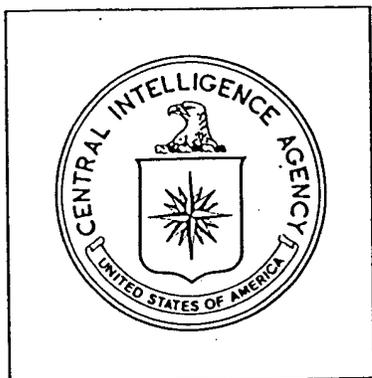


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CIA HISTORICAL REVIEW PROGRAM
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1998

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Soviet Union-Eastern Europe

STAFF NOTES

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SOVIET UNION - EASTERN EUROPE

This publication is prepared for regional specialists in the Washington community by the USSR - Eastern Europe Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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The Status of Yakubovsky

The most recent report on the status of Marshal I. I. Yakubovsky says he is suffering from cancer and hospitalized in Moscow in serious condition. According to this report, General of the Army N. V. Ogarkov, a deputy minister of defense, is slated to succeed Yakubovsky in the near future as commander in chief of the Warsaw Pact armed forces.

The source of this report, the . . . in Moscow, has provided accurate information in the past--for example, he predicted that Ustinov would succeed Grechko as minister of defense. His account has a ring of truth not found in the various explanations from Soviet sources for Yakubovsky's absence from the public scene since early July. The latter have provided misleading information--for example, statements that Yakubovsky has been hospitalized since last spring--or have played down the seriousness of his illness by describing it as nothing more than a "bad cold."

The report that Ogarkov will replace Yakubovsky as the Warsaw Pact commander in chief is plausible. He has been a "comer" in the Soviet military hierarchy since 1966, when as a Lt. General commanding the Volga Military District he was elected to candidate membership on the CPSU Central Committee at the 23rd Party Congress. He moved up to the number-two post at the General Staff of the Soviet armed forces in May 1968, served as the ranking military representative on the Soviet delegation during the early phases of the SALT I negotiations, and gained full (voting) membership on the Central Committee at the 24th Party Congress in 1971.

Ogarkov has been a deputy minister of defense with an unidentified portfolio since early 1974, and was the ranking professional military officer to accompany Marshal Ustinov when the Soviet minister of defense visited Poland during the Warsaw Pact exercise "Shield-76" in mid-September of this year. He

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may have been at the exercise for some reason connected with his duties as a deputy minister of defense in Moscow, but it is equally possible that he was there to observe the performance of forces soon to come under his command.

The appointment of Ogarkov to the top Warsaw Pact post would be in keeping with the tradition of having a Soviet officer hold that position, but it would be a break with the past in at least one respect. Yakubovsky and the previous incumbents--the late Marshals Konev and Grechko--had made their marks as troop commanders during and after World War II. Ogarkov, a military engineer by training, has made his mark as a staff officer and has had relatively little experience as a troop commander.

It is possible, however, that the Soviet leaders and their East European allies think that the time has come for a man like Ogarkov to move into the top Warsaw Pact post. Ogarkov might be viewed as an ideal choice for the job at a time when the Warsaw Pact forces will be learning to use computers and other such equipment in the field. He may also be looked upon as an officer who will be able to get along with the East European military leaders better than Konev, Grechko, and Yakubovsky have in the past. (CONFIDENTIAL)

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USSR and Sao Tome Sign
Declaration of Principles

The USSR and the Democratic Republic of Sao Tome and Principe signed a declaration of "principles of friendly mutual relations and cooperation" on October 12. This is Moscow's first formal agreement with the small and impoverished state--a former Portuguese colony located in the Gulf of Guinea.

The declaration was announced following Prime Minister Trovoada's visit last week to the Soviet Union--the first such visit by a Sao Tomean official since the country gained independence in July 1975. The agreement includes standard references to the strengthening of relations and commits the sides to expanded contacts in a variety of fields, but no specific aid agreements were announced.

The Sao Tomean government, despite its rhetoric, has sought to project the image of a nonaligned state that is preoccupied with economic development and prepared to work on a non-ideological basis with all potential aid donors. The USSR has moved more slowly than other Communist states in developing ties with Sao Tome; only last May did it accredit its ambassador in Congo to Sao Tome. Moscow probably views Sao Tome as another potential ally in the African line-up of "anti-imperialist" states because of the country's commitment to socialist development at home and its espousal of a fairly militant third world stance abroad. There is, however, no apparent economic or military reason for the Soviets to become heavily involved. (~~CONFIDENTIAL~~)

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KGB Disapproves Finns'
Trip to Norilsk Combine

The bureaucratic complexities and roadblocks for Soviet organizations that have business dealings with foreigners are illustrated in a recent case involving the Norilsk Mining and Metallurgical Combine. In early October the combine was informed that the KGB had refused permission for Finns to travel to the combine to service some Finnish equipment installed there. The Ministry of Defense, which was also consulted, had given its authorization.

