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NATIONAL INTELLIGENCE DAILY CABLE

Wednesday September 1, 1976

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NATIONAL SECURITY INFORMATION

Unauthorized Disclosure Subject to Criminal Sanctions

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National Intelligence Daily Cable for Wednesday, September 1, 1976

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The NID Cable is for the purpose of informing senior US officials.

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TURKEY: Sismik I Sails Again

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[redacted] According to a broadcast yesterday by Turkish government radio, the Turkish research ship Sismik I was scheduled to depart Izmir last night on its fourth mission.

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[redacted] The ship has been in Izmir since August 24, reportedly for maintenance and the installation of new equipment. A US official reported that the dry dock containing the Sismik I was seen being flooded yesterday.

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[redacted] The Turkish government has not yet announced the exact area and duration of this mission, as it has done at least a day prior to each of the three previous voyages. This suggests that the ship may undergo a brief shake-down cruise before beginning exploration in earnest again. [redacted]
-CIA, DIA, NSA-

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LEBANON: Situation Report

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[redacted] Lebanese president-elect Ilyas Sarkis traveled to Damascus yesterday for talks with Syrian President Asad on current peace negotiations and arrangements for Sarkis' takeover from President Franjyah on September 23.

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[redacted] Both Sarkis and Asad have recently expressed confidence that the transfer of power can be carried out smoothly. They have studiously avoided public and private comment on how the change will affect relations between Damascus and the Lebanese government.

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[redacted] Sarkis and Asad have previously had virtually no direct, personal contact, and both probably approached the meeting with uncertainty. Sarkis is beholden to the Syrians for his election last May and must now rely on them to help engineer his assumption of power.

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[redacted] Sarkis is acutely aware, however, that his effectiveness as president will depend on his ability to retain the confidence of all parties to the conflict, and his views on steps to end the war may therefore not be in complete harmony with Asad's.

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25X1 [redacted] Sarkis' efforts to convene roundtable peace talks early in the summer were pre-empted by Syrian military moves against the Palestinians and Lebanese leftists, and since then he has dissociated himself from Syrian policy in Lebanon.

25X1 [redacted] Sarkis is in no position to advise changes in Syrian policy and may, in fact, see some wisdom in continuing military pressure on the Palestinians. He probably shares, nevertheless, the concern of some Christian leaders about Syria's ultimate intentions and their possible divergence from Lebanon's interests.

25X1 [redacted] Sarkis probably also takes seriously recent warnings from traditional Muslim leaders that he alone cannot assume responsibility for accepting Syria's military moves in Lebanon.

25X1 [redacted] The leftist-controlled Beirut press charged yesterday that Syria moved an additional 20,000 troops into the Bekaa Valley over the weekend in order to present Sarkis with a "fait accompli."

25X1 [redacted] Lebanese military sources have told US officials that there has been no significant increase in Syrian troop levels, and one Western diplomat who regularly travels through Syrian-held territory observed no change in Syrian deployments while driving along the Beirut-Daascus highway on Monday.

25X1 [redacted] Syria has approximately 5,000 troops stationed just beyond the Lebanese border, and a repositioning of these forces would be difficult to detect.

25X1 [redacted] The Christians have reportedly reinforced their positions in the southern outskirts of Beirut, presumably in conjunction with plans for a new offensive coordinated with the Syrians. They recently moved 30 "heavy weapons" to the Baabda area, [redacted] that are now aimed in the general direction of the Beirut airport.

25X1 [redacted] Arab League efforts to arrange a local cease-fire in the Mount Lebanon area received a major setback yesterday from Palestinian leader Salah Khalah, who announced that the Palestinians would not accept a truce agreement which is not part of an overall settlement.

25X1 [redacted] The Palestinians apparently have decided they cannot afford to jeopardize their positions in Christian territory, the loss of which would greatly reduce their bargaining power in future negotiations. Moreover, they probably suspect--with some justification--that Camille Shamun's forces would not adhere to the cease-fire agreement. [redacted]
-CIA, DIA, NSA-

USSR: Climate's Effects on Grain Output

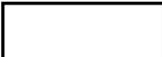
25X1 [redacted] The severe Soviet drought of 1975 contrasted sharply with the unusually favorable conditions of 1969-74, suggesting a return to the climate--that is, weather averaged for a year or more--of the early 1960s, when good and bad years alternated.

