean Rey said at the 30 June meeting: "It is not simply a case of eliminating a few customs or tax barriers or of organizing a market. What we are really doing is building a continent."

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The possibility of the EC's enlargement in fact confronts Europe with a historic opportunity and challenge. If the negotiations with the four applicants for membership are successful, and if associative ties of some sort are established with the remaining EFTA countries, most of free Europe will have taken a decisive step toward economic—and perhaps eventual political—coalescence around the EC. Provided this grouping can be consolidated into a strong and integrated community, it is the hope of many involved in the undertaking—among them Italy's new Premier Colombo—that “a force for equilibrium and peace in the world” will also have emerged.

The challenge still lies in imparting to this community the necessary cohesion and the instruments of effective direction. The applicants for admission to the EC have committed themselves to participate in the construction of a European entity within the framework created by the Rome treaties. The existing members, for their part, have opted at least in principle to try to accommodate a much larger and more diverse membership by pursuing further the main lines of the Communities' development so far. This is the broad implication of their insistence on the sanctity of the Common Agricultural Policy, their commitment to try to achieve economic and monetary union in the next ten years, and their endorsement of the basic features of EC institutions.

What kind of community will in fact emerge from the forthcoming negotiations remains to be seen, but there is no doubt that a European

structure of some kind is a key element in the calculations the individual nations are making of their future world roles. The UK's continued pursuit of membership in the EC throughout the years of De Gaulle's opposition has brought official British thinking ever further from Empire and Commonwealth and ever more firmly into a European frame. If membership can now be achieved, Britain's search for a postwar identity will, in many ways, be over—it will have shown, as the *London Times* has recently put it, that it is not “just another Empire lying hulked on the beach of history.”

At a time, moreover, when detente has begun to hold out the prospect of at least a limited East-West accommodation in Europe, the Communities and their prospective consolidation reappear once more in the stabilizing light in which they were originally seen. They are addressed, at least in part, to the problem of the re-emergence of Germany which, having established its economic and financial pre-eminence in Western Europe, now has achieved in the eyes of many Europeans a new-found “independence” of foreign policy. Despite its preoccupation with *Ostpolitik*, the Brandt coalition has continued to assert that it sees a strong EC as an essential part of the “firm Western anchor” it needs. Paris and London could well eventually agree that a strengthened community is more important than their precise share in the cost of the CAP and more vital than illusions of competitive independence.

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