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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

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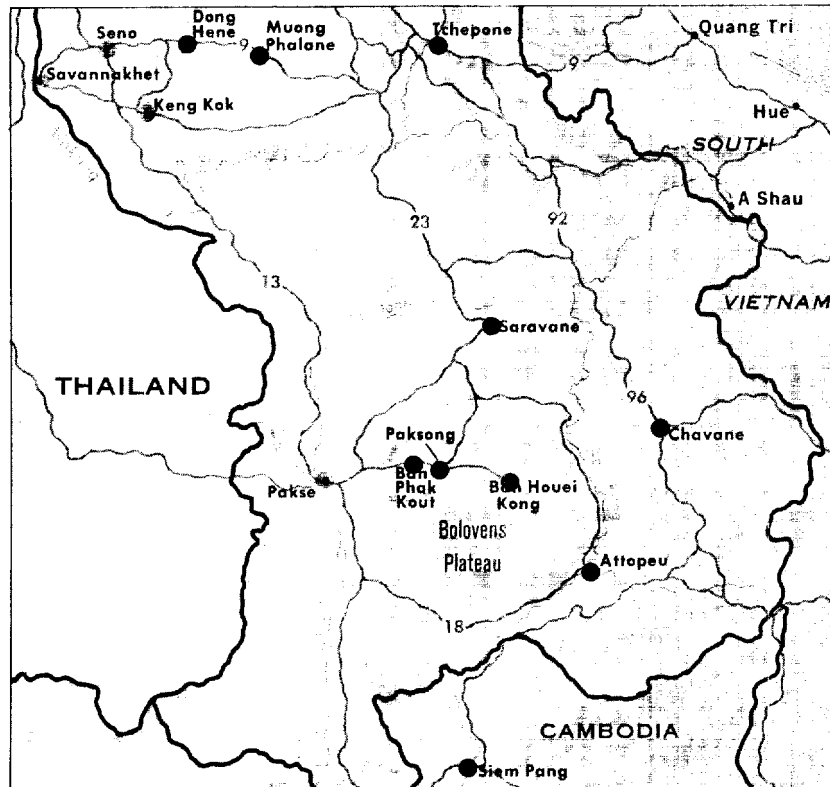
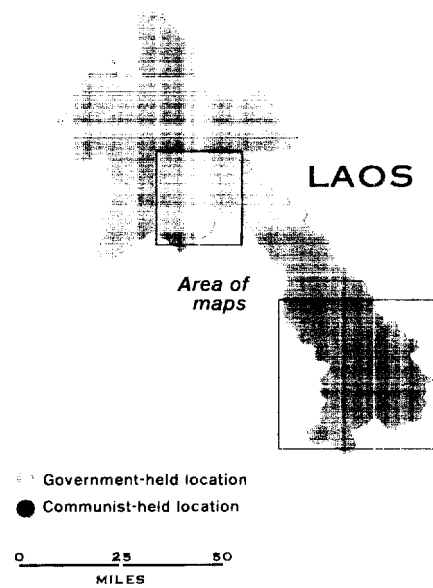
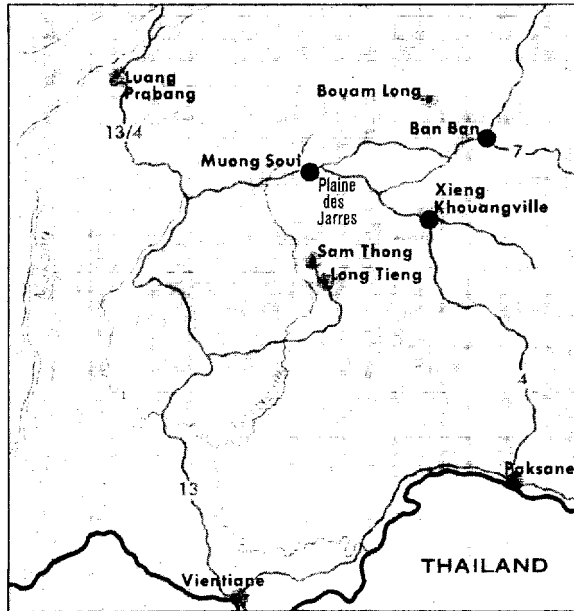
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Indochina: *Time Out in Laos*

Last week's military melodrama in south Laos would have been a hard act to follow even allowing for the histrionic atmosphere that is normally produced in Laos following major setbacks in the field. Both the Communists and the government appear to be taking time to sort out where they go from here. There have been the usual fears and disreputable reports that the Communists were about to push on toward the Mekong, but if that is what the North Vietnamese have in mind, they did not tip their hand. The week passed without a major new Communist attack.

In the Bolovens Plateau area, regular army forces retook the town of Ban Phak Kout to the west of Paksong on 22 May, but the position came under heavy attack and the government unit withdrew to the west on 27 May. Government irregulars operating north and east of Paksong have made relatively little progress in their efforts to recapture key high ground positions. The relative quiet on the plateau evidently has done little, however, to quiet the fears in nearby Pakse, the second largest town in Laos. The weak leadership and poor performance of Lao officials in the town have contributed to the natural tendency of the city's residents to believe the worst. Statements by the Communists to villagers on the plateau that they intend to hit Pakse are gaining some credence despite the fact that the enemy frequently puts out such stories to keep inhabitants from fleeing to population centers and to exert psychological pressure on the government.

Farther north, in the Dong Hene - Muong Phalane area of the western panhandle, two

Communist regiments—plus independent combat and artillery battalions—still pose a serious threat to government forces defending Seno, Keng Kok, and Route 13. The Communists, however, have yet to move in force toward Seno.

Winding Down in the North

The military situation in northern Laos has eased during the past two weeks. Action around the Long Tieng complex has slackened off, and there are continuing indications that at least some of the main-force North Vietnamese units in the area are pulling back.

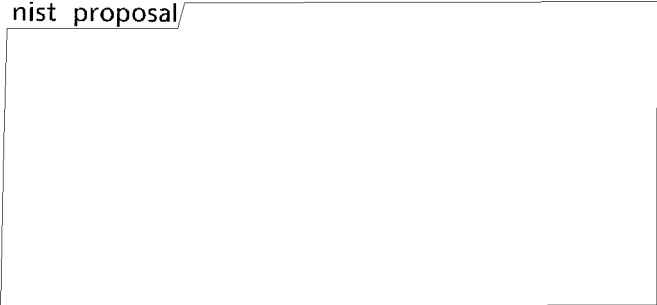
In the Luang Prabang area, government forces have now reoccupied all of the ground lost during the Communists' dry season offensive north and east of the royal capital. The NVA regiment responsible for the offensive appears to have overextended its supply lines and to have taken heavy casualties. It has now pulled back toward more secure base areas and will probably devote much of the coming rainy season to rest and refitting.

Peace Talks: Talking Tough

To no one's great surprise, Prime Minister Souvanna Phouma has said publicly that the government will not negotiate with the Communists while under military pressure. He reiterated his position that the government would neither bow to threats nor accept any bombing halt and cease-fire unless these measures were immediately

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25X1 followed by the supervised withdrawal of all foreign troops from Laos. Souvanna has not, however, issued a formal rejection of the Communist proposal/



Meanwhile, Communist propaganda from Moscow and Peking as well as Hanoi continues to stress the importance of the latest Pathet Lao proposals. It is coming down particularly hard on the necessity for a complete US bombing halt so that an immediate cease-fire can be implemented and talks begun on forming a provisional government.

Souvanna's Views on China

Despite his hard words for the North Vietnamese, Souvanna appears to be developing a softer line toward the Chinese Communists. On two recent occasions—once in an interview with the *New York Times* and once at a supper for visiting US officials—he has noted that China has been a good neighbor to Laos. He also has expressed his belief that the current thaw in US-Chinese relations reflects an increasingly flexible Chinese foreign policy that may also improve Lao-Chinese relations. Souvanna stressed his desire to maintain good relations with the Chinese, reflecting his belief that a neutral Laos is neces-

sary—and indeed desired—by the Chinese as a buffer state. These expressions of good will may also, however, reflect Souvanna's growing disenchantment with the Soviets and their failure to play a more energetic role in bringing the Lao Communists and their North Vietnamese mentors to the conference table.

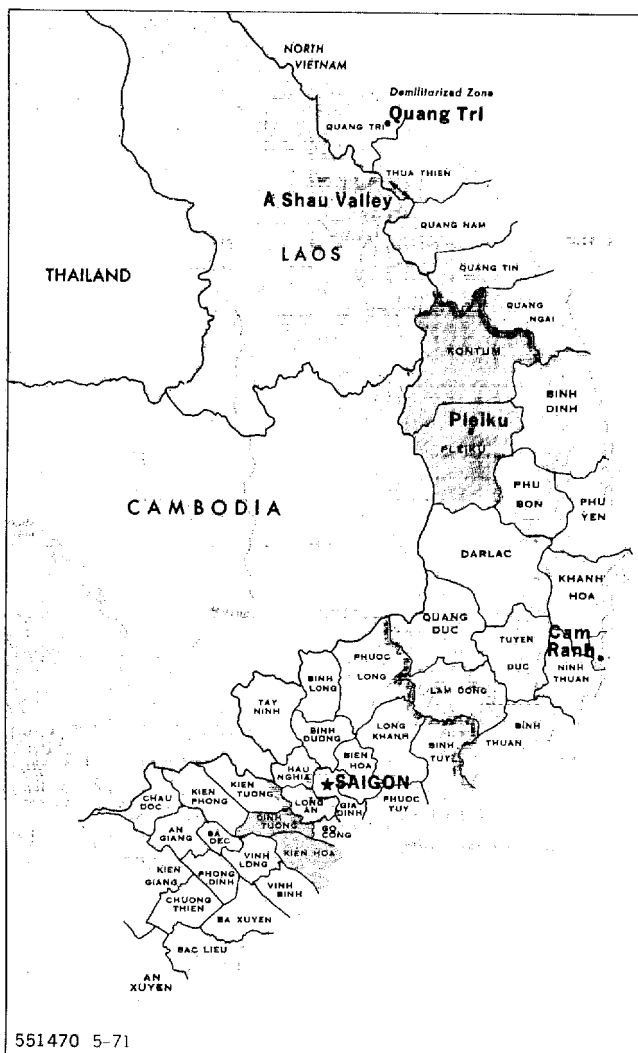
Enemy Military Action in South Vietnam

The latest round of Communist military action, which began late last week, has featured some of the heaviest shelling attacks along the DMZ in three years. Allied positions just south of the eastern section of the DMZ have been hit almost daily since 19 May by closely coordinated artillery barrages, one of which killed 31 Americans and wounded 43 others in a single bunker.

Communist local forces and sapper units also have been active in other attacks. An American ammunition dump near Quang Tri city was penetrated by enemy forces who used satchel charges to destroy rocket and artillery shells. A few sappers set off explosive charges at a fuel depot at Cam Ranh that resulted in the destruction of nearly two million gallons of jet fuel.

Scattered engagements have taken place in and near the A Chau Valley as allied troops participating in Operation Lam Som 720 continue to seek out enemy forces and stockpiles. The heaviest ground fighting of the current enemy campaign, however, erupted in the central highlands. An abortive assault on a South Vietnamese artillery base in western Kontum Province resulted in 139 Communists killed and 31 weapons

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seized. An assault on a bridge east of Pleiku city caused the death of 13 South Vietnamese soldiers and the killing or wounding of some 36 civilians. There also was a series of bloody firefights in southern Pleiku Province last weekend that took a steady toll of deaths and injuries on both sides.

Enemy action in South Vietnam's MR-3, where Communist offensive capabilities are more

limited, generally remained at a low level. There were a number of reports of enemy plans for terrorist acts in Saigon, but only one incident took place in the capital: a grenade was tossed at an American billet on 23 May, but it caused no damage.

Enemy-initiated activity increased quite sharply in the delta provinces of MR-4 beginning on 18 May. Action peaked in the southernmost provinces when 21 incidents, including 12 shellings and four ground attacks, were reported on 18 May. In the northern delta, there were 47 incidents on 21 May, including 28 shellings and five ground attacks. Nearly all of these attacks were in Dinh Tuong and Kien Hoa provinces. On 21 May, a total of 67 incidents were recorded throughout MR-4—the highest number for a single day since last fall—but the intensity of the attacks was low, and only two of the shellings consisted of more than 20 rounds.

The new phase of enemy action is likely to spill over into June, especially along the DMZ. In addition, Lam Son 720 and a new South Vietnamese drive in the central highlands could spur new enemy reactions and keep the level of action fairly high for the next week or so. If the Communists follow past patterns, they will then settle into a period of reduced activity during the summer months to prepare for a fall campaign.