25X1 [redacted] While good weather has returned to the USSR in 1976, there is evidence to suggest that a return to harsher average conditions is under way. Namely, the general climatic conditions in the Northern Hemisphere since 1974 show definite similarities with those of the early 1960s.

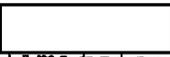
25X1 [redacted] The well-publicized drought of 1972 was different from those of the early 1960s and 1975 because its effects were felt mainly in the winter grain areas of European Russia rather than in the steppe regions of the New Lands.



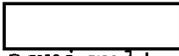
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 Assuming the same climate as in 1962-65, annual Soviet grain output would average no more than 200 million tons in 1976-80. An output of this size falls a staggering 25 to 30 million tons short of estimated annual requirements. If the USSR chooses to cover the deficit by imports, these purchases would match those following the disastrous grain harvests of 1972 and 1975. Alternatively, Moscow could cut the already modest livestock program.

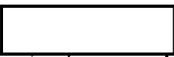
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 Grain growing in the USSR faces severe environmental limitations. Because three fourths of the sown area is climatically comparable with the Prairie Provinces of Canada and the Northern Great Plains in the United States, the farmland of the USSR is less productive on the average than that of the United States. As in analogous areas in North America, the Soviet Union's agricultural land is relatively lacking in adequate amounts of heat, moisture, and nutrients.

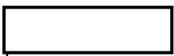
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 More than 30 percent of the USSR is too cold for agriculture, and an additional 40 percent is so cold that only hardy, early maturing crops can be grown. Even where warmth permits a wide range of grain crops--south of about 50 degrees latitude--low precipitation and high temperatures limit moisture so that, with few exceptions, grain can only be grown by irrigation.

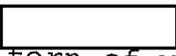
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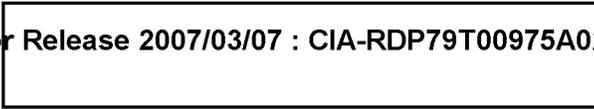
 Because of these unfavorable natural conditions, Soviet grain growing areas are particularly susceptible to longer term fluctuations in hemispheric conditions. Climatic fluctuations in the USSR, as well as in other regions, are related to the size of the circumpolar vortex, a dome of cold air covering the polar regions.

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 As the Northern Hemisphere cools in winter, the vortex expands, cooling the middle latitudes and moving the hemispheric weather patterns southward. In summer, it contracts, allowing warmer air to move north from the subtropics.

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 As important as the size of the vortex is its pattern of waves that extend out from it and move with the wind patterns of the hemisphere. The size, shape, and number of



these waves depend on the size of the vortex, the temperature difference between the pole and the equator, and the topography over which the air flows.

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[redacted] During the late 1960s, the cooling of the Northern Hemisphere moved the wetter northern climates in the Soviet Union southward. At the same time the changed wind pattern associated with this cooling brought increasing amounts of air from the North Atlantic rather than from Siberia.

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[redacted] This shift increased moisture, cooled summers, and prevented the bitter cold of the Siberian winter from penetrating into the grain belt. The net effect was to move the moist northern climate southward about 190 kilometers (120 miles), pushing back the desert and nearly doubling rainfall in Kazakhstan. The cooling of the Northern Hemisphere and the subsequent shift of the desert zone south of the Soviet grain belt apparently is also related to the Sahelian drought and failures of the Indian monsoon during this period.

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[redacted] The climate changes of the 1960s modified the normally harsh conditions and had a major effect on Soviet grain output. Between the early 1960s and 1974, total grain output increased at an average of 6.8 million tons annually. We estimate that about half of the increase since 1963 was caused by the more favorable climate. The other half is apparently due to a greater use of fertilizer and improved varieties of grain. The improvement was greatest in the southern fringes of the grain belt east of the Urals, where spring grain output is concentrated.

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[redacted] In the mid-1970s the climate appears to have reversed itself. The southward shift of the desert, which had so benefited Soviet agriculture, ended. In late summer 1974 the hot dry winds, which were common in the early 1960s, reappeared in the eastern steppe regions of the grain belt. The dry weather lasted for more than a year, spreading over most of the grain belt by summer 1975.

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[redacted] Unlike previous droughts, which were concentrated in the New Lands area east of the Urals, the 1975 drought also hit the grain heartland in the European part of the country. In other parts of the world, the drought in the Sahel ended and the monsoons returned to India. All three events seem linked to an apparent warming of the Northern Hemisphere during the early 1970s. [redacted]

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MOZAMBIQUE-RHODESIA: Nationalist Leaders Meet

25X1 [redacted] //Mozambican President Machel has summoned leaders of the feuding Rhodesian nationalist factions to a meeting in Maputo.

