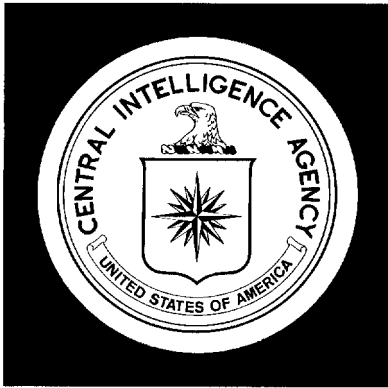


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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

State Department review completed

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22 December 1972
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The WEEKLY SUMMARY, issued every Friday morning by the Office of Current Intelligence, reports and analyzes significant developments of the week through noon on Thursday. It frequently includes material coordinated with or prepared by the Office of Economic Research, the Office of Strategic Research, and the Directorate of Science and Technology. Topics requiring more comprehensive treatment and therefore published separately as Special Reports are listed in the contents.

WARNING

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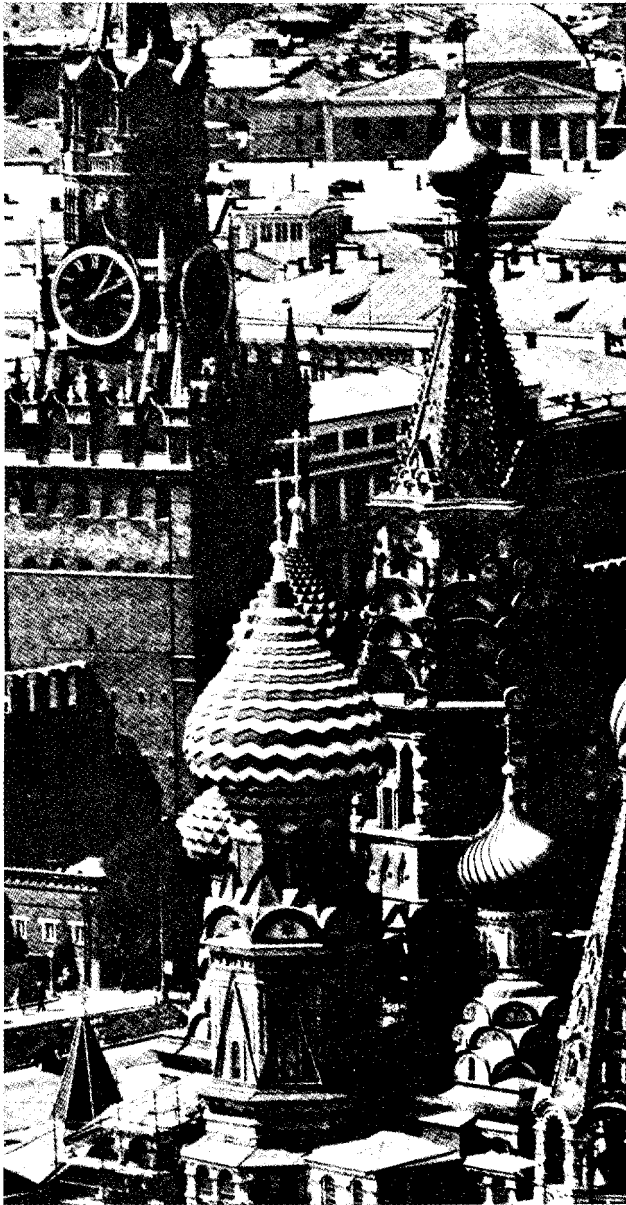
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USSR: business & pleasure



The political elite from across the Soviet Union gathered in Moscow for a week of business and celebration of the nation's 50th anniversary. They quickly got a dash of cold water when it was revealed that, because of poor economic performance this year, the goals for next year had to be trimmed with the Soviet consumer taking the worst of it. Although it was not revealed publicly, military spending will, however, creep up again next year. Several shifts in leadership posts were announced, and Brezhnev displayed his continued primacy by holding the limelight during the week.

PLANS TRIMMED AFTER POOR YEAR

The Central Committee and the Supreme Soviet, meeting on Monday and Tuesday, approved major plan goals for 1973. The goals had to be scaled down because of the poor economic performance this year. The Soviets failed to reach their industrial goal and suffered a large decline in agricultural output. Preliminary data indicate that Gross National Product in 1972 may grow at the smallest rate since World War II.

In late September Premier Kosygin had publicly warned of the serious effects of a construction lag on industrial production. Baibakov also attributed this year's industrial slowdown to the failure to introduce new production capacity, adding that the poor harvest had a "negative effect" on several branches of industry. Baibakov went on to say that the "lag in the commissioning of production capacities, especially in ferrous metallurgy, chemicals, oil, gas, and light industries, as well as a shortage of a number of agricultural raw materials" forced general reductions in the targets for 1973, the third year of the five-year plan. Goals for the light and processed food

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industries were cut back relatively more than those for heavy industry. Thus the leadership has been diverted at least temporarily from a policy begun in the late 1960s of faster growth in the consumer goods industries than in industrial materials and machinery.

to a level in keeping with the five-year plan goals. Soviet leaders apparently view the 1972 failure primarily as an aberration because of the weather and are still committed to Brezhnev's ambitious agricultural program.