Cambodia: Going Down the Road

The government's military operation to clear a section of Route 3, south of Phnom Penh, has entered its second week. The highway, which could serve as an alternate overland route to the seacoast and the port of Kompong Som, was closed by the Communists not long after the fighting began last year. Although several key government officials reportedly believe that the reopening of the entire road is of considerable importance—primarily because it runs through densely populated agricultural areas—the current

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operation is apparently scheduled to stop at the town of Angtassom, in Takeo Province.

The operation is being conducted by eight Cambodian Army (FANK) battalions under the personal direction of Lt. Colonel Lon Non, the prime minister's brother. By mid-week the force had pushed some ten miles south of its base at Tram Khnar against light opposition. FANK casualties totaled five killed and 48 wounded, the heaviest losses occurring during a day-long battle with enemy troops dug in on a hilltop some 30 miles southwest of Phnom Penh.

According to FANK officers involved in the operation, the opposing forces are made up principally of Khmer Communist troops. It remains to be seen if any of the Vietnamese Communist main force units assigned to the Phuoc Long Front, which directs the enemy's military operations in the southwest, will be used to contest the Cambodian push. Several of these units probably could move within striking distance of the government forces in short order. Rainy season conditions, the generally open terrain along Route 3, and other factors may deter them from doing so, however.

The sharpest fighting of the week occurred in Kratie Province when the Communists carried out mortar and ground attacks against a South Vietnamese Army task force in the town of Snuol. Twelve South Vietnamese were killed and 62 wounded, while enemy losses totaled 75 killed.

In the northwest, the Communists continued to put pressure on government positions in Oddar Meanchey Province. Enemy troops apparently

have gained control of most of Route 68 north of the provincial capital of Samrong and appear to be closing in on a small Cambodian outpost at O Smach, on the Thai border. South of Samrong, the Communists continued to harass FANK forces defending the town of Chong Kal. Losses on both sides have been relatively light, however. According to a recent Vietnamese Communist rallier, elements of the mixed Vietnamese/Khmer Communist 203rd Regiment are responsible for the current enemy military activity in Oddar Meanchey.

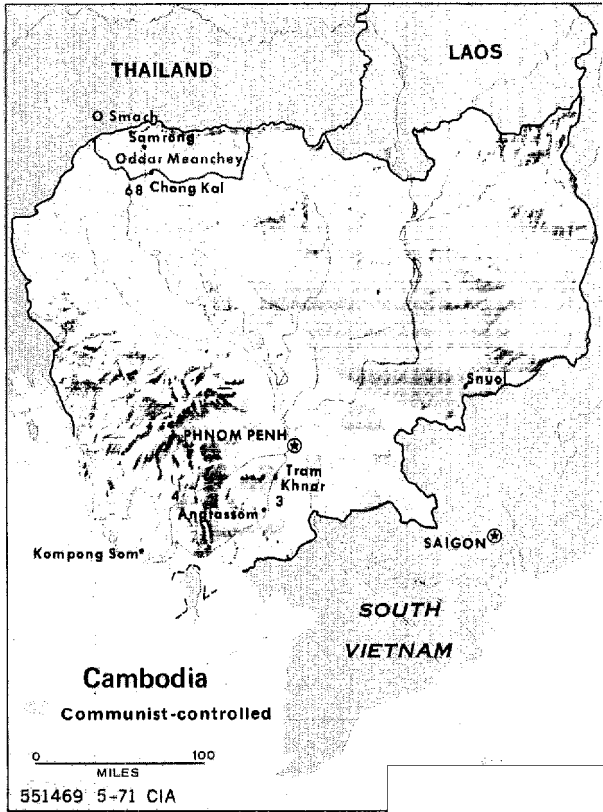
Some Riel Trouble

Although the military situation continues to be the government's main preoccupation, the economic strains generated by the war are beginning to be felt in Phnom Penh. The growing pressure on the Cambodian unit of currency, the riel, represents the first serious crack in the fragile public confidence that has helped hold down price increases. The black market value of the riel has depreciated drastically in the past few weeks. The price on the dollar in Phnom Penh, for example, has climbed from about 144 riels on 10 May to approximately 250 riels on 25 May; parallel movements have been reflected on the Hong Kong market.

It seems likely that this wave of speculation has been triggered by a combination of events, including the fear of an imminent devaluation of the riel, the finance minister's consideration of new controls on bank withdrawals, the recent arrival in Phnom Penh of "several tons" of newly printed bank notes, and police crackdowns on black market money lenders. To underscore the government's concern over speculation, Prime Minister Delegate Sirik Matak has publicly

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criticized recent price increases and has warned speculators and hoarders that they face severe penalties if they are arrested.

The principal reason for the country's precarious financial position is the continuing monetary expansion that has been necessary to maintain the army. Currency in circulation increased 88 percent during 1970 and another 15 percent in the first three months of 1971. US aid will probably offset a smaller portion of Cambodia's 1971 budget deficit than originally had been projected because the government has moved slowly in using these aid funds. As a result, actual US aid deliveries for calendar year 1971 are expected to fall short of amounts obligated. With export earnings at only a fraction of prewar levels and reserves committed to debt servicing and to the importation of essential items, Phnom Penh has insufficient foreign exchange reserves of its own to make up the shortfall in US deliveries.

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SOUTH KOREA: The elections on 25 May for the nation's unicameral legislature went pretty much according to script. President Pak Chong-hui's Democratic-Republican party won a clear majority of the seats in the enlarged 204-member National Assembly. The opposition New Democratic party got well over one third of the seats, while two of the four splinter parties that contested the elections received a seat each. The New Democrats' relatively strong showing will help to undercut charges that the government planned to rig the election.

The New Democrats' good showing is at least partially a result of President Pak's decision

late in the campaign that it was necessary for the opposition to win at a minimum about one third of the seats. The New Democrats at the time seemed to be badly handicapped by the public feuding of their leaders and the strong support being given to administration candidates by provincial and local officials. Pak appears to have become concerned that the growing evidence of illegal election activities by the authorities would add to the public criticism of his own election last month. An added consideration probably was a desire to maintain a credible appearance of a two-party system.

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Communist China: *Plot Counterplot in Peking?*

25X1 Peking may be edging toward some public revelations on the political fate of Chen Po-ta, Mao's personal secretary and fourth-ranking member of the ruling politburo, who has not appeared with other leaders since last August.

[redacted]
an article condemning "idealist apriorism" in the latest issue of the party theoretical journal, *Red Flag*, was an attack on Chen, although he was not directly named. During the past few weeks, similar articles have appeared in the provincial press, apparently targeted against Chen and other leftist leaders on the politburo who appear to have come under increasingly heavy pressure because of their identification with the excesses of the Cultural Revolution and their opposition to post-revolution reconstruction programs.

Chen Po-ta



Not enough the little Red bookworm

Marxists who dispute Mao's view that theory must not be divorced from practice. Chen has long been the regime's leading theoretician, and the article evidently is intended to be official acknowledgment that his voice in regime councils has been silenced. Nevertheless, Chen's political demise is clearly not based solely on personal shortcomings; it presumably results primarily from the long-standing dispute over power and policy between the radical ideologues—part of Mao's inner circle since the beginning of the Cultural Revolution—and a more vague grouping of proponents of relative moderation in domestic and foreign policies whose principal spokesman appears to be Premier Chou En-lai.

The *Red Flag* article excoriated sham

[redacted] Chen got into serious trouble because of his association with the notorious "May 16 Corps," an extremist organization that was denounced as "counterrevolutionary" in 1967 for its attacks on Chou En-lai, a number of his vice premiers, and several major regional military figures who are now on the politburo. An investigation under way for more than a year into the activities of the May 16 group apparently is a major effort, perhaps backed by Chou, to undercut the power of leftist elements in the politburo.

25X1 The investigation may be directly related to an alleged "anti-Mao" plot cited in an article by Wilfred Burchett, the left-wing Australian journalist who recently returned from Peking and claims he was officially informed of the plot. Burchett's article discusses an extreme leftist "shadow cabinet" that tried to manipulate itself into power during the Cultural Revolution. The journalist claimed that the names of the "plotters" would be revealed when the investigation was completed.

One of the plotters to whom Burchett's article refers is Kang Sheng, the fifth-ranking member of the politburo and the regime's top security specialist, who has been out of public view since last November. The absence in Peking of any fifth anniversary celebrations for the 16 May 1966 Central Committee directive on the Cultural Revolution, from which the "May 16 Corps" took its name, lends support to the supposition that Kang Sheng continues to be in serious trouble. Kang was mentioned in the 16 May directive as the only "good" member of the group Mao previously had charged with launching the "revolution" in 1965.

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The setback to Chen Po-ta and the current press polemics suggest that a major decision has recently been taken in Peking against the leftist forces on the politburo. They have been losing ground for several months in their disruptive campaign to secure more tenable political positions for themselves and their followers in China's post - Cultural Revolution power structure. Given the present fluid situation within the politburo, however, it probably would be erroneous to assume that the fortunes of the left are completely

on the wane. There have been clear signs during the past few days that the sensibilities of the leftist leaders have been taken into account in several major provincial party appointments as well as in some personnel shifts within the important Peking Military Region. Indeed, until the so-called May 16 affair is brought to a close, the complex political bargaining and infighting at the top of the regime is likely to continue and may even intensify.

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The Specter of Communist China: *Vibrations in Singapore and Malaysia*

The countries of Southeast Asia are moving into the early stages of a period of adjustment to what may develop into a new relationship between the region and Communist China. As Peking pursues its current policy of promoting better relations with some, if not all, of the countries of the region, it is becoming increasingly clear that in some cases the adjustments will be painful. This is already evident in Thailand, where Foreign Minister Thanat, the chief proponent of closer relations to Communist China, is in political hot water, and in Singapore, which because of its ethnic Chinese population has a particularly difficult if not entirely unique problem.

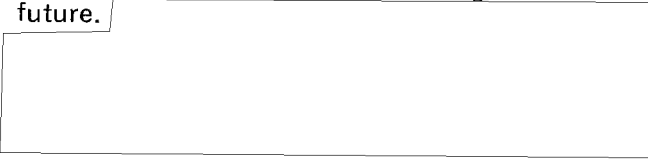
Last week Singapore's Prime Minister Lee Kuan Yew cracked down on three local newspapers, probably in part because of what he regards as the increasing expressions of Chinese cultural chauvinism in the Singapore press. Lee



Lee socks it to the critics

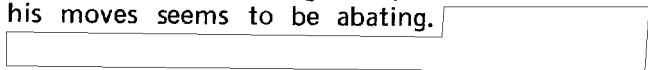
constantly reminds his people that they are Singaporeans first and Chinese second, and he believes that any close cultural identification with China could strengthen political sympathy for Peking, thereby threatening internal security. He has accused two of the papers of being subsidized by Peking (and has intimated that the third is financed by CIA).

Lee's actions may also be a result of his concern over the recent expansion of contacts between Malaysia and China. Kuala Lumpur has decided to slow down this developing relationship and has no intention of establishing formal trade or diplomatic relations with Peking in the near future.



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Though the specter of China appears to have been a factor in Lee's suppression of the press, his actions probably are also attributable to personal pique. All three newspapers have been critical of him, although none has any real potential for endangering the government. He believes, nevertheless, in keeping his country, including the press, at close rein and has no qualms about using tough tactics to keep down the opposition. Hence, the detention of several leaders of one of Singapore's major Chinese-language papers, the forced shutdown of a small English-language paper, and the attempt to put another English-language paper out of business by forcing a bank foreclosure are all in character. He has since backed down to the extent that he may allow another bank to take over the latter paper's financial problems, and, in general, local criticism of his moves seems to be abating.



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EUROPE

Heath and Pompidou Ponder European Issues

Last week's summit meeting between Prime Minister Heath and President Pompidou has virtually assured that the negotiations on British membership in the European Community will come to an early agreement.

The most troublesome of the remaining issues is what will happen, in the enlarged Community, to the special treatment Britain now gives the dairy products it imports from New Zealand. Pompidou reportedly gave a "positive response" to the British request for an accommodation, but a bargain acceptable to all parties remains to be struck. The two also pledged to work toward agreement on the details of Britain's financial contribution to the EC during the transition period, the general principles of which have already been decided.

The central theme of the discussions was not, however, the negotiations themselves, but "the overall concept of Europe, its organization, its functioning, and its future," in Pompidou's words. He and Heath stressed that this construction should be built on the further development of the economic and monetary union, and Heath evidently made more explicit commitments that sterling would not stand in the way. They further agreed that the enlarged Community should lead to a united Europe that can play an important role in the world. Defense was discussed only briefly, both leaders thinking that it should be a topic for the future.

In his statement to the Commons, Heath came close to endorsing Pompidou's evolving concept of a European "confederation," saying

that "the identity of national states" should be preserved in the developing community. Although the EC Commission should continue to have a valuable role, according to the Prime Minister, the important decisions should be made by the explicitly national representatives composing the EC Council and these decisions should be taken by unanimous agreement "when the vital national interests of any one or more members are at stake."