25X1 [redacted] 25X1
[redacted]

25X1 [redacted] //Machel wanted Joshua Nkomo to attend, but the latter is in the Middle East and will be represented by a subordinate.//

25X1 [redacted] //Although we do not know what Machel has in mind, the hurried nature of the gathering strongly suggests that it is keyed to the meeting this weekend between Secretary Kissinger and South African Prime Minister Vorster.//

25X1 [redacted]

25X1 [redacted] //The "third force" leaders, who will be attending such a high-level meeting for the first time--and Muzorewa, who has been barred from the guerrilla camps, are reportedly eager to use the session with Machel to strengthen the positions of their own factions.//

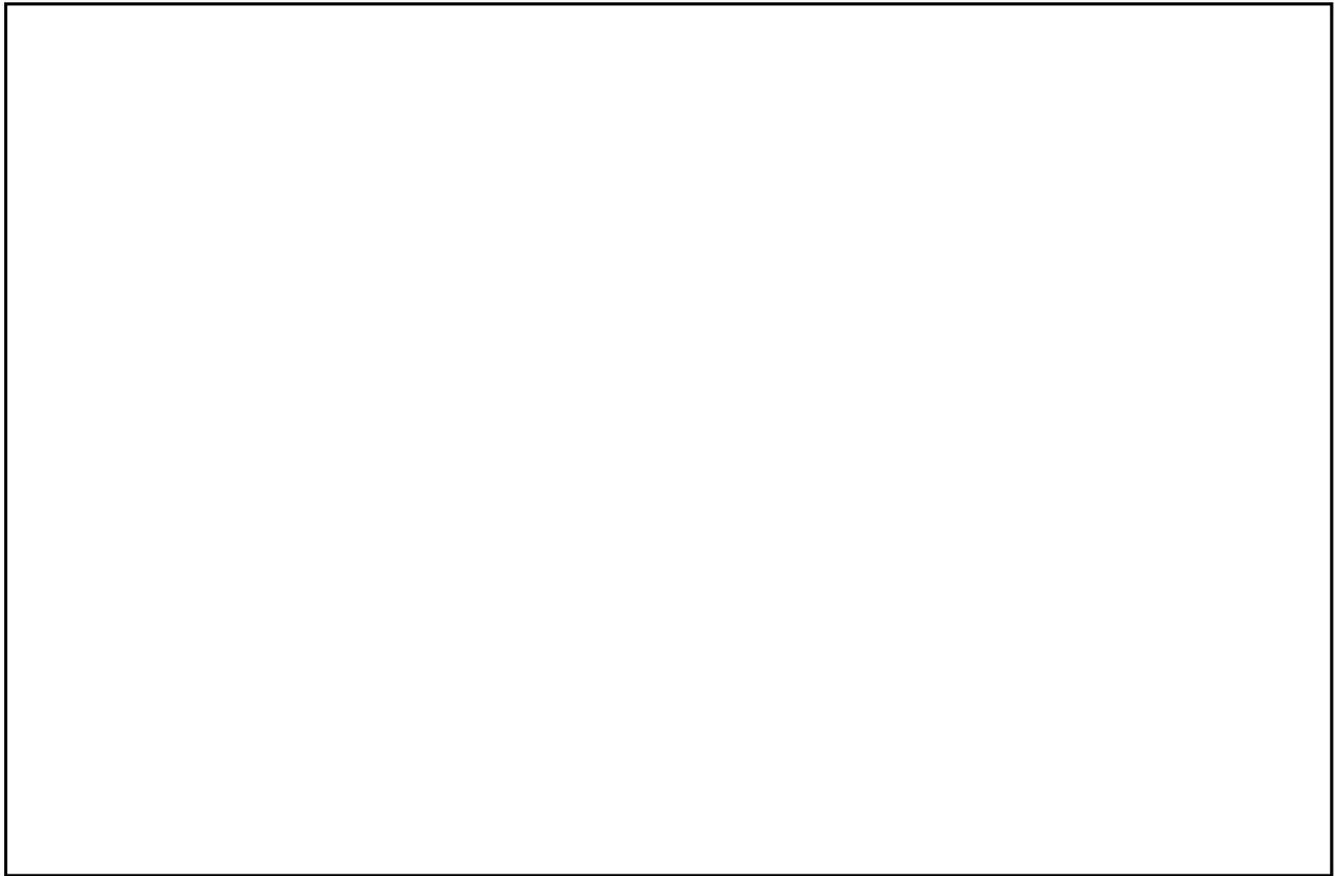
25X1 [redacted] //Machel has leverage over the nationalist politicians because of his control of their access to the guerrilla camps in Mozambique. He may take a tough line with them in yet another effort to coerce them into submerging their differences.//