Although investment data for 1973 are meager, the farm sector apparently will maintain its high priority. The 1973 plan calls for agricultural production to increase by almost 13 percent

The major loser in 1973 will be the consumer. Enough foreign grain has been purchased to assure the Soviet consumer of a basic supply of daily calories, but shortages of other farm products and a reduced livestock inventory will

SOVIET ECONOMIC GROWTH*

Annual percentage rates of growth, rounded to nearest half percent

	1966-70 Actual	1971-75 Plan	1971 Actual	1972 Preliminary
Gross national product	5.5	6	3.5	1.5
Industrial output	7	8	5	4.5
Agricultural output	4	3.5	-0.5	-8

* *Western measures*

1973 ECONOMIC PLANS REVISED*

Percentage rates of growth

	Original Goal	Revised Goal
National income	7.2	6.0
Gross industrial output	7.8	5.8
Group A (mainly producers' goods)	7.6	6.3
Group B (mainly consumers' goods)	8.1	4.5
Retail trade	7.6	5.0
Average monthly earnings:		
of wage & salary workers	4.5	2.7
of collective farmers	7.6	4.4

* *Soviet measures*



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slow down the improvement in the quality of the daily diet. Baibakov tried to reassure the populace that consumer supplies would be adequate "in the main." A sizable cut in the retail trade plan for 1973, however, clearly signals shortfalls to come. In an attempt to maintain some balance between supply and demand, all personal income goals for 1973 are being held substantially below the original five-year plan targets. Per capita real income rose by only 3.7 percent in 1972, by far the smallest annual increase under the current leadership.

The reduction in economic targets is a bitter pill for the leadership to swallow and must have involved some very tough decisions. In particular, the acceptance of lower targets for processed food and light industries and the reduction in goals for family incomes compromise the consumer program that Brezhnev emphasized at the 24th Party Congress. That program was controversial, and Politburo member Shelest, for example, spoke against making promises—talking "about a horn of plenty"—which he implied would be hard to fulfill.

Brezhnev, however, has succeeded in undercutting the position of some critics such as Shelest. V. P. Mzhavanadze's departure from the Politburo, presaged by his retirement as Georgian party chief in September, also serves Brezhnev's purposes. The emphasis on raising living standards continues, suggesting that Brezhnev, despite the difficulties, will try to maintain the existing line on economic policies.

THE DEFENSE BUDGET

Finance Minister Garbuzov told the assembled dignitaries that the 1973 appropriation for defense will be 17.9 billion rubles—identical to the announced figure for the three previous years. The revelation of yet another unchanged defense budget presumably was designed to project an image of moderation and detente consistent with the spirit of the Strategic Arms Limitation Agreement.

This official figure, however, does not include a number of allocations normally associated with defense. The largest and most significant of these is military research and development. Military research and development programs appear to be funded principally out of science appropriations. The plan for science outlays was reported by Minister Garbuzov to be 7.2 percent larger than was spent last year. As always, the portion of the science budget allocated to military purposes was not identified.

The newly released defense and science budgets are consistent with observed Soviet force structures and defense programs. Intelligence analysis projects a slight rise for 1973 in Soviet spending on deployed forces. As in past years, military research and development expenditures are expected to rise more rapidly. When the intelligence estimates for military research and development are added to those for the deployed forces, total outlays will reach an estimated level of slightly over 22 billion rubles—the equivalent of nearly \$70 billion valued at 1970 US costs. This will be the greatest amount ever spent for defense in the Soviet Union, and represents an over-all increase of about 2.5 percent over our estimate for 1972.

FROM SIBERIA TO SECRETARIAT

The Central Committee added Vladimir I. Dolgikh to the party secretariat while dropping Mzhavanadze as a candidate member of the Politburo.

Dolgikh probably will assume the responsibility for heavy industry that Mikhail Solomentsev exercised before he became premier of the Russian Republic in July 1971. To his new post Dolgikh, 48, brings a background as an industrial manager and a reputation for energetic promotion of Siberian development. He was director of the Norilsk Mining-Metallurgical Combine from 1962 to 1969, when he became party chief of the Krasnoyarsk Kray in eastern Siberia.

In that position Dolgikh has forcefully argued to many listeners—including the 24th Party Congress and Western newsmen—the

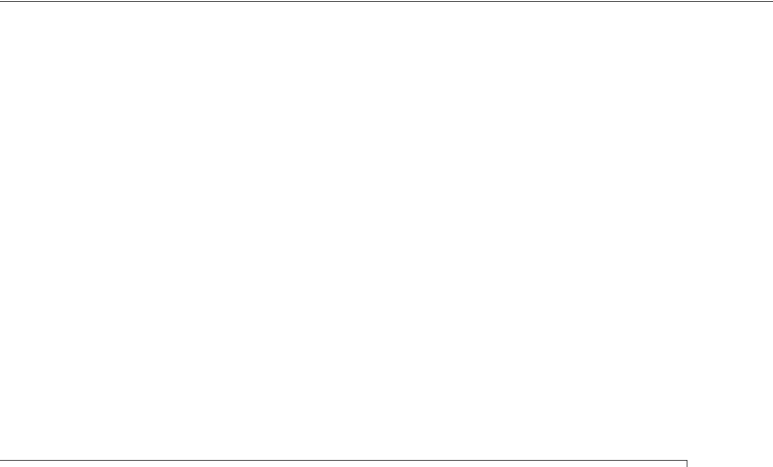
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economic rationale of developing industry in Krasnoyarsk and the necessity for building corresponding housing and social facilities there at an accelerated rate. At the congress, he emphasized the cheapness of Krasnoyarsk coal and thus seemed to be vying with the Ukrainian coal industry, whose interests Politburo member Shelest complained had been slighted. Dolgikh appears to have no close ties to any senior leaders in Moscow, but in June 1971 Brezhnev cited the comprehensive plan to develop Krasnoyarsk by 1980 as a model for other eastern regions.