The EC's treaty provides that most Council decisions may be taken by majority vote on the basis of proposals submitted to it by the Commission, but virtually all have been made unanimously since the Luxembourg compromise of 1966, which was the price the EC had to pay for France's return after a nine-month boycott of Community institutions. Whether Heath is merely affirming his agreement with present Community practice, or whether he and the French think that the Luxembourg compromise should become a Community principle, is not clear. All the Six agreed last year that the institutional provisions of the existing treaty should be retained in the enlarged community.



Ted et Georges: Sunshine Finale

London Evening Standard headline

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On the institutional question—and in general—Britain and France will not be deciding the future of Europe alone. Except for the French, the members of the Community believe that in the long run an enlarged Council using the unanimity rule simply could not work. Although the Community has been able to survive and even thrive despite this disagreement, an attempt now to nail down one view or the other could slow progress on enlargement.

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Egyptians Likely to Soothe Podgorny

Soviet President Podgorny's arrival in Cairo this week for an indefinite stay was the clearest sign to date of Moscow's concern about Egyptian President Sadat's recent purge of his government. The official Soviet line is that what has been going on in Egypt is strictly "an internal matter." Moscow, however, seems genuinely confused about the import of the changes in Cairo and probably wants both an explanation and first-hand reassurances that Soviet interests there will not suffer.

The Podgorny visit, which apparently resulted from a Soviet initiative, is being billed as one in a continuing series of traditionally friendly visits, and according to the initial reports, the Soviets have reaffirmed their political, economic, and military commitments to Egyptian President Sadat. Moscow, however, is not nearly as anxious to reassure as it is to be reassured that Egypt will meet its commitments to the USSR.

For his part, President Sadat presumably will seek to dispel Soviet concern that the purge of key Egyptian officials more or less closely identified with Moscow will have repercussions on Soviet-Egyptian relations. Soviet influence in Egypt, in fact, hinges less on connections with highly placed Egyptian figures than on Cairo's dependence, for the foreseeable future, on Soviet military aid.

Podgorny is accompanied by a fairly senior group of officials. Included in it are Foreign Minister Gromyko, Deputy Defense Minister and Commander of Soviet Ground Forces Pavlovskiy, and Boris Ponomarev, the senior CPSU official responsible for relations with nonruling Communist parties. A Soviet economic delegation, headed by Moscow's top ranking foreign aid official, Semen Shachkov, has been in Cairo since 20 May. His visit, which was also laid on just recently, is presumably for the purpose of ascertaining whether the newly concluded Soviet-Egyptian economic agreements will be affected by the recent political changes.

Cairo's warm reception for the Soviet delegation and the generally laudatory treatment of the Soviet Union during the visit underscored Sadat's main effort to reassure Podgorny that domestic political developments had not jeopardized Soviet interests in Egypt. At the same time, a categorical

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rejection of foreign "intervention in domestic affairs" in a front-page editorial of the semi-official *Al-Ahram* seemed designed as a low-keyed warning to the Soviets that although they had a right to be briefed on recent political changes, Sadat would not tolerate outside interference in internal Egyptian politics.

Sadat nonetheless is aware that Soviet interests and sensitivities impinge on his freedom of

action in the Middle East negotiations and in his efforts to improve relations with the US. With this in mind, Sadat, in his discussions with Podgorny, probably sought to counter Soviet 25X1 fears that a US-Egypt rapprochement might exclude the Soviets from playing a role in efforts to reach a settlement with the Israelis. [redacted]

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Hungary Issues Bonds in the West

In a first among Communist countries, Hungary has issued \$25 million in ten-year bonds on the international money market. The USSR has at least tacitly approved this move inasmuch as the Soviet-owned Narodny Bank in London is participating in the underwriting. Two other British banks are involved, one of which is loosely affiliated with a US bank.

The agreement between the Hungarian National Bank and the underwriters provides for the floating of Eurodollar bonds on the free market to be purchased by individuals and financial institutions. The bonds should sell rapidly because they are guaranteed by the excellent reputation of the underwriters. Budapest and other Communist borrowers generally have raised hard currency in the West through bank credit, often backed by Western governments. Government-to-

government credits also have been obtained, but these have always been tied to specific purposes.

Hungary's flotation of bonds to acquire hard currency on the international money market marks the latest step in Budapest's program to normalize its commercial relationships with the West. The Hungarians have been in the forefront among Communist countries in attracting Western technical assistance and in participating in joint ventures. Successful flotation of the bonds may result in similar agreements by Hungary as well as by other Communist countries that have a record of financial responsibility in their dealings with the industrialized West. In general, most Communist states have been scrupulous in observing their financial obligations in agreements reached with Western partners.

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Moscow Gropes to Forestall Peking's UN Entry

As a US decision on handling the Chinese representation issue at this fall's UN General Assembly draws closer, Soviet officials are becoming more open in voicing unhappiness over the prospect of Peking's entry into the UN.

Although the USSR continues to profess support for Peking's membership, it appears to be hoping that some variant of the "two Chinas" approach will win sufficient backing to stave off Peking's accession. Moscow appears to be calculating—correctly—that Peking will reject admission as long as Taipei remains in the UN. Soviet diplomats have discreetly suggested that Western countries tailor their strategy to this calculation in order to foil Peking.

The purpose of this subterfuge would be defeated, however, if the Nationalists were to walk out the minute Peking was admitted. Moscow, therefore, seems to be trying to dissuade Taipei from such a course. A Soviet diplomat in Geneva, for example, expressed obvious disappointment when the Nationalist ambassador there told him Taipei would leave the UN if a "two Chinas" concept were adopted.

Moscow has also been attempting to discourage support for Communist admission by spreading back-corridor gossip that Peking would be a disruptive influence in the world body.

Moscow, recognizing the limited effectiveness of its own discreet efforts, probably views

the forthcoming US decision as the key to Chinese representation this year. Consequently, Soviet officials have demonstrated an intense interest in ferreting out Washington's planned course. They seem to be hoping for continued US opposition to the entry of Peking, which might result in excluding Communist China and also would chill the recent warming trend in Washington-Peking relations. Should the US adopt such a course, Moscow obviously intends to stand on the sidelines, giving pro forma public support to Peking.

Moscow's search for some means to delay or even prevent Peking's UN entry is certainly motivated by the spoiler role the mainland could play in a number of UN areas of Soviet concern—the selection of a Secretary General this fall, any Middle Eastern peace settlement requiring Security Council concurrence, and disarmament matters. Moscow also fears Peking would use its UN membership as a forum for anti-Soviet views and would try to undercut the USSR's support among third world countries.

Some Western friends of the Nationalists generally favor some sort of dual representation formula, which could command a majority this year, but they are anxious that it not appear to be a gimmick to exclude the Communists. Last year, the "Albanian" resolution to admit Peking and expel Taipei received a majority for the first time, although it failed to be adopted because it did not obtain the two-thirds required as an Important Question. However, many UN members have strong qualms about evicting Taipei.

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Movement Toward Detente to Dominate NATO Ministerial

The NATO foreign ministers will meet in Lisbon next week amid enhanced speculation on the prospects for movement toward further negotiations on central European issues. Because of a variety of concurrent developments—Soviet statements on mutual and balanced force reductions (MBFR), the debate in the US over troop levels in Europe, movement in SALT, and intensified speculation on the prospects for a Berlin agreement—most foreign ministers will favor moving the NATO detente position forward in Lisbon, particularly on MBFR.

It is unlikely that Moscow will further illuminate its views on force reductions in the next week. Most of the NATO members, however, will be prepared to move ahead on the basis of what the Soviets have already said. The question for the ministers will be how to advance the MBFR dialogue while avoiding the pitfalls of too rapid an acceleration. The West Germans remain concerned that moving too quickly would reduce Western leverage in the four-power talks on Berlin. Bonn is fearful that if East Germany participates in such talks prior to a Berlin agreement, it would be even less willing than now to compromise on Berlin and on other inter-German issues. Nevertheless, Brandt has said that Bonn will not ask the other allies to require a Berlin agreement prior to beginning talks on MBFR.

Some allied interest has developed in the Canadian suggestion that, to get around the problem of East Germany, the foreign ministers appoint an individual or a member government to explore MBFR with Moscow and other interested governments on behalf of the Alliance. London apparently favors giving outgoing Secretary General Brosio this assignment. The British NATO mission believes, however, that London will follow Washington's lead, as will many of the allies who have not yet decided on what approach to take in Lisbon.

Many of the allies favor making some change in the preconditions they set last December for moving to multilateral preparations for a Conference on European Security (CES), namely a Berlin agreement and progress in other "ongoing talks." A number of allies—including France and West Germany—have already said that they favor removing the requirement for progress in "ongoing talks." Other members would simply prefer a wording that looked less like a formal precondition.

The French position on the Berlin precondition appears increasingly uncertain as the ministerial approaches. In Paris, French officials continue to say that they will not attempt to change the Berlin-CES linkage in Lisbon. The deputy chief of the French mission to NATO, Andreani, however, reportedly has said that Paris is not prepared to repeat the Berlin precondition as it now stands, and that France would even dissociate itself from the language in the communiqué if it is not changed. He said that Paris believes that the linkage should be stated in a "positive sense." He suggested that the communiqué could note that progress has been made on Berlin and could express the hope that further progress in the four-power talks will justify multilateral CES talks.

Paris has recently been outdoing all the other allies in expressing its support for an eventual CES, as was evidenced by Foreign Minister Schumann's comments during and after his recent trip to Moscow. Given the optimistic French assessment of the status of the Berlin talks, it remains possible that Andreani's comments reflect the trend of thinking in Paris. Strong French insistence on a change would make it very difficult for the allies to emerge from the ministerial with the appearance of a unified approach to the Berlin-CES relationship.

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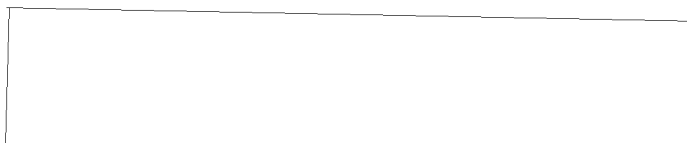
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Poland: Gierek Gains in Stature

Party leader Gierek is consolidating his position, with Moscow's support, by gradually reducing the influence of those men who are incompatible with his style of rule. If he can maintain this momentum, he will soon dominate the party apparatus at all levels and will be in an excellent position to put his personal stamp on the regime when the party congress convenes at the turn of the year.

Hard-line politburo member and party secretary Moczar appears to have been virtually eliminated as a power factor within the hierarchy and as a potential rival to Gierek. Even though he remained in the background following the worker riots last winter his well-known ambitions for personal power were one of the main elements of potential political instability.



Moczar's important responsibilities as overseer of the military and security apparatus, among others, have been assumed by newly appointed party secretary Stanislaw Kania. Kania has close links with candidate politburo member and Defense Minister Jaruzelski, who also appears to be a rising star within the Warsaw leadership.

In addition, there are signs that Moczar's ally, the ultraconservative candidate politburo member and Warsaw party chief, Josef Kepa, has

lost ground and may be ousted soon. For a time Kepa appeared intent on trying to inherit Moczar's role as symbolic leader of the party's hard-line faction, but it now seems that he has neither the influence nor the time to organize Moczar's associates, who are becoming increasingly divided among themselves.

The creation last week of four working groups—each headed by a politburo member—to prepare for the party congress provides further indications of the relative standing of members of the hierarchy. Excluding Gierek and Premier Jaruzewicz, the four politburo members who failed to get specific assignments are all holdovers from the Gomulka team and appear to be losing influence. None of them, especially Moczar and titular head of state Cyrankiewicz, is likely to remain in the top leadership after the congress.

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Meanwhile, Gierek is following up his reshuffle of provincial party organizations earlier this year with calls for a "re-evaluation and consolidation of party ranks" down to the lowest level. Some elements within the local party apparatus evidently are still resisting Gierek's programs or, conversely, are seeking to maintain the grass roots influence they gained in December. Regional party meetings now under way could thus signal an early housecleaning of party ranks. Further indications of how far and how fast Gierek intends to remold the party hierarchy and the rank and file in his own image may emerge next month at a scheduled central committee plenum.

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CZECHOSLOVAKIA: The Communists opened their party congress on 25 May by trumpeting their defeat of Czechoslovak liberalism. First Secretary Husak said the period of "consolidation" was over and proclaimed Czechoslovakia's return as a strong member of the socialist camp. These claims were ratified by Soviet party boss Brezhnev, who also spoke of the "high prestige" that Husak had earned in the socialist community.