25X1 [redacted] //Machel and Tanzanian President Nyerere have been backing the "third force" leaders as an alternative to old-line political leaders such as Muzorewa and Nkomo but have been unable to prevent ethnic and personal rivalries from surfacing among the guerrillas.//

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[redacted] //Machel probably coordinated the meeting of the nationalist leaders with Zambian President Kaunda when the two met in Mozambique last weekend. Kaunda has clearly preferred Nkomo, but he and Machel, together with Nyerere and Botswanan President Khama, have cooperated in the past in several abortive efforts to bring unity to the Rhodesian nationalist movement.//

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PORTUGAL: Base Negotiations with US

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[redacted] //The Portuguese government reportedly plans to discuss with the US embassy in Lisbon within the next three weeks a reopening of negotiations on the Lajes air base in the Azores. The Portuguese appear, however, to be in no hurry for serious negotiations.//

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25X1 [redacted] The base agreement expired in 1974, but its terms allow the US to continue using the base until there is a new agreement or until it is clear that a new one cannot be reached.

25X1 [redacted] //The Portuguese ambassador to the US told Ambassador Carlucci in late August that the Portuguese are anxious to resume a dialogue on renewing the base agreement. [redacted]

25X1 [redacted] The new Socialist government appears to be under some pressure from the Azorean regional administration and wants to show that at least some progress toward an agreement is being made.

25X1 [redacted] Soares has also promised that, for the first time, the Azoreans will benefit from the terms of the agreement and that officials from the regional government will participate in the negotiations.

25X1 [redacted] //Foreign Minister Medeiros Ferreira, who plans to head the Portuguese team when negotiations take place, reportedly foresees no serious difficulties. Possibly in an effort to help smooth the way, Soares appears to be taking a less dogmatic stand on the use of the Azores for the resupply of Israel in a renewed Middle East conflict.//

25X1 [redacted] A spokesman for Soares said on Monday that the government would decide on new requests for the use of the base on a case-by-case basis, taking Portugal's "national interests" into consideration. Soares had been quoted by an Iranian news agency last week as saying that Portugal was studying the possibility of banning use of the base in a future US airlift to Israel. [redacted]

KOREA: North's Propaganda Continues

25X1 [redacted] North Korea is continuing to warn that the threat of a US-provoked war on the peninsula is increasing--a line that was prominent for months before the recent killing of the two US Army officers in Panmunjom.

25X1 [redacted] A North Korean broadcast on August 29 cited reports of the presence of the US nuclear-powered submarine Pollack in the Sea of Japan as further evidence of US preparations for war.

25X1 [redacted] In addition, North Korean authorities recently ordered a reduction in contact with foreigners:

//--Some scheduled cultural and goodwill visits to North Korea apparently have been canceled or delayed.//

[redacted]

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//--Some Japanese trade representatives have been asked to leave Pyongyang.//

25X1 [redacted] We believe these latter actions are part of a North Korean effort to build an air of crisis around the Korean issue at this fall's UN General Assembly. North Korea hopes such an atmosphere will increase international political pressure for a US military withdrawal and help defeat a pro - South Korean resolution.

25X1 [redacted] There is no evidence that such limited steps reflect serious war preparations. Some foreign technicians and economic specialists have been allowed to remain in North Korea; the Japanese trade officials may well be a special case.

25X1 [redacted] North Korean commercial relations with Japan are strained at present over the debt repayment problem. The North Koreans probably are using their tension-building campaign as a convenient pretext for further delaying a settlement. [redacted]

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JAPAN: Miki Endorses Compromise

25X1 [redacted] Prime Minister Miki has endorsed a compromise designed to resolve, at least temporarily, the political impasse in Tokyo. Deputy Prime Minister Fukuda and Finance Minister Ohira, leaders of the movement to oust Miki, discussed the plan with Miki during a three-hour session on Monday but have so far withheld public endorsement of the compromise. Anti-Miki members of the ruling Liberal Democratic Party have publicly opposed the plan and renewed calls for Miki's resignation.