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Waiting for Rice in a Jakarta Market



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SECRET**CUBA: NEGOTIATIONS SI, DETENTE NO**

Fearful that Havana's hijacking negotiations with the US might discredit his anti-imperialist credentials, Fidel Castro has publicly rejected any general reconciliation. Speaking at a rally for Chile's President Allende in Havana last week, Castro warned against interpreting Cuba's desire to reach an agreement with the US on hijacking as a sign that Havana is seeking a broad rapprochement. He did not entirely rule out discussions aimed at improving relations, but he did set such stringent conditions that their acceptance by the US would be considered a major victory for his regime and a humiliating reverse for the US.

There can be little doubt that Castro genuinely wants to halt the flow of criminals and lunatics who enter Cuba as air pirates. Despite his claim that "aircraft hijacking was invented by Yankee imperialism against our country," it was his own rebel group that introduced the tactic as a political weapon by commandeering a Cuban domestic flight in October 1958 during the revolution. The subsequent propaganda lauding this action prompted Castro adherents in Miami to attempt a similar venture less than two weeks later. This time, however, the plane crashed in eastern Cuba with great loss of life; the disaster gave the rebels a black eye. Castro wants to avoid a repetition of that damaging incident, and the particularly vicious nature of the hijackings in October and November may have moved him to negotiate.

Until now, Havana's main efforts to discourage air piracy have consisted of punitive measures. Hijackers not accepted by Havana as

true revolutionaries are frequently jailed or placed in a mental institution. Even some of those not confined have found life in Cuba so depressing that they have chosen to return to the US to face prosecution. Several have attempted suicide, and at least one was successful. Harsh treatment has not served as a sufficient deterrent, however, and after the last two incidents Castro felt the time had come to take broader measures.

His willingness to negotiate on this specific point—occurring as it did in an era of change in US foreign policy—aroused widespread speculation that talks might be expanded to cover other topics and might eventually develop into a Cuban-US reconciliation. Castro felt it necessary to spike this line of reasoning and dispel any hint that he might be compromising his principles for selfish national interests. He reasserted his long-standing conditions for discussions with the US. Before any such talks begin, he emphasized, the US must halt its "economic blockade." There is no reason to assume that Castro has waived his other long-standing demands that the US relinquish the Guantanamo naval base and act to prevent any further exile hostilities against Cuba, but by stressing the blockade issue Castro could be laying a groundwork for demanding that the US pay reparations for damages to the Cuban economy caused by the US economic denial campaign. He realizes that his package of demands is unacceptable to the US, and he has offered it in that spirit. Hostility to the US is woven too deeply into the fabric of Castro's Cuba for him to work seriously for an improvement in relations at this time.

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SECRET**INDOCHINA****HANOI REACTS**

The North Vietnamese reacted to the renewed bombing in predictable fashion: immediate condemnation in low-level commentaries, followed by a Foreign Ministry statement on 19 December and a government statement on the 21st. As of noon on 21 December, however, there was still no authoritative commentary on the impasse in the negotiations.

The commentaries on the bombing were straightforward and devoid of surprises. The themes were the alleged duplicity of the US, the perseverance of the Vietnamese people, and the need for pressure from world opinion to force the US to sign the draft accord. There was no hint that the bombing posed an immediate threat to the Paris talks.

The most recent substantive Vietnamese Communist commentary on the negotiations was keyed to President Thieu's speech of 12 September. The Hanoi press has criticized Thieu for attacking the "basic principles" of the draft agreement by calling for North Vietnamese troop withdrawals from the South and for the creation of a "permanent political" boundary at the Demilitarized Zone. Hanoi's main point seems to be that it is the US which wants to alter the principles behind the "approved" peace agreement and that Thieu's proposals were made at US instigation.

The Viet Cong have laid out Communist complaints in more detail. The US is charged with making new demands on three basic issues: the "withdrawal of North Vietnamese troops," the "restoration of the DMZ," and South Vietnam's "right to self-determination." The tone is tough but while the Viet Cong "flatly reject" the first point, they are slightly less categorical in the second, saying only that they "unquestionably opposed" it, and the third is merely criticized without stating the Communist position explicitly.