The Czechoslovak leader reminded his audience that socialist discipline both within the party and society was lax. His exhortations for hard work were a fresh reminder of the fundamental weaknesses at the local party level. The congress closes on 29 May with the formal adoption of documents and elections to the major party organs. [redacted] 25X1

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MIDDLE EAST - AFRICA

India-Pakistan: *Crisis Posed by Refugees Continues*

Although the continuing influx of refugees from East Pakistan has created serious problems for India, it appears that for the immediate future New Delhi will rely on political rather than military efforts to resolve the crisis. In a speech to Parliament on 24 May, Prime Minister Gandhi stated she was convinced there could be no military solution to the problem of East Bengal and that a political answer must be sought. This appears to indicate that India will seek to marshal world opinion in an attempt to compel Pakistan to halt the flow of refugees, now estimated by Indian authorities at over 3.5 million. Mrs. Gandhi, however, is under considerable pressure both from her own party and from the opposition to grant diplomatic recognition to Bangla Desh.



Pakistan has also injected a slight element of caution in its statements over the crisis, without, however, completely dropping its charges of Indian interference. On 21 May, President Yahya Khan issued a statement that, in passing, urged the refugees to return, but it was largely concerned with heaping blame on India for encouraging the exodus. The generally harsh tone of the statement probably destroyed any effectiveness it might have had in stemming the flow of refugees. In a press conference three days later, Yahya took a more conciliatory tone toward India and em-

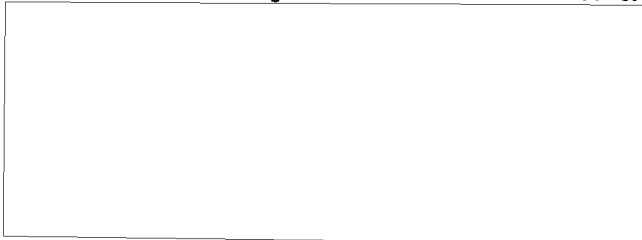
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phasized that refugees not guilty of crimes were welcome to return, but an official note to India on the same day was again sharply critical of New Delhi's "responsibility" for the refugee problem.

Despite the apparent desire of both sides to avoid hostilities, the situation remains tense and either side could make a miscalculation that would result in war. Clashes continue along the East Pakistan border, with casualties on both sides. There have also been some signs of possible Indian contingency measures on its western border. On 20 May, for example, an Indian infantry battalion with 600-800 men and about 12 T-55 tanks was seen moving westward, apparently passing from central India toward the West Pakistan border. The troops were in full battle dress, and all vehicles and tanks were camouflaged.

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Meanwhile, President Yahya has reaffirmed his intention to transfer power to civilians as soon as circumstances permit. In his press conference on 24 May, he said he would issue a policy statement concerning the transfer in a few weeks.



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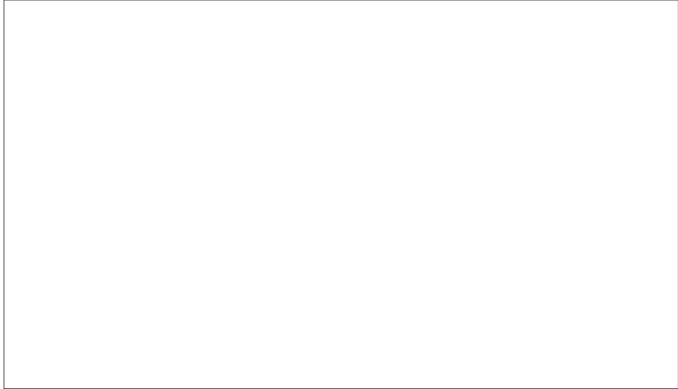
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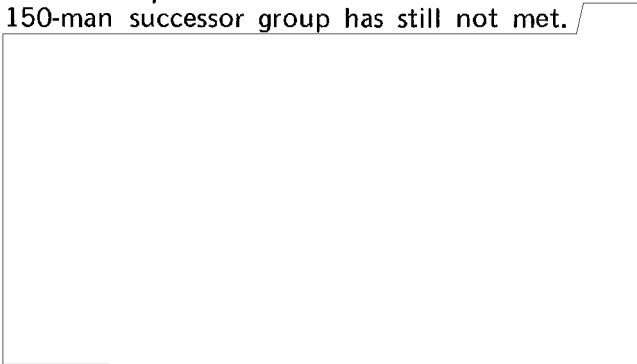
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Fedayeen Movement Drifts into Disarray

The approach of the next scheduled meeting of the Palestine National Council, the nominal legislative body of the Palestine exiles, finds the principal fedayeen organizations still beset with the problems of internal discipline and relations with host governments as well as with their congenital inability to achieve over-all unity.

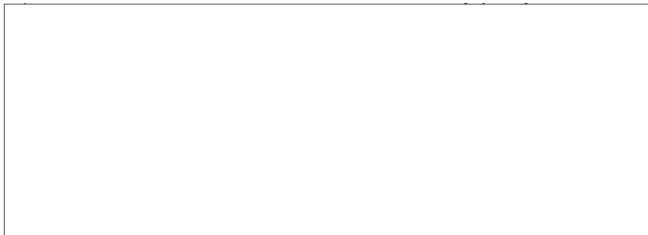


Little progress has been made in preparing for the council session now set for June. The five-man committee appointed by the last council to draw up a list of candidates for its new 150-man successor group has still not met.



As a result of the debate that has been going on within the various fedayeen organizations since the showdown in Jordan last April, a split is emerging in the Popular Front for the Liberation of Palestine (PFLP). A leftist faction that calls itself the "progressive wing" has begun attacking PFLP leader George Habbash. The group is issuing communiqués calling for "reforms" in the PFLP and has threatened to break with Habbash if its demands are not met. The other organizations, including Fatah and Saiqa, have also been experiencing similar splits between hard-line militants and traditional leaders.

Meanwhile, still smarting from their recent setbacks in Amman, the fedayeen are now becoming apprehensive about their position in Lebanon.



Fatah's attempted take-over of the National Council is unlikely to be acquiesced in by the other organizations, and any pretense of cooperation between the various groups will probably disappear. Moreover, with the movement in greater disarray than ever, the possibility of one of the organizations instigating a clash with the Lebanese Army is likely to rise.



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Sierra Leone: *Stevens Firmly in Control*

President Siaka Stevens, very much on top after his near ouster by disaffected army elements last March, continues to consolidate his domestic political position. At the same time, he has begun to broaden his government's contacts with the Communist world.

Since declaring the country a republic and assuming the office of president under the new governmental system he created last month, Stevens has been busily installing in office the people who stood by him during the latest crisis. This consolidation process is reflected in a cabinet reshuffle carried out last week in which Solomon Pratt, a long time Stevens confidant, was named foreign minister.

In an earlier move, S. I. Koroma, a volatile party man who commands strong support among the urban poor in Freetown, was named to fill the new office of vice president. His appointment appeases a large block of tribal supporters previously unrepresented in the leadership. Koroma has been behind most decisions to use more violent tactics against regime opponents. Although primarily a ruthless opportunist, he is a member of a radical party faction pushing Stevens to adopt more leftist policies.

Stevens also is taking steps to refurbish his badly eroded popular image with the electorate, including speaking tours upcountry. He continues to pursue a vindictive course against leading opponents, however. Two former cabinet members who led a challenge against him last fall remain in jail uncharged, while a dozen other prisoners whose treason convictions were recently overturned by an appeals court will be retried under new charges.

Stevens' efforts to bolster his domestic position were given added urgency by the withdrawal this month of more than half of the 200 Guinean troops whose timely arrival last March enabled him to survive the coup attempt and reassert his authority. The withdrawals, which probably reflect Guinean President Toure's anxiety to end his military intervention in Sierra Leone as quickly as possible, are certain to have increased Stevens' apprehension about his security. Recent rumors of impending attacks and new coup plots could be a Stevens' stratagem to slow or stop the withdrawals.

Stevens meanwhile has begun to dilute his country's traditional ties with the West by broadening contacts with Communist states and by stressing a more neutral stance in foreign affairs. A move toward Peking has been evident since April when Chinese Premier Chou En-tai warmly congratulated Stevens on his declaration of a republic and called for the "further development of friendly bilateral relations." Some two weeks later, the Stevens government indicated privately that it will vote next fall for Peking's admission to the UN. Vice President Koroma will travel to Peking this week for talks that seem likely to result in Peking replacing Taipei before too long as the Chinese representative in Freetown.

Several Communist delegations have visited Freetown recently. A Soviet military mission made an unannounced visit on 3 May, setting off speculation of future arms aid. In mid-May, a Soviet destroyer paid a five-day visit. The Sierra Leone press gave good coverage to the visit of North Korean journalists for independence day celebrations late last month. In addition, Guinea is pressing Stevens to allow the East German ambassador in Conakry to visit Freetown.

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Kinshasa Seeks Long-term Capital While Overlooking Economic Needs

President Joseph Mobutu's official visits last month to France, Japan, and Taiwan to attract foreign investment gained his country promises of long-term financial and technical assistance. Although he has been promoting the Congo's future development, current budget and balance-of-payments problems are becoming urgent and Mobutu may have to appeal for help to meet the most pressing of them.

Mobutu's recent gains are all far-sighted. The Japanese Government agreed to look into financing an \$80-million railroad and bridge that is part of a scheme to complete an all-Congolese rail link from the Atlantic to the copperbelt and thereby lessen the Congo's dependence on neighboring countries for transport. The French agreed to increase technical assistance personnel and project aid to \$3.6 million a year—roughly twice the level of 1970. They also agreed to guarantee French private investment in the Congo and to facilitate capital transfers. In Taiwan the government announced that it would increase its small agricultural assistance program.

The concentration on new long-term foreign investment overlooks an immediate need to finance what could become a \$100-150 million budget deficit this year. The price of the Congo's leading export, copper, fell last year by some 40 percent, causing a serious drop in receipts. Lavish spending by the government, which had become a habit during the copper boom, has not slackened. In fact,

revenue was already falling when the Congo Government spent large amounts during 1970 celebrating its tenth anniversary of independence, entertaining visiting King Baudouin of Belgium, and staging presidential and legislative elections in the fall.

Though these expenditures were one-time sprees, wide-ranging salary increases to government employees in January and an increment in army personnel added additional financial burdens. Despite a slowdown in capital expenditure, government spending remains only slightly below what it was when copper receipts were highest. Although copper prices may rise if an anticipated US copper strike curtails supply of the metal, it is unlikely that sufficient revenue will be generated to prevent a sizable deficit.

The balance-of-payments is also strained. Mobutu's promotional trips abroad over the past two years have not attracted enough new foreign investment to offset outflows of business profits, capital transfers, and debt and other financial obligations. Imports, including basic foodstuffs and low-cost manufactured goods, have kept price levels relatively stable, but have been rising twice as fast as exports. Reduced copper earnings in 1971 may accelerate the decline in foreign exchange reserves that began in mid-1970. To avoid restricting imports, which could be strongly inflationary when a massive budget deficit is imminent, the Congo may again have to seek import assistance such as was provided by the US in the mid-1960s.

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ZAMBIA-ANGOLA: Reprisals against Zambia for its support of anti-Portuguese guerrillas took a new turn last week as Angola-based Zambian dissidents launched cross-border raids into remote northwestern Zambia. According to the Zambian minister of home affairs, about 90 men crossed from Angola on 16 May and attacked a paramilitary police post and a bus. The minister claimed that one policeman,

three civilians, and four attackers were killed, and that 15 civilians were wounded. Sporadic reports of subsequent smaller raids have not been confirmed. The dissidents are most probably members of the small Lunda tribe that lives in the area.

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Peking's Economic Presence in Africa on the Rise

During the past year Communist China increased its economic commitments to African countries as part of its efforts to gain diplomatic recognition and votes for admission to the UN. This, more than competition with the USSR, underlies recent efforts by Communist China to establish itself firmly in Africa where Nationalist Chinese influence is waning.

Equatorial Guinea, which recognized China last October, has signed economic and technical cooperation agreements with Peking in expectation of reducing its heavy economic dependence on Spain. Ethiopia—another country that recognized Peking late last year—probably anticipates a Chinese aid offer and already has arranged for coffee sales to China. Nigeria has carried on a small amount of trade with the Chinese, and following recognition in February officials of the two countries agreed there should be a formal bilateral trade agreement.

Peking has committed substantial economic assistance to several African countries that recognized Peking years ago. In April, Mauritania received more than \$20 million in credit to build a deep-water port at Nouakchott. This will increase China's economic commitment to Mauritania more than fourfold. In Somalia, Peking recently revived a 1963 credit by agreeing to construct a cigarette factory and to survey a road. This move should be particularly gratifying to the Somalians, because other Communist countries

have not been forthcoming with economic assistance since the coup in October 1969.