25X1 [redacted] The compromise was apparently worked out by party leaders who are attempting to mediate the struggle in the leadership following inconclusive talks by the three principals last week, and it involves:

--A shuffle of cabinet posts and party leadership positions. Almost certainly the most important change would be the removal of party Secretary General Nakasone, whose alleged involvement in the Lockheed scandal has made him an election year liability.

--The convening of an extraordinary Diet session to pass a number of pending fiscal bills.

--A call for efforts to "unite the party"--presumably meaning to resolve the struggle over Miki's tenure--before the general election this fall.

25X1 [redacted] Miki apparently hopes that growing pressure to call the Diet into session will produce a positive response from his opponents. Fukuda and Ohira are well aware that accepting the new proposal would postpone the question of Miki's resignation, at least until after the pending legislation is passed. Still, given Miki's adamant refusal to step down voluntarily, they may well be willing to pay that price in exchange for the ouster of Nakasone, who is Miki's only major ally within the party.

25X1 [redacted] Miki probably calculates that an interim truce with his rivals will buy time. Any delays in passing the pending bills in the Diet session would reduce the time available for Fukuda and Ohira to renew their challenge before the fall election campaign.

25X1 [redacted] Implementation of the plan could begin this week if Fukuda and Ohira agree quickly. At this point, however, objections from the anti-Miki Liberal Democratic members, combined with likely wrangling over a new cabinet, will probably delay a response from Fukuda and Ohira for at least a few days.

25X1 [redacted]

CONFERENCE ON INTERNATIONAL ECONOMIC COOPERATION

25X1 [redacted] //The spokesman for the 19 developing countries participating in the Conference on International Economic Cooperation in Paris may be trying to get the talks between the developed and developing states back on track. Venezuelan cabinet minister Perez-Guerrero will meet this weekend with the other developing countries' co-chairmen of the four CIEC commissions.//

25X1 [redacted] //The talks were stalemated in July when the developing states insisted that the detailed agendas for the next four months of talks include language on the issues of debt and of protecting their "purchasing power." The industrialized states rejected this language as prejudicial to the outcome of the discussions.//

25X1 [redacted] //Another factor contributing to the impasse may well have been pressure from the 90-odd other developing states-- whose interests the 19 theoretically represent--not to make concessions until the full group had considered such actions at the Colombo nonaligned summit in mid-August.//

25X1 [redacted] //Perez-Guerrero apparently used the Colombo meeting to lobby for continuing the CIEC. Although the language on the Conference incorporated in the nonaligned economic declaration contains a negative assessment of its results, the summit did not specifically reject continuation of the dialogue.//

25X1 [redacted] //Following Colombo, Perez-Guerrero reportedly spent part of last week lobbying in some Middle East states as well. While progress at CIEC may be linked rhetorically to an OPEC oil price increase, all indications point to a 10- to 15-percent oil price increase in December regardless of what happens at CIEC.//

25X1 [redacted] //In any case, Perez-Guerrero's activity the past two days in Paris indicates that he now feels confident enough of support from both the OPEC states and the full caucus of developing states to encourage a resumption of the Conference.

MEXICO: Peso Floated

25X1 [redacted] Mexico's release yesterday of the peso from its fixed exchange rate with the US dollar will result in a devaluation that Mexican officials reportedly hope can be held to around 20 percent. Monetary controls and export and excess profits taxes will be employed to prevent speculation, but no exchange controls will be introduced. International banking sources in Mexico City said the peso would probably stabilize at about 20 to the dollar, down from the present 12.5.

25X1 [redacted] The peso has come under growing pressure recently as inflation in Mexico has continued to outpace that in the US. This has resulted in an overvaluation of the peso by as much as 40 percent to 60 percent.

[Redacted]

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[Redacted] Mexico's import bill will increase as a result of the anticipated depreciation of the peso. Although service on the large foreign debt--now estimated to reach \$20 billion by year-end--will also rise, Mexico should not encounter problems in handling the payments. Because most exports are already in US dollars, there should be no large increase in shipments abroad, but tourist receipts--40 percent of total exports--will be strengthened.

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[Redacted] Capital flight, the recent increase of which provoked the float at this time, will be reduced if the government institutes the necessary fiscal and monetary policies to complement the devaluation. President Echeverria is expected to elaborate on such reforms later today in his State of the Republic address.

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