Whatever the specifics, it seems clear that even before Dr. Kissinger's press conference the Vietnamese Communists recognized that a sticky period in the negotiations was at hand and were

preparing their propaganda accordingly. North Vietnam apparently saw a need for high-level consultations with its Communist allies. Truong Chinh, the number-two man in the Politburo, left Hanoi on 16 December for Moscow at the head of a delegation to the anniversary ceremonies there. He is accompanied by Hoang Van Hoan, another Politburo figure. Chinh's presence in Moscow is unusual; he has concerned himself largely with domestic affairs and has conducted no official business abroad in recent years. Moreover, relations with the Soviets have always been the special concern of party First Secretary Le Duan. The North Vietnamese may have decided Le Duan was needed at home in the present sensitive period and that in his absence only Truong Chinh carried the necessary prestige and authority to represent North Vietnam.

Brezhnev Leads Soviet Reaction

Soviet party leader Brezhnev's speech at the 50th anniversary celebrations in Moscow on 21 December included a strong statement of support for the Vietnamese, and, for the first time since Premier Kosygin's election speech in June 1971, an explicit threat that progress in US-Soviet relations could be affected by developments in Indochina. Brezhnev promised that "no new crimes" of the United States would shake the determination of Vietnam's friends to provide all-round support to its liberation struggle, and he called attention to Moscow's "active assistance" to help the Vietnamese gain a "just, peaceful settlement."

Brezhnev's remarks were undoubtedly dictated in part by his audience, which included senior North and South Vietnamese Communists and representatives from most other foreign Communist parties. Brezhnev made clear, moreover, that the USSR still has hope for better Soviet-US relations. He said that if the two countries can follow the course charted during last May's summit meeting, then substantial new steps for the benefit of Soviet-US relations and for mankind "may become possible through further contacts."

On 20 December, the Soviet Foreign Ministry delivered to the US Embassy a brief pro

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On the Ground in South Vietnam: South Vietnamese (above), Viet Cong (below)



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forma protest note which charged that the Soviet merchant ship Michurin was damaged on 18 December during US air raids on Haiphong. The note was apparently designed to make the incident a matter of record. The US Embassy reports that contacts with Soviet officials remain cordial. A film show on President Nixon's visit to the USSR was hosted by the Foreign Ministry on 19 December, and the atmosphere was unaffected by developments in Vietnam.

Peking Keeps a Low Posture

Peking's initial authoritative reaction to renewed US bombing of North Vietnam and the impasse at Paris—a Foreign Ministry statement issued on 20 December—is a mild restatement of long-standing Chinese positions and views. Taken as a whole, it appears to represent little more than the minimum that Peking can safely say at high levels given the circumstances. Nowhere in the statement does Peking register alarm about prospects for an eventual agreement or hint that the turn of events has wider implications for Chinese policy. Nor does Peking express explicit backing of Vietnamese Communist terms for an agreement or pledge stepped-up Chinese political and military support for Hanoi, even though a North Vietnamese Foreign Ministry statement issued on 19 December specifically asked for this.

Lower level statements out of Peking—a New China News Agency commentary and NCNA pick-ups of American press comment—strike a slightly tougher tone, but this almost certainly is meant by Peking to pacify the North Vietnamese. It seems plain from their public stance so far that the Chinese do not view recent events as a reason to change their own course with respect to the war and post-war relationships.

THE BATTLEFRONT IN THE SOUTH

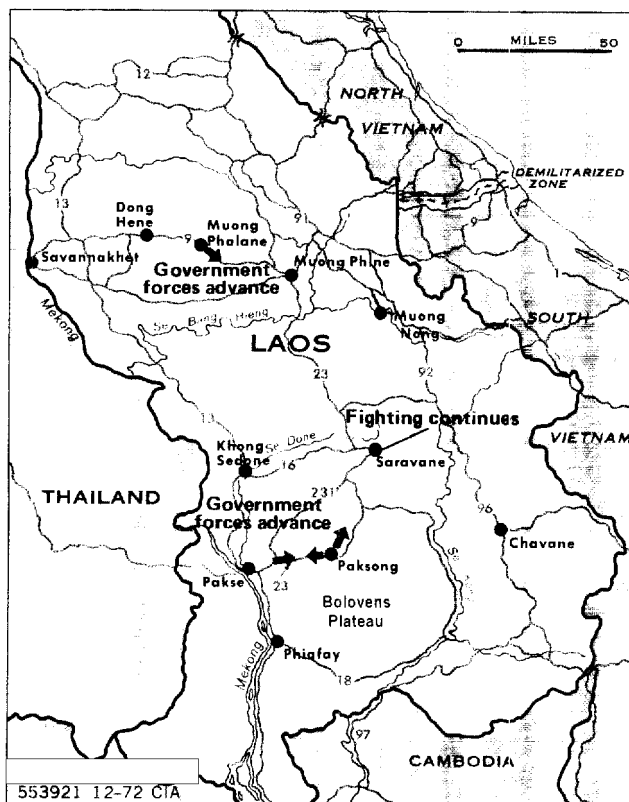
In Quang Tri, enemy gunners have combined heavy artillery and rocket fire with stiff ground resistance to thwart South Vietnamese operations north and west of the provincial capital.

A Party Is Born

With well-staged pageantry, President Thieu's Democracy Party was officially and

publicly introduced last weekend in Quang Nam Province. Similar introductory ceremonies are scheduled during the coming weeks in other provinces, culminating in a national convention in Saigon next February.