A delegation from Mali recently visited Peking to discuss expansion of several Chinese-built light industrial plants as well as financing for the construction of the Manantali Dam, which is expected to cost more than \$100 million. Peking, however, apparently did not make a firm offer for this project during the visit. It did agree to allow Mali to resume drawing on credits extended in the early 1960s that were not fully utilized. The outstanding portion of these credits—\$17 million—had been frozen since Mali's present leaders overthrew a Peking-supported regime in 1968.

The Chinese appear to be moving according to schedule in the construction of the estimated \$400-million railroad in Tanzania and Zambia. It is to be completed by 1975. Around 7,000 Chinese technicians currently are involved in the project, and as many as 13,000 Chinese reportedly may eventually be involved.

Early this year about 50 Chinese technicians arrived in Sudan to begin implementing a \$42-million credit extended last year. In addition, a Sino-Sudanese trade protocol for 1971 has been signed, calling for total trade to reach almost \$70 million, double the level for 1969.

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UN-CYPRUS: The Security Council voted this week to extend the mandate of the UN force in Cyprus (UNFICYP) for another six months. Intercommunal tensions on the island once again appear on the rise, sparking more statements on the need for both sides to make concessions. Since its creation in 1964, UNFICYP generally has oper-

ated at a deficit, with the US and the eight nations contributing troops faced with the problem of covering the gap. Concern over this funding problem has been shelved temporarily because of the greater problems on the island, but the issue may be revived before the end of this year.

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Oman's Problems Continue to Hold Back Change

The reform regime of Sultan Qabus, which took control from Qabus' father in a virtually bloodless coup last July, has failed to make significant headway toward solving Oman's many problems. The Sultan's British advisers are blamed for causing friction between him and his prime minister, with the result that their working relationship remains uneasy. Development of foreign relations has been retarded by the failure to carry the good will of Saudi Arabia, whose friendship is a prerequisite for Oman's full acceptance by other Arab states.

Since the July coup, Oman has begun to emerge from the feudal state deliberately fostered by the former sultan. The tight grip that he exerted over even insignificant domestic matters has been relaxed, and the new reform program has been well received by the populace, especially now that several of the development projects have gotten under way. Political reform has lagged behind economic development, however, and the security situation in parts of the hinterland remains precarious.

The British advisers, who control the armed services and the security forces, report only to the Sultan, and he continues to act on their advice much in the manner of his father, without consulting other members of his government. Prime Minister Tariq, who is also the Sultan's uncle, claims that he has not even seen the chief British military adviser for more than two months, despite the fact that the Sultan has been on vacation in Europe. In budget and development matters as well, the British experts have

almost totally excluded the inexperienced and inexpert Omani officials, even though these fields are keys to domestic reform.

The prime minister has not improved the situation by his own behavior. He admits that, in the absence of the Sultan, he should have held open public court daily and should have made inspection trips to the disgruntled interior. The prime minister was bred in the suspicious political climate of earlier days in Oman, however, and does not want to give Sultan Qabus cause to remove him on the suspicion that he was building up his own body of support.

These domestic political difficulties have permitted little forward movement in vital foreign policy matters. The new regime has failed to mollify Saudi Arabia, long the patron of Omani rebels, although King Faysal would probably welcome an excuse to drop his support for the ineffective dissidents he still finances. As the most important ruler of the Arabian Peninsula, the King's approval is also a prerequisite for acceptance of the new regime by the Arab League, a loose coordinating body for the Arab states.

Essentially, there is no conflict between the Sultan and his prime minister, as both seek the betterment of Oman. Until petty problems of personality and communication can be overcome by the two leaders, however, both domestic and foreign policies will probably remain muddled.

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Chile: *A Situation Report*

President Allende's first state of the union speech, made at the inauguration of the congressional year on 21 May, was essentially a restatement of his plans for fulfilling the Popular Unity (UP) coalition's commitment to bring socialism to Chile. He again called for a unicameral legislature and a socialist legal system. The President did not demand special economic powers or present concrete legislative proposals as many had expected. He did mention the need for a new constitution and may adopt the proposal of a Socialist splinter group to convoke a constituent assembly. Such a move would bypass congress and may be Allende's choice as the most palatable way to bring about the institutional changes the UP considers necessary to consolidate its power.

Allende's implication that he expects the opposition to resort to violence and that he is ready to respond with force, which the US Embassy notes has become one of his constant themes, was interpreted in different ways. Some Chileans consider it an attempt to capitalize on a deep-seated desire to maintain a peaceful unfolding of the political process as well as an appeal to the armed forces to maintain their traditional role of impartial guarantors. Many others, including the independent daily *El Mercurio*, see it as blackmail—the threat that violence will be used against Chileans who might obstruct in any way the UP's manipulation of existing legal norms to construct a socialist state.

This implied threat against dissenters is at variance with what is described as Allende's "velvet glove on a steel fist" approach, which the Chilean Communist Party also favors as the least

likely to arouse opposition while accomplishing the UP's aims. This caution is not shared by hard-line Socialists and the radical Movement of the Revolutionary Left (MIR). The sometimes discomfiting criticism and actions of these hard-line supporters inside and outside his administration indicate that Allende cannot always placate them in the constant political balancing act that he performs behind the scenes.

Socialists, for example, played a large role in the intervention in the operational and financial control of the mammoth El Teniente copper mine on 20 May. Due for complete nationalization under a constitutional amendment that will become law in July, El Teniente is now owned 51 percent by the Chilean government and 49 percent by the Kennecott Corporation. Chilean officials have blamed recent production shortfalls at the mine on Kennecott, whose management contract is violated by the intervention. On the other hand, members of a congressional committee that investigated the situation this month placed responsibility on the government for the technical difficulties, political persecution, absenteeism, resignations of key technicians and officials, labor indiscipline, and lack of financing that the legislators said were the cause of the production shortfalls.

Recent statements by the ministers of economy and agriculture indicate that the government is ready to move more confidently in the centralization of planning and production and in emphasizing the role of labor.

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Argentina: Lanusse Maintains Course Despite Problems

President Lanusse is moving forward with his plans to reorganize the political system and eventually to hold elections, despite plotting in the armed forces and an increasing problem with urban terrorism. The recent round-up of the leaders of two military conspiracies appears to have bought Lanusse some time to pursue his political plan, but the rising tide of terrorism, marked by the kidnaping this week of the honorary British consul in Rosario, could put new obstacles in his path.

The kidnaping of Stanley Sylvester, an act directly related to his position as manager of the US-owned Swift Packing Company rather than his honorary diplomatic assignment, was the action of the People's Revolutionary Army (ERP). The ERP, a Trotskyite group that has modeled many of its activities on those of the Tupamaros in Uruguay is the largest and most active of several terrorist groups in Argentina. Bank robberies, terrorist attacks on police outposts and military personnel, and now the kidnaping have prompted serious concern among military officers. To help allay this growing concern, Lanusse intends to strengthen the judicial processes by forming a federal court with nationwide jurisdiction over subversive activities.

Despite the efforts by military conspirators and terrorists to stall the President's plan to return the country to a constitutionally elected government, Lanusse has not lost the momentum he gained in the first weeks after assuming power on 23 March. Labor, except for a few extremist unions, appears satisfied with the wage negotiations that now are nearing conclusion. In addition

there are indications that the leaders of the General Confederation of Labor hope to reach a working relationship with the government. Lanusse also has gained the public support of the moderate Peronists and their allies in the Hour of the People movement on the condition that he continues to move toward free elections. The Hour of the People remains a loose grouping of moderate politicians, but the parties participating in the movement represent a large majority of the voters in past elections.

The details of Lanusse's strategy for putting together a workable political system will not be clear for several months, when a law governing the organization of political parties will have been drawn up and a final decision will have been made on reforming the constitution. Opinion on that strategy may begin to crystallize as early as next month, however, following the release on 31 May of the recommendations for a political plan drawn up by an advisory commission.

A cabinet reorganization also is expected in the near future. This could provide Lanusse with an opportunity to bring labor and the Hour of the People movement into direct participation in the government. The principal move expected is the dissolution of the Ministry of Economy and Labor and the creation of four new ministries—labor, finance, agriculture, and industry. There is widespread speculation that two of the more nationalistic holdovers from former President Levingston's cabinet—Economy Minister Ferrer and Secretary of Industry Chescotta—will leave the Lanusse government at the time of the reorganization.

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Dominican Republic: *Reaction to Government-Sponsored Terrorism*

Outraged public reaction and the threat of a general protest strike have prompted President Balaguer to call a halt, at least temporarily, to the activities in northern Santo Domingo of a police-sponsored, anti-Communist terrorist group popularly known as *La Banda*. The terrorists' excesses, the government's culpability, and broad, critical press coverage have elevated the matter to a national political issue, according to the US Embassy.

La Banda reportedly was organized on the orders of National Police Chief Enrique Perez y Perez some three months ago, perhaps in relation to the strong warning Balaguer issued to leftist extremists in a speech on 24 February. It came to public view during the first two weeks in May, when members vandalized private homes, assaulted several schools and at least one church, carried out "citizens' arrests," and participated openly with the police in a raid on the headquarters of the Chauffeur's Union, where some 40 union members were arrested. The Dominican military, although not involved in *La Banda's* activities, approves the use of "calculated counterterror" as the best way to "neutralize" leftist extremists. The military has, however, been critical of the lack of professionalism displayed by the police-led group.

25X1 The Dominican Revolutionary Party (PRD) and representatives of leftist groups responded by discussing a general strike. [redacted]

25X1 The government and *La Banda* have disclaimed any relationship. On 18 May Police Chief Perez y Perez issued a statement assuring the public that the authorities would not permit terrorism of any kind [redacted]

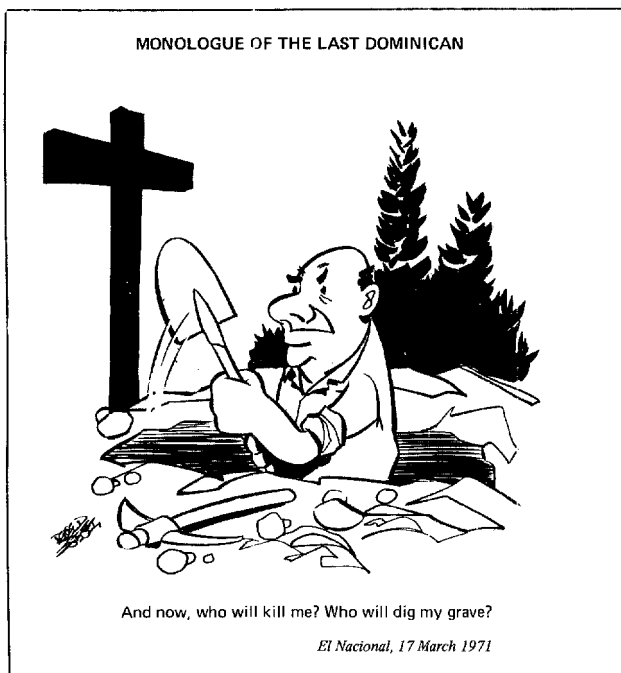
Since then, several *La Banda* members have been detained. With *La Banda's* stand-down, the threat

of a general strike, never very strong, has diminished further although the 40 chauffeurs are still in custody.

Despite vociferous criticism of *La Banda's* methods from all quarters of Dominican society, its inactivity is probably only temporary. There was little effort to conceal the police hand in the group, perhaps not so much because of a "lack of professionalism" as because the government wants to provoke open confrontation with leftist activists, mainly the MPD, in order to destroy them. The labor movement also appears to be a target of governmental wrath, presumably to discourage the growth of opposition political strength.

The sudden death on 23 May of exiled MPD leader Maximiliano Gomez in Brussels adds a new and potentially explosive element to the situation. [redacted]

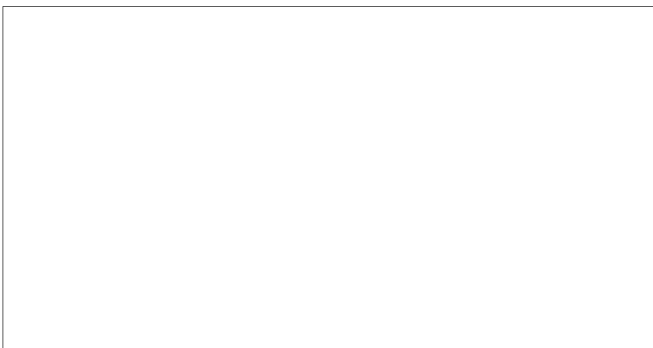
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cannot guarantee the government absolute control of the situation. Balaguer, with the support of his administration, is making it abundantly clear that opposition activity will not be tolerated. The left has a choice: withdraw entirely from the contest, as many will do; or, resort to increasingly desperate measures despite the probable consequence of being wiped out by the military and the police. Extinction or paralysis seem to be the only alternatives the revolutionary left now has.