On October 11, supply officials at the Ministry of Non-Ferrous Metallurgy in Moscow and at the combine discussed the need to devise a story, which all should follow, to explain to the Finns the cancellation of their trip. There was no inclination in the ministry to pursue the question further with the KGB. The ministry's protocol department took the attitude that "you yourselves are at fault...if you go ahead and buy equipment which you are incapable of operating without their help, and they are not permitted to come."

The supply official in Moscow said that no comment accompanied the KGB's refusal. Although he thought the decision was "stupid," he said that "they know what they are doing." Furthermore, "you aren't supposed to get into discussion with these people. In the first place, they will not enter into any discussion. Not only that, they might 'put you away'."

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USSR: Attempting To
Overcome Fuel Shortages

The Ministry of Power and Electrification has warned that there will be a shortage of electric power in the fall and winter. Above-plan consumption of coal and fuel oil--the result of cold spells last winter and spring--has depleted stockpiles of fuel at thermal power plants, creating a problem in building up a reserve of fuel for this fall and winter season.

In an unusual announcement, the Soviet Ministry of Railroads has admitted that from April-August 1976 the railroads fell short of planned deliveries of coal to electric power stations by 7.3 million tons. The railroads will attempt to make up the shortage during September-December, as well as deliver planned shipments for a total of 182.2 million tons.

Heads of the railroad divisions have been ordered to ensure delivery of cars loaded with coal and oil. Priority has been given to the delivery of open cars for coal, coke, ore, and mine props, and special orders have been issued to the heads of the Kazakh and Western Siberian Railroads to keep the coal moving.

The goal of 182.2 million tons set for September-December 1976 is realistic; 187 million tons were carried during the same period last year. Severe weather during these months could delay deliveries this year. (UNCLASSIFIED)

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Soviet Commercial Visitors During September

Two Soviet delegations concerned with food and food processing highlighted an upswing in commercial visitors during September. Suren Avakov, a Gosplan food industry specialist, and Iyan Koltsa, Moldavian SSR first deputy minister of the food industry, came under an agreement on scientific and technical cooperation with Food Machinery International. Aleksandr Malutin, director of the Institute of Institutional Food Service, and Zinaida Sosnina, a public catering official, arranged visits to institutional kitchens and fast-food equipment manufacturers in preparation for a fast-food seminar in Moscow.

Overall, there was a 33-percent increase in the number of commercial visa authorizations--101 to 134--as compared with August. High-level visitors during the past month included:

--Leonid Yefremov, a first deputy chairman of the State Committee for Science and Technology, who headed a seven-man delegation that arrived to negotiate with International Harvester and other firms. The ostensible interest of the group was in tractors and agricultural machinery. Also in the group, however, was an interpreter who usually accompanies computer and semi-conductor experts.

--Valentin Ustinov, a deputy minister of nonferrous metallurgy, who visited Anaconda Copper.

--Viktor Lobanov, a deputy minister of power machine building, here with a delegation of engineers and representatives of the State Committee for Science and Technology for negotiations with Babcock-Wilcox.

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Among the other visitors were:

- A seven-man delegation of petroleum industry representatives here to examine facilities for the production of equipment for a semi-submersible drilling vessel at the Rucker Co., and visited Armco International, also to discuss hardware sales and possible licensing arrangements.
- From Canada came Anatoly Kousenko, president of the Canadian office of Morflot Freightliners Ltd., to visit the subsidiary, Morflot America Shipping, Inc.; two employees of Stan-Canada Machinery, a Toronto-based exclusive distributing company for the Soviet trade association Stanko-import, to attend an international machine tool exhibit; and a Soviet trade representative in Canada to visit International Harvester.

Visiting under US/USSR scientific and technical agreements were:

- Anatoly Chubarov, USSR deputy minister of agriculture, who arrived to study cotton growing and harvesting technology.
- Nikolay Zuyev, chairman of Sovfrakht, the Soviet association for the chartering of foreign tonnage, who led a delegation to negotiate with the US Maritime Commission on freight rates for grain transportation. (UNCLASSIFIED)

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