For more than a year, recruiters have been active throughout the country signing up members. Although they have had considerable success in terms of numbers, chiefly among civilian officials and military officers, the depth of commitment of some of the recruits is doubtful. Many have joined to avoid harassment or to advance their careers. While several high-level military officers have joined, some senior commanders have refused on the grounds that the military should not be oriented toward any party. Among those refusing was the commander for Military Region 1, General Truong, who is generally rated as the country's best officer.



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Touted as the government's principal tool for future competition with the Communists, the Democracy Party ostensibly will embrace under its banner any of the established South Vietnamese political groups that wish to join. The party, however, seems designed more to solidify and provide guidance to groups already sympathetic to the government than to broaden its base of support. The line-up of party officials, not yet publicly announced, includes the President's staunchest supporters.

Leaders of the existing parties understandably have registered some misgivings about the new party. Some fear it will cut into support for their own organizations; others suspect Thieu would not give them any positions of influence in the new organization even if they did agree to cooperate. So far, the President has made little real effort to seek the active support of the established parties, and it is unlikely that he would permit any of their leaders—most of whom he holds in low esteem—to exercise much influence if they did decide to sign on. For the near term at least, Thieu is expected to operate his party on the assumption that a relatively disciplined organization of government officials and military officers controlled by a small and loyal leadership will offer the best prospect for competing successfully with the Communists in a political struggle for domination of South Vietnam.

LAOS: A TENTH ROUND CHOICE

Against a somber backdrop of impasse in the Paris talks, Lao negotiators once more went through the motions at the tenth session of the Vientiane peace talks. This time, the government presented its version of a draft accord to counter the Communist draft presented at the previous meeting. The government submission was essentially the Communist document with its objectionable sections revised to Vientiane's taste. Although this latest example of weekly one-upsmanship brings the talks no nearer breakthrough, it did serve to identify major areas where negotiation is required.

The government continues to reject the Communist demand for a broadly based political

consultative council to oversee the formation and performance of a new provisional government. The two sides disagree on the question of representation within a new coalition; they also disagree on the nature and timing of a cease-fire. The government would like a cease-fire as the first phase of a settlement. The Communists insist on a simultaneous military and political accord. Both sides now call for an end to all foreign intervention in Laos and a withdrawal of all foreign forces within 90 days of a cease-fire. Vientiane, however, would include a proviso that "armed forces" pull back within 60 days to areas held at the time of the signing of the 1962 Geneva Accord; the Communists demand an in-place cease-fire. The International Control Commission would supervise a cease-fire under both plans, but Vientiane would like it to play an expanded role.

There appears to be ample room for compromise within these areas of disagreement. The Communists, for example, have privately hinted a willingness to play down the significance and authority of a political consultative council. A serious effort to clear up the remaining differences may not begin, however, until the two sides—keeping a careful eye on the status of Vietnam negotiations—conclude that the moment is propitious.

Staying on Top Down South

As the Vientiane talks grind on, the government is increasing its territorial holdings in southern Laos. In the central Panhandle, government irregulars are pursuing remnants of the battered North Vietnamese regiment that had tried for the past two months to stem government advances on Dong Hene and Muong Phalane.

North of the Bolovens Plateau, other government troops are holding on to Saravane, despite several determined Communist attempts to dislodge them. The morale of the defenders has been bolstered by air strikes which appear to have crippled many of the units of the North Vietnamese around Saravane. On the plateau irregulars have moved out of Paksong to clear enemy troops to the north and west.

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USSR-CHINA: BITTER AS EVER

Moscow and Peking are still in the center of the ring trading verbal blows. In this round, the Chinese have been on the diplomatic and propaganda offensive, concentrating primarily on frustrating Moscow's efforts to push detente in Western Europe and improve Soviet-Japanese relations.

As conferences on European security and on mutual force reductions come closer, Peking has stepped up its efforts to sow doubt about Soviet intentions. The Chinese have been telling Western European statesmen that Moscow's past reliance on military force proves the Soviets simply cannot be trusted to keep any agreement they sign. The Chinese are also warning that a mutual reduction of US and Soviet forces in Europe would give Moscow a strategic edge since US forces would be unable to return quickly enough to counter a Soviet conventional attack. The Chinese have made it crystal clear that they strongly approve of Europe's continued reliance on the US nuclear umbrella and of a strong NATO.

The Chinese have used similar arguments to warn the Japanese that Moscow is the primary threat to security in Asia, assuring Tokyo that neither close military ties to Washington nor the continued development of the Japanese self-defense force are obstacles to further improvement in Sino-Japanese relations.

The Soviets are worried by the scope and shrillness of the Chinese offensive, and have responded with propaganda blasts of their own. The most authoritative of these have come from Brezhnev himself in two recent speeches in which he was more outspoken in condemning Peking than at any time since the border talks began more than three years ago. The Soviets are most concerned about Chinese "meddling" in Europe. Their sensitivity was shown, for example, in their reaction to British Foreign Secretary Home's visit to Peking. Moscow went so far as to insinuate that Home came back to do China's bidding in Europe. The Soviets are also acutely aware that they are losing ground to Peking in the race to improve relations with Japan. Japanese Foreign

Minister Ohira's visit to Moscow did not go well, and economic negotiations on joint projects to exploit natural resources in Siberia are making little progress. On the other hand, Sino-Japanese negotiations implementing the agreement reached when Prime Minister Tanaka visited Peking in September are moving along.

