

NSA review completed

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FM THE SITUATION ROOM//TOHAK34//
TO ADAMS/BREMER FOR THE SECRETARY
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OCTOBER 12, 1974

MEMORANDUM FOR SECRETARY KISSINGER

ON-FILE NSC RELEASE
INSTRUCTIONS APPLY

FROM: THE SITUATION ROOM
SUBJECT: INFORMATION ITEMS

CIVIL CHARGES AGAINST ALMEYDA DISMISSED: THE COURT OF APPEALS IN CHILE DISMISSED GOVERNMENT CHARGES OF MISUSE OF FUNDS BROUGHT AGAINST ALLENDE'S FOREIGN MINISTER, CLODOMIRO ALMEYDA. THE COURT DID NOT ADDRESS THE SUBSTANCE OF THE GOVERNMENT'S CHARGES BUT HELD THAT UNDER THE CONSTITUTION SUCH CHARGES CANNOT BE BROUGHT AGAINST A CABINET MINISTER UNTIL CONGRESS REMOVES HIS IMMUNITY. THAT STEP WAS NOT TAKEN. THE GOVERNMENT NOW HAS AN EXCELLENT PRETEXT ON WHICH TO RELEASE ALMEYDA IF IT SO DESIRES, AND THEREBY TO IMPROVE ITS INTERNATIONAL IMAGE ON THE HUMAN RIGHTS ISSUE. ALMEYDA IS THE FIRST PROMINENT ALLENDE-ERA FIGURE AGAINST WHOM LONG-RUMORED CIVIL CHARGES HAVE BEEN BROUGHT. (LOW)

EQUADOR - CUBA: THE CUBAN AMBASSADOR TO PERU PLANS TO VISIT EQUADOR AT THE END OF THIS MONTH TO DISCUSS THE REESTABLISHMENT OF RELATIONS BETWEEN EQUADOR AND CUBA WITH ECUADOREAN PRESIDENT RODRIGUEZ [REDACTED] (LOW)

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PAKISTANI CONCERNS, RELATIONS WITH U.S.: PAKISTAN'S FOREIGN SECRETARY SHAHI SHARED HIS VIEWS ON PAKISTAN'S FOREIGN POLICY CONCERNS WITH AMBASSADOR BYROADE IN A LONG TALK THIS WEEK. THE VIEWS REFLECT PAKISTAN'S CONTINUING SENSE OF INSECURITY AND VULNERABILITY VIS-A-VIS INDIAN, AFGHAN, AND SOVIET PRESSURES AND THE DESIRE FOR STRONGER U.S. SUPPORT. THE BURDEN OF SHAHI'S ARGUMENT IS THAT PAKISTAN IS FINDING IT INCREASINGLY DIFFICULT TO SUSTAIN ITS PRO-U.S. ORIENTATION IN THE ABSENCE OF MORE TANGIBLE U.S. SUPPORT, PARTICULARLY IN THE SECURITY FIELD (ARMS). HE CITED THE SOVIET THREAT VIA AFGHANISTAN, PROBLEMS WITH INDIA, LIMITATIONS ON CHINESE ASSISTANCE, AND SOVIET PRESSURES FOR ISLAMABAD TO GO ALONG WITH THE USSR'S LONGSTANDING DESIRE FOR A SOVIET-SPONSORED ASIAN COLLECTIVE SECURITY SYSTEM AS ISSUES WHICH ARE WEIGHING HEAVILY ON PAKISTAN AT A TIME WHEN IT IS ALSO UNDER A RESTRICTIVE ARMS POLICY

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BY THE U.S. SHAHI SAID THAT BHUTTO WILL SHORTLY VISIT MOSCOW AND WILL HOLD THE LINE THERE, BUT POINTED OUT THAT HE FACES CONTINUED CRITICISM AT HOME BECAUSE PAKISTAN'S CURRENT RELATIONSHIP WITH THE U.S. IS NOT PRODUCING MEANINGFUL MATERIEL RESULTS. BOTH SHAHI AND BHUTTO, SEPARATELY TO BYROADE, PRESSED FOR AN EARLY VISIT BY BHUTTO TO WASHINGTON TO EXPRESS THESE CONCERNS DIRECTLY TO YOU.