The weakness of the MPD and the rest of the left and the government's undisputed strength

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Colombian Liberal Party Splits

The Liberal Party convention last week formalized the split that had been apparent in the party for many months. The convention broke into two factions when the followers of former President Carlos Lleras Restrepo and Alfonso Lopez Michelsen walked out and established a rump convention. The main group, led by former senate president Julio Cesar Turbay, then elected a National Liberal Directorate that included Lopez and Turbay. Lopez, however, will not participate.

Lleras' rump Liberals, who are now calling themselves the "Progressive Liberals," did not want to attend the convention because they knew Turbay controlled the party machinery. The "Progressives" talked about moving their faction to the left at their rump session, and have decided to form a national executive committee for political and parliamentary action.

The Lleras-Lopez faction can be expected to attack the Pastrana administration openly now that the split has been formalized. Under the unique National Front system that ends in 1974, the Liberals and Conservatives agreed to alternate the presidency and share equally all cabinet posts, high governmental positions, and legislative seats. Lleras picked Pastrana, a Conservative, as his suc-

cessor and was instrumental in his ultimate election. The former president has become disenchanted with Pastrana, however, because he has not defended the previous administration nor sufficiently praised Lleras' leadership.

The split will create many problems for Pastrana. He will now be forced to recognize one of the factions as the legitimate representatives of the Liberal Party. This in turn may lead to cabinet changes. Pastrana, however, will probably wait until the Conservatives, who are also divided, hold their convention before taking action. Given Turbay's control of the Liberal machinery and his open support of the administration, the President probably will rely almost exclusively on him for continued Liberal support. As a consequence, prospects that congress will approve the administration's legislative program are dim, because the Lleras-Lopez faction will vote against it.

The splits in Colombia's two traditional parties are obviously benefiting ex-dictator Rojas Pinilla's National Popular Alliance (ANAPO), which ran a close second in last year's presidential elections. However, they may also help former President Carlos Lleras. Lleras may believe that it would be of use to him to have Turbay lead the

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Liberals identified with the Pastrana administration in the assembly and municipal council elections next year. An anticipated strong ANAPO showing in these elections, along with a close

association with conservative Pastrana, could significantly weaken Turbay's position for the 1974 presidential elections. [redacted]

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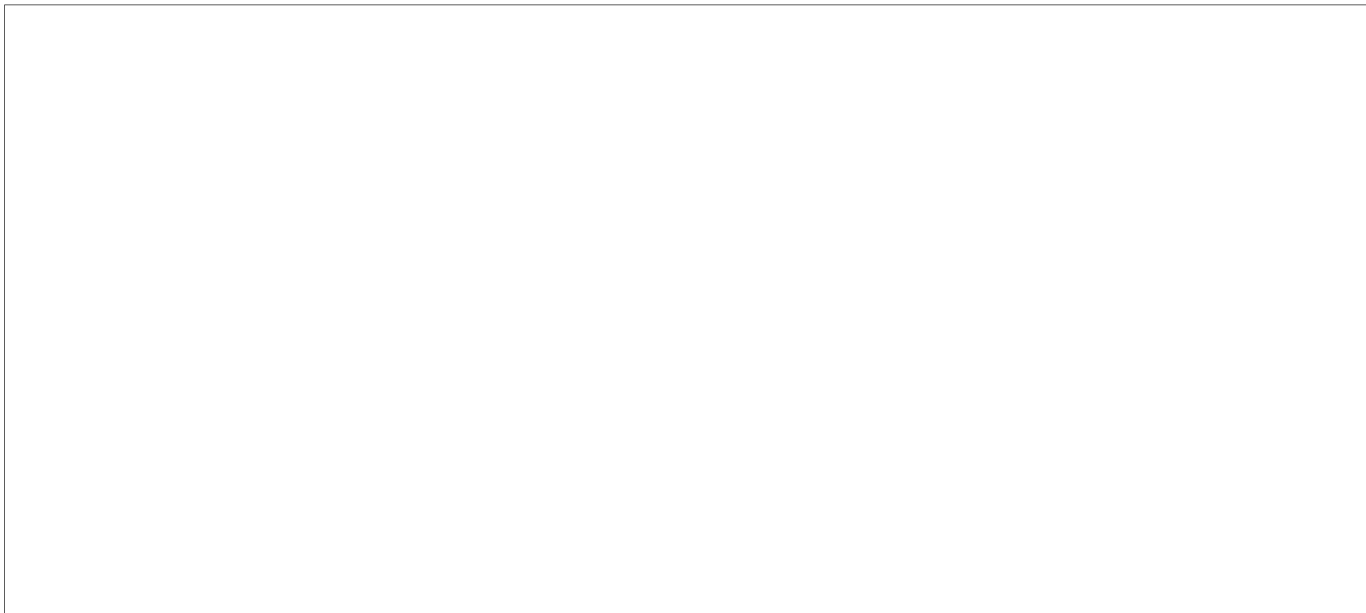
BOLIVIA: The Torres government has moved against dissident military and political groups. In a news conference last weekend, Interior Minister Jorge Gallardo accused the National Revolutionary Movement and Bolivian Socialist Falange of conspiring with a group of forcibly retired military officers to overthrow the government. According to Gallardo, recent strikes and incidents of violence throughout the country designed to foment a "state of convulsion favorable to the coup" have been part of the "rightist" plot. The interior minister also charged that some "revolutionary organizations" were infiltrated by "native agents of the imperialist intelligence services." Exhorting students to cease their continual challenges to the regime, Gallardo declared that by persisting in illegal occupations, blockades, and

disruptions, the "infantile left" was allowing itself to be manipulated by the right.

Gallardo's denunciation of the plotters appears to have been no more than an effort to keep opposition groups off balance. The government has thus far refrained from carrying out large-scale arrests and the dissident elements have not allowed themselves to be provoked into an impulsive and uncoordinated coup attempt. The MNR reportedly plans to continue its activities and the other groups involved are unlikely to be deterred. The blast against the "infantile left" appears to be a plea for student support in the face of the common enemy, but may also be a veiled warning that the regime's patience with student antics is wearing thin. Student leaders have rejected Gallardo's charges. [redacted]

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DIRECTORATE OF
INTELLIGENCE

The Berlin Negotiations

Special Report
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The Berlin Negotiations

The divided city of Berlin has always been the archetypal symbol of the Cold War. West Berlin, deep inside East Germany, is a vivid example of the freedom and prosperity of the West, and as such seems to the Communists to be a threat to the security and stability of the regime in Pankow. The Communists' recurrent, and sometimes vigorous, efforts to eliminate the West Berlin irritant have produced a life of tension for the Berliners and created some of the most dangerous periods of postwar US-Soviet relations, notably the crises of 1948-49 and 1958-61.

However, for differing reasons 14 months ago, the four wartime allies—the US, UK, France and the Soviet Union—saw advantage in opening negotiations aimed at ameliorating conditions in Berlin. Today the city is a litmus test of the ability and willingness of East and West to bridge the division of Europe. Also, largely because of a link established by Bonn, the Berlin talks are the key to the fate of other East-West negotiations—principally those of West Germany's Ostpolitik and the Soviet proposal for a Conference on European Security (CES). Since the four power talks began on 20 March 1970, there have been 20 meetings of the four power ambassadors, more than a dozen formal meetings of the senior advisers of the ambassadors, and countless "informal" exchanges between diplomats of the US, USSR, UK, France, and West Germany. On the fringes of the four power talks, the East Germans have begun their own dialogue with representatives of Bonn and the West Berlin Senat. Strictly speaking, the Germans have no juridical right to negotiate on the terms of a Berlin agreement, which is within the competence of the Four Powers, but the East Germans have been unstinting in their efforts to do so.

In spite of all this activity, progress toward an agreement has been excruciatingly slow. Both the Allies and the Soviets have now tabled draft agreements, but there are wide discrepancies between them. The Western draft focuses on improvements in access and inner-city movement, but the Soviet proposal concentrates on reducing the political links between West Germany and West Berlin. The two drafts are basically summations of the contradictory positions delineated in the talks so far. In spite of the efforts to reconcile differences, there is little prospect for a broad agreement without a major substantive shift by one side or the other. The Soviets have shown no willingness to change their position, but they stand to suffer serious political losses if the talks fail. They may therefore feel compelled eventually to consider at least limited concessions in Berlin to preserve their budding dialogues with Bonn and other Western capitals.

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Prelude to Negotiations

The man most responsible for bringing the Berlin talks into being is West German Chancellor Willy Brandt. A former governing mayor of West Berlin, Brandt took the first steps even before he came to power in Bonn after winning the national elections in September 1969. As foreign minister under the Grand Coalition government of Christian Democratic Chancellor Kiesinger, Brandt urged and was largely responsible for consultations in early 1969 with representatives of the US, UK, and France—the occupying powers of West Berlin—regarding a “sounding” of Soviet willingness to negotiate practical improvements in and around the city.

The “Berlin sounding,” as it took shape in the first half of 1969, concentrated on the prospects for negotiating guarantees for civilian land access to West Berlin, easing the restrictions on the movement of citizens between the East and West sectors of Berlin, and making minor border rectifications intended to eliminate Western enclaves within Communist territory.

The Western need for improvement on all items of this agenda—particularly the first two—was obvious. The three highways to West Berlin were exposed to the constant threat of East German harassment. There was a long history of East German interruptions of West German civilian traffic in retaliation for “objectionable” West German political activities in West Berlin. Free movement of West Berliners between the East and West sectors of the city had been virtually eliminated since the construction of the wall in 1961. It effectively severed economic, personal, and even familial ties, and there has been no significant personal travel since the last Easter pass agreement between the West Berlin Senat and Pankow in 1966.

In return for concessions in these areas, the Allies hinted at a West German willingness to desist from political activities most objectionable to the Soviets and their East German protégés.

Although the West German offer was not spelled out, Western thinking was centered on possible agreement to bar meetings in West Berlin of the Bundesversammlung (the body that elects West Germany's presidents) and plenary sessions of the Bundestag.

Brandt's desire to get Berlin negotiations under way was only part of his larger interest in a diplomatic opening toward the East designed to effect a political reconciliation between the Federal Republic and the East Europeans. This in turn was considered an essential political prerequisite to winning Soviet approval for a strengthening of contacts between East and West Germany and a beginning of efforts to close the widening gap between Bonn and Pankow.

Berlin and Moscow's European Policy

Both the inter-Allied consultations and the ambitious plans of Brandt and his supporters would have been in vain had they not coincided with a quickening of Soviet interest in East-West negotiations. Moscow had its own reasons in 1969 for looking favorably on the possibility of four power talks on Berlin. The most immediate was its desire to overcome the onerous political and diplomatic aftermath of the invasion of Czechoslovakia. The crushing of the Czechoslovak reform government in August 1968 had cast doubt on Moscow's professed interest in detente and a lessening of tensions in Europe. The invasion brought to a temporary halt the promising diplomatic offensive in Europe that Moscow had begun with the Bucharest Declaration of 1966. Among other measures the Soviets suggested to enhance European detente was a proposal for an “all-European Conference” on security. Moscow was anxious to get this campaign under way again, and East-West talks on Berlin, the very symbol of the Cold War, offered a convenient means of demonstrating the Kremlin's sincerity in reducing East-West tensions. Further impetus was added by the Sino-Soviet border clashes in the spring of 1969, which presumably led Moscow to believe

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that a lessening of tensions on its Western flank was highly desirable.

The Soviets had also been awakening to the possibilities of negotiating with the West Germans. Although this trend lagged well behind Moscow's broader interest of developing a diplomacy of smiles in Western Europe, by mid-1969 the Kremlin had taken note of the budding Ostpolitik advocated by Foreign Minister Brandt and of its implications for Soviet interests. Moscow's central interest in Germany lay in winning Bonn's acceptance of the postwar loss of German territory and of the existence of a separate East German state.

Clear hints of a more forthcoming attitude toward Moscow had already emanated from Bonn, and an initiative on Berlin offered Moscow a ready means with which to encourage this trend. In addition, East Germany's *de facto* control over civilian access and communications to Berlin offered good prospects that the West would have to take account of the role of Pankow, thus enhancing its status and helping to reduce the isolation that had been imposed upon it by the Western Allies and Bonn.

These presumably were the considerations that lay behind Soviet Foreign Minister Gromyko's dramatic gambit in July 1969. Addressing the Supreme Soviet, Gromyko for the first time in recent years publically indicated Soviet interest in Berlin negotiations. He proclaimed that the USSR was ready for "an exchange of opinions on how to prevent complications now and in the future" with respect to "West Berlin." He also indicated the parameters of the Soviet offer, saying that Moscow would not agree to any steps that would harm the "legitimate interests of the GDR" or affect the "special status" of West Berlin.