Still, Moscow's prospects for frustrating the Chinese assaults are better in Europe than in Asia. Moscow's geographic proximity and its military and economic strength gives the USSR a much higher priority in the minds of European decision makers. Moreover, despite memories of Hungary and Czechoslovakia, West European leaders have come to see Moscow as an essentially rational actor on the European stage. Thus, Peking's strictures are not in themselves likely to impede progress toward mutual force reductions and a European Security Conference.

The rivalry is not confined to Europe and Japan. At the UN, the Chinese have vehemently opposed almost everything the Soviets have favored. In South Asia, China is trying to roll back the gains registered by Moscow since the upheavals on the Indian subcontinent more than a year ago. In Korea, the Chinese have scored points off the Soviets by offering early and continued support to Pyongyang's new moderate approach to the south. In the Middle East, the Chinese have sought propaganda mileage out of the ouster of Soviet forces from Egypt. In Africa, the two continue to compete in every country where an opportunity arises. On the question of peace in Vietnam, Moscow and Peking share similar views, and both have urged Hanoi to reach a settlement as quickly as possible. But even this convergence reflects a basic rivalry in still another arena—the desire of each power to court and use Washington in its contest with the other. In other parts of Southeast Asia, primarily in Cambodia, Chinese and Soviet interests fundamentally diverge.

The rivalry which has characterized Sino-Soviet relations now for over a decade will certainly continue, altering its focus and emphasis

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only to the extent that patterns in the global system within which they operate alter. The rivalry does have limits; both sides appear anxious to avoid border fighting and to keep channels of

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communication open. The ambassadors serve at least part time at their posts, and trade continues as do the unproductive border talks. [redacted]

MALTA: MORE ULTIMATA

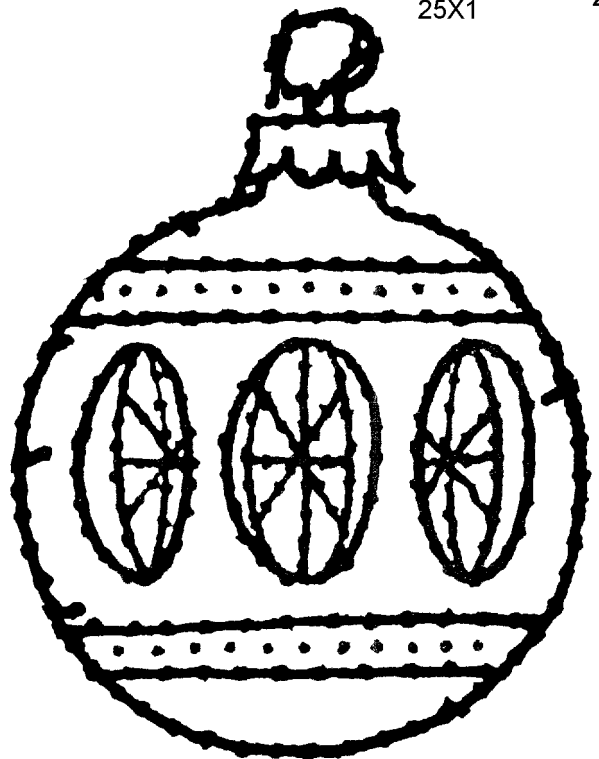
Prime Minister Mintoff reacted strongly to London's rejection of his demand that the UK and the other NATO allies make up the money he says he lost when London floated the pound and to do so before the year is out. The allies have responded calmly to Mintoff's latest outburst.

demand for more money by 31 December. He did not mention that date again in his latest response, but he did say that the British would have only 24 hours to leave once the deadline expires. The British estimate that any withdrawal would take at least 60 days after the plans are drawn up, and British forces on the island are making no obvious preparation for departure. [redacted]

British Prime Minister Heath, in a letter to Mintoff on 18 December, said that London expects all parties to the base agreement to observe it in letter and in spirit and that the allied governments attach great importance to the preservation and observance of the agreement. Mintoff, incensed at this rejection of his demands for more money, accused London of bad faith. He said that he interpreted the note to mean that the British intended to use force to maintain their military presence on Malta after 1 January and that the allies would support the British. He threatened to take the issue to the Security Council.

The British plan no further moves at this time. If the occasion arises, the UK high commissioner will simply tell Mintoff that his interpretation of the note is "rubbish." West Germany, the US, and Italy have made clear that they will not dissociate themselves from the British note. Rome, which earlier had shown some sympathy for Mintoff's position, has instructed its ambassador in Valletta to tell Mintoff that it hopes he will forget about taking the issue to the Security Council.