PAKISTAN'S CONCERNS ALONG THESE LINES ARE NOT NEW AND HAVE BEEN A CONSTANT FACTOR OVER THE YEARS. ISLAMABAD SEES ITS POLITICAL/ SECURITY RELATIONSHIP WITH THE U.S. AS AN IMPORTANT COUNTER-BALANCE AND OUR ASSURANCES TAKE ON SPECIAL IMPORTANCE DURING PERIODS OF HEIGHTENED INSECURITY SUCH AS PAKISTAN HAS BEEN EXPERIENCING SINCE INDIA'S MID-MAY NUCLEAR EXPLOSION, INCREASED BORDER PROBLEMS WITH AFGHANISTAN OVER THE SUMMER, AND THE KNOWLEDGE OF U.S. INTEREST IN IMPROVING RELATIONS WITH INDIA. THEY WANT OUR ASSURANCES TRANSLATED INTO A CONCRETE ACTION SUCH AS A CHANGE IN OUR ARMS POLICY. ON THE OTHER HAND, BHUTTO WOULD PROBABLY THINK VERY CAREFULLY BEFORE JEOPARDIZING HIS TIES WITH THE U.S. AND CHINA IN AN EFFORT TO IMPROVE RELATIONS WITH MOSCOW, WHICH HAS LONG REGARDED INDIA, AND NOT PAKISTAN, AS THE KEY TO A STRONG SOVIET POSITION IN SOUTH ASIA.

EQUADOR RAISES TAX AND ROYALTY ON PETROLEUM COMPANIES: THE GOVERNMENT OF EQUADOR HAS DECREED AN INCREASE IN THE INCOME TAX ON PETROLEUM COMPANIES FROM 45 PERCENT TO 53 PERCENT EFFECTIVE AS OF OCTOBER 1. IT ALSO INCREASED THE ROYALTY RATE FROM 16 PERCENT TO 16.67 PERCENT. IT JUSTIFIED THE INCREASES ON THE BASIS OF AGREEMENTS REACHED DURING THE LAST OPEC CONFERENCE IN SEPTEMBER TO INCREASE GOVERNMENT PARTICIPATION IN PETROLEUM COMPANY PROFITS WITHOUT RAISING THE REFERENCE PRICES OF CRUDE.

AT THE SAME TIME, PRESIDENT RODRIGUEZ HAS REPLACED HIS ULTRA-NATIONALIST MINISTER OF NATURAL RESOURCES WITH A MODERATE WHO IS EXPECTED TO FOLLOW A MORE PRAGMATIC APPROACH TOWARD FOREIGN OIL COMPANIES AND POTENTIAL FOREIGN INVESTORS.

U.S. CITIZEN DETAINED IN BRAZIL: ACCORDING TO A PRESS REPORT, THE BRAZILIAN GOVERNMENT HAS REJECTED OUR OFFICIAL PROTEST OF THE TREATMENT GIVEN DETAINED U.S. CITIZEN FRED MORRIS, WHO CLAIMS TO HAVE BEEN TORTURED BY BRAZILIAN MILITARY OFFICIALS IN RECIFE.

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[REDACTED] THE BRAZILIAN GOVERNMENT, IN DOING SO, MAY SEEK TO IMPLY SOME OFFICIAL U.S. GOVERNMENT STATUS FOR MORRIS TO GIVE GREATER CREDENCE TO A GOVERNMENT-INSPIRED PRESS CAMPAIGN THAT HE IS A CIA AGENT. OUR CONSUL HAS BEEN INSTRUCTED TO EXPLICITLY INDICATE THAT SUCH IS NOT THE CASE.

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