The significance of Gromyko's remarks was underscored by the presence in the USSR of a high-powered East German delegation led by Erich Honecker, the heir to party chief Walter

Ulbricht. The interests of Pankow were most directly affected by the prospect of negotiations on Berlin, and it was obvious that the Soviets were taking care to bring the East Germans into line behind their position. Pankow's attitude was not clear, but Gromyko's speech was larded with enough qualifications to make the point that Moscow was not disposed to sell Pankow short.

The Initial Exchanges

Gromyko's speech had the effect of speeding the delivery to Moscow on 6-7 August 1969 of the document embodying the West's "Berlin sounding." In its final form, the "sounding" expressed Western interest in seeing "the situation with respect to Berlin improved, particularly as regards access to the city." It called for "Soviet steps" that would contribute to this end, and conveyed the interest of the Federal Republic (FRG) in negotiating with Pankow on railroad matters, inland waterways, and posts and telecommunications. It also promised that in return for "a constructive attitude" on the part of Moscow and Pankow, Bonn would be willing to make "certain compromises" on Federal activities in Berlin.

The Soviet reply was not long in coming. On 12 September 1969—again preceded by consultations between Soviet and East German officials—the Soviets affirmed their interest in an exchange of opinions on "averting complications now and in the future around West Berlin." The Allies responded in December with a formal proposal for four power talks, and final agreement on the beginning of talks was reached in February 1970. At the suggestion of the Soviets, it was agreed that the talks would be held at the ambassadorial level in the former Allied Control Council Building in West Berlin.

The first meeting was accordingly held on 26 March 1970. The Allies were represented by their ambassadors to Bonn—Rush for the US, Jackling for the UK, and Seydoux for France. The Soviet Union was represented by its long-time

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ambassador to Pankow, P. A. Abrasimov. Ambassador Seydoux—who now heads the embassy in Moscow—was later replaced by Ambassador Sauvagnargues, but aside from that change, the cast of characters in the talks remains the same.

The Soviet Approach

The Soviets began the talks with assurances that they were prepared to consider either a broad settlement or a more limited agreement dealing with specific problem areas. The latter course was the one favored by the three Western powers, which had no interest in throwing open to negotiations the occupation rights and authority they exercise by "right of conquest" in their sectors of Berlin. As the Allied notes to the Soviets had suggested, and as the Allied ambassadors made clear in the meetings that followed, the Western powers were chiefly interested in negotiating specific improvements in the existing arrangements for West German civilian access and inner city movement. They did not consider the legal basis of their position to be in question. Moscow, however, is persistent in its attempts to buttress its views on the juridical aspects of the Berlin question, to the detriment of Western pre-rogatives.

Moscow's insistence on confining the scope of the four power talks to *West* Berlin reflects this ambition. The Soviets do not accept the Allied argument that the talks should deal with the original four power sphere of competency, i.e., the three Western sectors of Berlin and the Soviet sector as well. They maintain that they have granted full sovereignty over their sector to the German Democratic Republic (GDR) and that East Berlin is now the capital of a sovereign state. Further, the Soviets have disputed the Allied claim to "rights of conquest" in Berlin. As early as the third ambassadorial meeting on 14 May 1970, Abrasimov asserted that the Soviets were the actual conquerors of Berlin, and that the Allies therefore had only those rights that had been agreed to by Moscow.



The Soviets have advanced their own thesis that West Berlin represents an "independent political entity," legally and juridically distinct from both East and West Germany. This is a streamlined version of the old "free city" concept advanced by Khrushchev in 1958 and written into the Soviet - East German treaty of 1964.

In essence, this concept would place the three Western sectors of Berlin under a degree of four power control, or at least provide a Soviet voice in the administration of West Berlin. As a corollary, it also would involve a renunciation of Bonn's claim to residual sovereignty over the city and the elimination of overt political links between Bonn and West Berlin, such as working visits by West German leaders and sessions of parliamentary bodies. Berlin is the most effective symbol of German unity, and the Soviets see this sort of arrangement as conclusive to maintaining the division of Germany. Soviet officials have not been loath to confirm that the latter is still the chief objective of Moscow's German policy.

Three power and West German acceptance of West Berlin's independent status constitute the most favorable possible outcome of the Berlin talks for Moscow, but it is unlikely that the Soviets consider such a general abandonment of

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long-standing Western positions likely. At a minimum, the Soviets probably will settle for nothing less than a halt to the steady growth of the West German presence in West Berlin, which they may still fear is aimed at full incorporation of the Western sectors into the Federal Republic. Beyond this, they seem to be aiming at a significant contraction of the West German official presence in West Berlin and an enhancement of their own limited presence in the city.

The Federal Presence

A lessening of the Federal presence has been an expressed Soviet objective since the beginning of the talks. Abrasimov frankly indicated during the opening session that Soviet concessions on access were dependent on such a reduction, because, in the Soviet view, East German harassment of civilian traffic to Berlin is a legitimate form of retaliation against "illegal" West German activities in West Berlin. Thus, the Soviets have indicated that they would be willing to offer improvements in access only after the West had indicated its willingness to cut back "provocative" West German activities. Bonn, for its part, in late 1969 scaled down its activities in West Berlin to improve the atmosphere for the ambassadorial and the bilateral West German - Soviet talks.

Whatever they may hope to obtain in this sphere, the Soviets entered the negotiations with a detailed shopping list. A tabulation of "objectionable" West German activities submitted during the third ambassadorial meeting on 14 May has remained basically unchanged. The list was included in the Soviet draft agreement tabled on 26 March 1971. It includes demands for the banning of official acts or activities in West Berlin by the Federal President, the Federal cabinet, the Bundestag and Bundesrat (including meetings of committees and party factions), the Bundesversammlung, and "other federal and Laender governmental agencies of the FRG" and for the cessation of West German "military" activity in the city. In addition to the governmental activities they wish to see banned, the Soviets would also

prohibit a wide range of nongovernmental activity, including national conventions and congresses of West German political parties and national organizations.

The prohibitions are obviously aimed at fortifying the juridical "independence" of West Berlin, although the Soviets have indicated their willingness to accept a minimal level of federal activity exercised through a "liaison" office. This would permit the West Germans to carry on routine administrative functions of a "non-political" nature.

The Soviet Presence

Abrasimov and his senior advisers have indicated that as a logical consequence of the "independent" status of West Berlin, the official Soviet presence in West Berlin should be strengthened. Their chief objective, and one which is enshrined in the Soviet draft of 26 March, is to have a Soviet consulate general in West Berlin. In addition, the Soviets would require most favored nation treatment for the USSR in its economic relations with West Berlin, the opening of warehouses and offices for Soviet trade organizations in West Berlin, the right for Soviet citizens employed in these offices to reside in the Western sectors, and the elimination of any discrimination against the property or property interests of the USSR. Moscow aims at putting an end to the restrictions that the Three Powers have imposed upon Soviet activity in the Western sectors. At present the Soviets maintain only four offices in West Berlin—Intourist, TASS, Soveksportfilm, and Novosti-Izvestia. All were established in 1960-62, but are maintained in physically distinct offices. Moscow is evidently intent upon remedying its lack of any central representation in West Berlin, and thus accentuating the unique and "separate" status of West Berlin and diluting the authority of the Allies.

The "Linkage" Complication

Regardless of the original objectives of the parties to the Berlin negotiations, their character

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and importance changed substantially in May and June 1970 when the West Germans raised the ante by making ratification of their draft treaty with the USSR dependent on progress in the Berlin talks. By the following December, the NATO alliance had formally made Western agreement to a Conference on European Security (CES) also contingent on a Berlin agreement acceptable to the West.

The origins of the West German action are not precisely clear; both the Soviets and the West were apparently taken somewhat by surprise, although Egon Bahr, the chief negotiator of the West German - Soviet treaty, hinted at linkage in his talks with Gromyko. In retrospect, its inspiration most likely can be found in Bonn's failure in its bilateral negotiations with the Russians to acquire any obvious gains. Given the attitude of its

domestic opposition, the Brandt coalition no doubt concluded that the treaty (and a similar one subsequently negotiated with the Poles) could only win favor in West Germany if the government could show itself capable of hard bargaining, and also come up with some clearly discernible prize.

During the West German - Soviet negotiations, Bahr made no small effort to impress upon Moscow the importance to Bonn of a satisfactory Berlin settlement. He does not seem, however, to have made an explicit linkage; this was first done in a public statement by Brandt in June. Aside from the domestic pressures, Bonn may have decided that the Soviets were sufficiently anxious to have the treaty ratified to justify trying a power play. In any case, it is now a West German political fact of life that Bonn's formal agreement to



Willy Brandt and Company in Red Square...*what price ratification?*

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Moscow's territorial rearrangement of Eastern and Central Europe will be forthcoming if progress toward a satisfactory Berlin agreement is well advanced.

The establishment of a linkage between the Berlin talks and Soviet desiderata in other policy areas was soon interpreted in some quarters as a strengthening of the West's bargaining position in the Berlin negotiations. The Soviets, on the other hand, have resisted the contention that any "linkage" exists, and in effect have put the Berlin negotiations in a holding pattern while they explore possible alternatives to a Berlin agreement to achieve some of the same objectives.

The German Gambit

One line of advance that probably seemed to Moscow particularly easy to pursue was that of enhancing East Germany's international stature, and Bonn was clearly the weakest link in the Western position. The West Germans had already unilaterally accepted the fact that East Germany was a separate state and that it would play some role in the negotiation of a Berlin accord. Moreover, Bonn was most anxious to engage East Germany in negotiations to lower the barriers between the two German states, a process that Bonn thought it had begun early in the year, but which Pankow had broken off in the spring. Moscow might have tried its German gambit even if "linkage" had not been established, but thereafter an effort in this area seemed particularly desirable.

The Soviet move came in October 1970, when the East Germans formally proposed the beginning of talks between the East and West German governments. The East German offer reportedly proposed that questions involving West German traffic to West Berlin and West Berlin traffic to West Germany could be settled in talks with representatives of the FRG and of the West Berlin Senat respectively. The West Germans, while jumping at the chance to talk with Pankow, countered with their own offer to talk on the basis of Chancellor Brandt's Twenty Point pro-

gram—first presented to the East Germans at the Kassel summit meeting between Brandt and East German Premier Stoph on 21 May 1970. For Bonn to enter negotiations on access in the absence of prior four power agreement would have been to accept the Soviet argument that access is a matter for inner-German rather than four power discussions.

Even though the two sides were unable to reach agreement on an agenda, the talks between Egon Bahr and East German Deputy Foreign Minister Kohl began on 27 November 1970. Pankow's willingness to open talks with Bonn did not signify any modification of its—or Moscow's—objectives, although in a significant tactical shift Pankow had earlier dropped its requirement for recognition as a precondition to talks with Bonn. Kohl has continued to press Bahr to begin negotiations on the question of access, even though he has attempted to take note of West German and Allied sensibilities by offering to subsume them under the general heading of talks on "traffic."

Very interesting...but not negotiable.



Egon Bahr

With some wavering, the West Germans have held firm against the temptation to probe East Germany's readiness to make concessions in this private forum. The East Germans came closest to success in February 1971, when Bahr agreed to discuss "models" for a transit agreement. However, faced with the united opposition of the Three Powers and probably with some misgivings in government circles in Bonn, Bahr retracted his offer to table a draft in a

meeting on 8 March. Since that time, the Bahr-Kohl talks have reflected in microcosm the stalemate in the four power talks.

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East German - West Berlin talks began on 6 March between Ulrich Mueller, a representative of the West German Senat, and Guenther Kohrt, an East German official, following a proposal made by East German Premier Stoph in a February meeting with a West Berlin Communist leader. Stoph indicated that Pankow wished to negotiate a broad agreement with the Senat to regulate questions of access, movement within the city, and ties between East Germany and West Berlin. Significantly, however, the question of passes through the wall for Berliners was last on a five-point East German agenda.

This offer also constituted an effort to infringe upon the substance of the four power talks. Nevertheless, the Senat—with Allied-imposed limitations—began the talks, principally out of hope that the East Germans could be persuaded to agree to a limited pass agreement for the Easter holidays in April. Holiday passes had been regu-

larly negotiated in the middle 1960s, but not since 1966.

The East Germans, however, soon demonstrated that they had no immediate intention of settling for anything less than the broad agreement they had outlined in their original proposal. The hoped-for pass agreement did not materialize, and the talks have since fallen into the pattern of deadlock typical of the Bahr-Kohl and four power talks.

Form and Substance

The Soviet negotiators have attempted to turn the generally accepted format that has evolved in the talks to the service of their legal concepts. Both the Allied draft of 5 February and the Soviet draft of 26 March are organized into three distinct parts. Part I is intended as a vehicle for the "general principles" of an agreement, and

Probably again...but when?