When he raised the devaluation issue, Mintoff insisted that the British comply with his

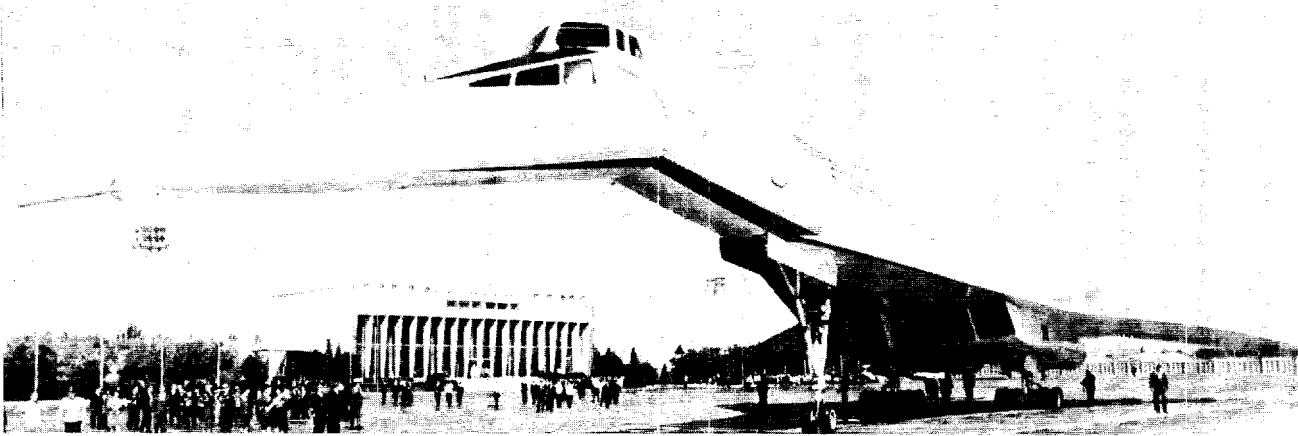


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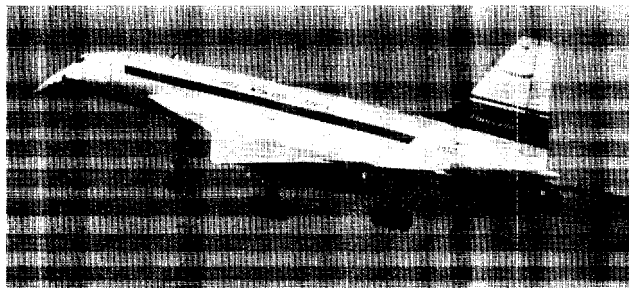
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TU-144 (new version): Revised, But Far Behind

Comparison of TU-144 and Concorde

	TU-144 Charger	Concorde
First flight	December 1968	March 1969
Maximum speed	Mach 2.2	Mach 2.1
Maximum altitude	59,000 feet	58,000 feet
Longest supersonic flight	about 2 hours	2 hours, 7 minutes
Total flight hours	200+	2,000



Concorde: First in the SST Race

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USSR: THE SST STORY

The Soviet program to develop a supersonic transport aircraft for commercial use is moving ahead albeit more slowly than its Franco-British counterpart, the Concorde. Three TU-144 Chargers are being flight-tested, but the aircraft probably will not begin regularly scheduled service on Aeroflot international routes before 1976, some eight years after the first test flight.

Soviet officials have indicated that they plan to fly the TU-144 about 3,000 hours before approving it for Aeroflot use or export. To date, only about 200 hours have been logged, and completion of the test program probably will require

two to three more years, depending on how many test aircraft are built and the urgency the Soviets attach to the program. By comparison, four Concorde's have amassed almost half of some 4,000 hours needed for development, certification, and route proving. The Concorde is scheduled to enter commercial service in 1974.

The Soviets recently released photographs of the second TU-144 to enter the test program after it had made a demonstration flight from Moscow to Tashkent—almost 1,900 miles—in one hour and 50 minutes. Several major design changes have been made in the newer model that probably will

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be incorporated into production models. These include a lengthening of the fuselage by about 27 feet and an increase in the wing span by seven feet. The main landing gear now retracts into the engine bays instead of the wings, and the engines themselves have been relocated. A pair of engines are now under each wing next to the fuselage rather than a cluster of four under the fuselage as on the first aircraft. The wing has been redesigned and additional windows have been installed in the cockpit.

The Kuznetsov NK-144 engines used in the first TU-144 may have been replaced by another engine. At the 1971 Paris Air Show and on several occasions since, the Soviets have admitted that the NK-144 engine has poor fuel consumption and thrust characteristics and have implied that a new engine was being developed. Other than the fact that the engine intakes on the second TU-144 have been redesigned, however, there is no evidence that new engines have been installed. If the TU-144 has new engines in addition to changes in its configuration, even more extensive flight testing will be required.

Despite their difficulties, the Soviets apparently intend to move forward with the aircraft and eventually produce it for domestic use and export. Soviet success in overcoming a number of technical problems during the remainder of the test program will determine the extent of the aircraft's use in the USSR and its marketability abroad.

YUGOSLAVIA: A PURGE ROLLS ON

With a series of changes in the makeup of the Serb and Vojvodina party organizations, the stage is set for a second wave of purges. While Tito thus seems intent on settling accounts with selected liberals, he is at the same time trying to make sure that extremists at the conservative end of the scale do not get out of hand.

A plenum of the Serbian party central committee on 15 December packed the provincial

secretariat with pro-Tito appointees. As a result the majority has passed from the hands of supporters of liberal ex-leader Nikezic. Now outnumbered and with their political future very much in doubt, the remaining Nikezic appointees face an unpleasant future. The old secretariat came under attack both from Nikezic's successor, Vlaskalic, and from a military representative on the central committee. The latter's criticisms extended to Vlaskalic's second-in-command, Nikola Petronic, and neither Vlaskalic nor the rest of the central committee supported Petronic. This turn of events highlighted not only the military's influence, but also Vlaskalic's problems in making his new authority credible.