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would represent an agreement between the four powers. Part II would incorporate the arrangements on access and movement, the federal presence, the representation of West Berlin interests abroad, and Soviet interest in West Berlin. It would involve both commitments undertaken by the four powers and agreements on implementation to be concluded among the German principals. It was originally agreed that the last part would in some manner link the four power agreements to the supplementary agreements concluded between the Germans, thus reaffirming the supreme authority of the four powers for Berlin.

Despite the common acceptance of the three part format, there are vast differences between the two drafts. The Allied draft assigns the greater weight to the four power commitments, while the Soviet paper leaves the bulk of a Berlin agreement to the inter-German talks. Thus, in the Soviet draft, the final part of the agreement would make no direct and binding link between the four powers and the results of the inter-German negotiations. This approach is meant to undermine the position of the Three Powers.

In return, the Soviets have offered some limited concessions of their own. They have offered to accept West Germany's right to conduct consular representation for West Berlin interests abroad. They have also claimed a willingness to support East German arrangements that would permit "uninterrupted" access to West Berlin and travel by West Berliners "to the GDR" (a phrase which the Soviets use to include East Berlin).

The offer, however, falls short of the minimum the West is seeking. The Soviets have not indicated much give in their opposition to West German *political* representation of West Berlin abroad. This responsibility they would leave to the three Western powers, which would "continue to exercise their competence in matters concerning relations between Berlin (West) and other states." Nor have they been willing to spell out the nature of the guarantees that would protect the access routes and ensure the right of West

Berliners to travel to East Berlin. These, they insist, must be decided between Bonn and Pankow, without "dictation" from the four powers.

The Soviets at times have sought to make their offer more palatable by insisting that it is the best they are willing to make. They have also sought to make this point by reminding the West of the preponderance of strength they enjoy in the area. West German civilian access to Berlin has been subjected to significant harassment for periods of up to six days on four occasions since the beginning of the talks. Each incident was directed against a West German political party conclave, thus emphasizing Moscow's—and Pankow's—williness and ability to take unilateral action to protest these alleged "provocations."

More recently, Moscow has exerted pressure in regard to the question of foreign representation. The West German Embassy has been refused access to a West Berliner arrested in March in the USSR on criminal charges on the grounds that he was not a West German citizen. In the past, Moscow has tacitly accepted a West German role in affairs of this kind, but now the Kremlin obviously has an interest in convincing Bonn that it has something to gain from the Soviet offer to accept Bonn's role as consular representative for West Berliners.

Tactics

The Soviets have not been visibly deterred by the limited degree of success their efforts have had to date. While continuing to use the arena of the four power talks—indeed, they occasionally call for an intensified pace of the meetings—their actions suggest they are still trying to shift the negotiations to the inter-German forums. Thus, Abrasimov has declined to commit himself further on the question of access and freedom of movement, but has instead pressed, if not for prior, at least "parallel," negotiations between the East and West Germans and the four powers.

Part of the Soviet purpose undoubtedly is to promote strains between Bonn and the Western

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allies. Throughout the course of the negotiations, the Soviets have coupled their tough stance in the four power meetings to private suggestions that progress could be made more quickly in bilateral talks. All of the Allies—including the US—have been the targets of such approaches, but the Soviets have concentrated most heavily on the West Germans.

The Soviets are aware that the political credit of the Brandt government is heavily committed to its Ostpolitik and that it has far more at stake in the success of the negotiations than any of its Allies. Moscow has sought to play upon the anxieties of the Brandt government by suggesting that its Allies are responsible for the lack of progress in the talks, and that left to their own devices, they may succeed in ending all prospects

for an agreement. Bonn has informed the Allies on several occasions of Soviet approaches of this sort, and there may be other incidents unreported.

It is quite likely, for example, that Soviet officials have taken this tack in their private meetings with Egon Bahr in West Berlin. These meetings began last summer during the final stages of the Soviet - West German negotiations and have since continued intermittently. The Soviets have usually been represented by Valentin Falin, now the ambassador to West Germany, or Valeriy Lednev, a journalist and German specialist.

Thus far these efforts would appear to have had only limited effect. Last fall, when Moscow's attempts to promote inter-German negotiations

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on access were at their height, the West Germans indicated their willingness to talk with Pankow under an "interim"—i.e., nonbinding—four power commitment. Bahr's promise to discuss the "model" of a transit agreement with Kohl also suggested a willingness to skip the intermediary stage of a four power commitment. Nevertheless, despite these vacillations, Bonn has not broken ranks with its allies. To some extent, Moscow's maneuvers have even been detrimental, as they have heightened suspicions of Soviet sincerity and have produced counterpressures for Allied unity.

Nevertheless, it is unlikely that the Soviets regard their efforts as wasted. They are undoubtedly encouraged by the occasional evidence of disagreement that erupts in the West. For example, their estimate of the firmness of Bonn's agreement with its allies in regard to the most recent Soviet proposals must have been affected by statements by Chancellor Brandt and other West German officials indicating that they perceived "positive" elements.

The West Germans are concerned, moreover, that the Soviets are still trying to outflank the Berlin negotiations. Having played out its own hand in inner-German talks to no avail, Bonn has interpreted the recent Soviet invitation to the West to negotiate a reduction of armed forces in Central Europe as yet another ploy to enhance East German stature in the same sense as might a Berlin agreement and a CES, which Bonn expects to ensue. Bonn is therefore urging its allies not to allow the Soviet proposal to distract them from the Berlin negotiations and not to move more rapidly on this front than in the Berlin talks.

The Pressure Upon Moscow

The Soviets are by no means free of pressures similar to those that affect some of the Western participants in the talks. Even though Moscow undoubtedly is encouraged to persist in its tough negotiating stance by occasional evidence of disunity in the West, it cannot face the prospect of a complete collapse of the negotia-

tions with any degree of equanimity. It has committed itself too strongly to a diplomacy of smiles in Western Europe for that. The "detentist" cast of party leader Brezhnev's remarks on Europe to the 24th party congress in March indicates that Moscow is still wedded to this course. If the Berlin negotiations were to collapse, with the Soviets saddled with the blame, many of Moscow's would-be diplomatic interlocutors would question Soviet sincerity. The aftermath probably would carry over to affect the short-range prospects for other Soviet initiatives and interests.

Despite frequent attacks on the concept, the Soviets have had to recognize a de facto link between a Berlin settlement and ratification of the treaty. They are undoubtedly sophisticated enough observers of the West German political scene to appreciate that the failure of the Berlin talks would immensely strengthen the arguments of the West German opponents of the treaty.

Nevertheless, rather than succumbing to these pressures, the Soviets until now have concentrated their energies on efforts to force the West Germans into retreat on this point. Soviet spokesmen have on occasion attempted to establish a reverse linkage. They have suggested that the future development of relations between the Soviet Union and the Federal Republic, and the prospects for a Berlin settlement, are dependent on West German ratification of the treaty. Further, they have pointedly stressed the effect on trade relations of any serious deterioration in political relations between the two countries. However, their efforts on this point have been no more successful than those of the West Germans to put similar pressures on the Kremlin.

The Existing Balance

Moscow's unwillingness to make substantive concessions and its inability to extract major concessions from the Western allies have combined to retard progress toward an agreement. Recent procedural advances in the talks, such as the agreement on 7 May to try to bridge the differences in

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the Allied and Soviet draft treaties, do not essentially alter this stalemate. Indeed, they only convert to a formal written procedure the more informal oral debate that has formed the substance of the four power meetings since the Allied draft was delivered on 5 February.

What is necessary now to break the impasse is not procedural consensus, but substantive movement on Moscow's part. A Soviet decision to improve the guarantees for civilian access, to facilitate movement within the city, and to moderate the USSR's own requirements for a severance of all West German political links with the city could readily provide the basis for an agreement. But such decisions would be anything but easy for Moscow. They would require a considered judgment that the prospective gains to be produced by a Berlin agreement would outweigh the prospective costs. On the one hand, Moscow could expect that a Berlin agreement would pave the way for rapid movement toward a CES, perhaps a greater Soviet voice in the affairs of the Western half of the European continent, and West German ratification of the treaties with Warsaw and Moscow. Over the longer term, Moscow could hope that Berlin settlement and a CES would be the beginning of the end for US influence in Western Europe and that the basis would be laid for a real rapprochement with Bonn that could lead it to disengage from its alliance with Washington.

However, the possible costs are also of real consequence. Above all, the Soviets must reckon the effect of any major concessions upon the stability of the regime in Pankow. From the point of view of the East Germans and their sympathizers in Moscow, the legitimization—however restricted—of a West German political role in Berlin would in effect substantiate Bonn's claim to be the rightful successor of the historic *Reich*, and thus pose a continuing challenge to the legitimacy of the East German regime.

In addition, it must be assumed that any leadership having the demonstrated caution of the

Soviet politburo will find it extremely difficult to make immediate concessions for the sake of prospective future gain. After all, the Soviets have no assurance that any of their longer range hopes will be fulfilled, while any guarantees extended now would be difficult to undo at a later date.

The difficulty of coming to a major policy decision on this question in Moscow is compounded by the hydra-headed character of the Soviet collective leadership. Certainly there is ample evidence—albeit mostly circumstantial—to suggest that not all the Soviet leaders are of one mind concerning the present trend of Soviet policy toward Europe, and specifically toward Germany and Berlin. General Secretary Brezhnev, for example, who is clearly intent on claiming the laurels for the successes that have already attended Moscow's policies, has intimated that there are those in the USSR who do not share his views. In view of the conservative and orthodox cast of the Soviet hierarchy, this is not surprising. It is far from certain that Brezhnev—even with the enhancement of his status at the 24th Congress—has either the political strength or the inclination to ride roughshod over strong opposition on an issue of such sensitivity.

A decision to break off the talks completely would be equally difficult for the Soviets. Moscow would have to accept a certain, though probably not fatal, setback to its plans in Europe. As suggested earlier, the ratification of the Soviet - West German and Polish - West German treaties, along with Moscow's hopes for the speedy convocation of a CES, would be the most likely casualties. In addition, an action of this kind would require a reversal of the apparent existing policy consensus in Moscow. On balance it is not likely that Moscow would willfully turn its back on a policy that still has some prospect of success.

In the near future, at least, it is more likely that the Soviets will adopt an approach that falls between these two extremes. It would be easiest for them to follow the course of least resistance and continue down their present path—i.e., to

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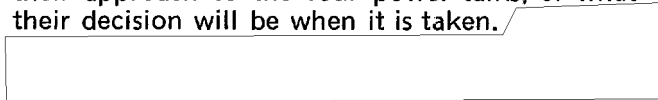
couple a substantively tough negotiating position with patient efforts to exploit and aggravate differences among the Allies. A continuation of this policy would have the advantage of requiring no politically difficult leadership decisions.

However, it would have the disadvantage of possibly ensuring a continuation of the fruitless results the negotiations have had for the past several months. This could carry the danger that the West would despair of Soviet sincerity in seeking a negotiated agreement and turn away from dealings with the East. The risk would be particularly great in West Germany, where the Soviets must bear in mind the possibility that the failure of Ostpolitik could eventually lead to the fall of the Brandt government and its replacement by a more conservative and nationalistic regime, hardly a prospect to Moscow's liking. The end result of a protraction of the present stalemate, from the Soviet point of view, might be little different from a sudden break-up of the talks, and equally disadvantageous to Soviet interests.

The Soviets have an additional alternative. In the face of a possible acrimonious stalemate and waning of West German interest in Ostpolitik, they could opt to leave the larger issues aside and grant certain limited improvements in access and inner city movement in return for a moderate reduction in the West German presence. This in effect is what all sides originally agreed they were seeking, but what they have been unable or unwilling to separate from the broader juridical issues.

Nevertheless, the basis for such a limited agreement exists in large part. The West Germans already have committed themselves to scale down formally—but not to end—the range of their activities in the city. The Soviets have repeatedly hinted of willingness to improve the conditions of inner city movement for West Berliners and to extend “adequate” guarantees for access—but not to throw open the border between East and West Berlin or completely renounce Pankow's claimed authority over access.

That grounds exist for an agreement, however, does not mean an agreement is near or even likely. It is improbable that the Soviets have made the positive political decision that is required for an agreement of even limited scope to become a reality. If this decision is made, it will be based on a judgment that no other course is politically feasible. This judgment will depend on Moscow's assessment of the minimal negotiating requirements of the West and the unity and resolve of the Western Allies to attain them, and on the objective and subjective need that the Soviets feel for “detente” with the West. This in turn is related to Moscow's assessment of the demands of Soviet security in the broadest sense, and particularly to the weight attached to Eastern Europe in that context. However, the threats, challenges, and opportunities that the Kremlin perceives are not fixed, but rather reflect the changing circumstances of Moscow's relations with the outside world. The imponderables in the situation make it impossible to ascertain with any certainty when or if the Soviets will feel called upon to revise their approach to the four power talks, or what their decision will be when it is taken.



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