On 18 December, Mirko Canadanovic and Milos Radojcin resigned as leaders of the Vojvodina party. A protege of the discredited Nikezic, Canadanovic earlier had weathered criticism and tried more fully to associate himself with Tito's new course. As a result of the Canadanovic "resignation," other party leaders who made similar adjustments will now have reason to fear that their errors will not be forgiven. One such is Mahmut Bakali, Kosovo party chief, who also was a strong supporter of Nikezic.

The rumors of political arrests are also likely to be having an unsettling effect. On 18 December, the federal prosecutor found it necessary to deny speculation in the West European press about widespread arrests. He asserted that only about a hundred individuals had been arrested for political "crimes and excesses." Most of them seem to have been in Croatia and Bosnia-Herzegovina, and many were for economic crimes.

But Tito is not aiming only at liberals. *Tanjug* reported that a protege of Aleksandr Rankovic, a hard-line Stalinist who was once Tito's chosen heir, was arrested for disseminating "hostile propaganda." The regime probably intended this arrest to balance moves against liberals with a demonstration of firmness against conservatives. At week's end, Tito appeared determined to drive home the lesson that no man—liberal or conservative—is above the party.

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ROMANIA: MORE RECYCLING

Ceausescu last week reached down into county party organizations for four officials he thinks can help to bolster ministries that contribute heavily to export earnings. All are from economically important regions, and the addition of their expertise to federal organs underscores Ceausescu's efforts to make the Romanian economy perform more efficiently.

The two most significant changes are the assignment of Braila party chief Nicolae Mihai as first deputy of the State Planning Commission and the appointment of Ilie Cisu as minister secretary in the Chemical Ministry. Mihai has an extensive background in economic matters, and Cisu is experienced in Romania's important

petroleum industry. His move to the Chemical Ministry strengthens a branch of the economy that has already scored impressive gains. The chemical industry will be a critical factor in the completion of the five-year plan.

Ceausescu also likes to expose party officials to key government bodies. In the shifts just announced, Aldea Militaru, a party central committee section chief without portfolio, was named minister secretary in the Ministry of Agriculture, Food Industry, and Water.

The transfer of these technocrats probably is a logical follow-up to Ceausescu's high-level personnel shifts last fall, although several of the

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present series may have been ordered because of continued problems in the economy. These changes, together with the reassignment of the Cluj secretary, open five county party jobs in time for the party elections scheduled to take place before the end of the year. [redacted]

other hand, Moscow obtained neither a formal commitment to hold the conference nor agreement on its timing, location, or participants.

The Soviet delegation in Helsinki now recognizes that the preparatory talks will be much longer and more substantive than Moscow desired. The delegation was initially hampered by inflexible instructions from Moscow and a maladroit performance from Ambassador Zorin, whose excessively close attention to some delegations won him a reputation as an "amorous aligator." Another Soviet representative, Ambassador Mendelevich, seems to understand that Moscow will not be able to bulldoze its way through the talks and has been much more effective in both the plenary sessions and the bilateral talks that the Soviets have actively sought with the US and other delegations.

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EUROPEAN SECURITY: OFF THE BLOCKS

The first round of talks looking toward a Conference on Security and Cooperation in Europe was businesslike, although different concepts of the conference's purpose did emerge. The NATO countries, supported by the neutrals, have all but assured a lengthy and thorough airing of the issues prior to a final decision to hold the conference. Moscow, somewhat dismayed by the political complexity of the talks, is doing its best to avoid controversy.

In just over three weeks in Helsinki, the participants agreed on rules for the preparatory discussions and accepted as a "working assumption" a three-stage format for the conference itself. They could not, however, agree on a specific work program for the rest of the preparatory phase. The Soviet delegation is pondering how to finesse the disagreement over the work program, and some compromise may be informally agreed before the talks resume on 15 January.

At the heart of this disagreement is Moscow's desire for a short, non-controversial conference and the West's desire to talk about troublesome matters like the freer movement of people, ideas, and information. The West wants to discuss these issues during the preparatory talks and has therefore suggested that terms of reference be negotiated at the preparatory talks for each agenda item for the full conference.

For the Soviets, the results of the initial session were mixed. On the one hand, the talks were serious and there seemed to be a tacit assumption among the delegations that the conference itself would begin by next June. On the

Except for Romania, the Warsaw Pact delegations have carefully followed Moscow's lead. Romania has strongly registered its intention to participate in these talks as a sovereign and independent state. Past Soviet endorsements of a "non-bloc" approach to European security as well as Moscow's desire for a successful conference have given the Romanians maneuverability and freedom to speak out. Moscow so far has left the task of castigating Bucharest to others in the Pact.

The neutral and non-bloc states have lined up with the West on most questions. The Yugoslav delegation can claim the most important initiative from the group to date, having provided the text on which discussion of the work program has centered. The Finnish chairman has performed well, with no apparent favoritism to East or West.

Western unity has not been severely tested. The NATO allies and the EC members have had a chance to try out their respective consultative procedures, with particularly good results. The EC consultations in fact contributed to strong West European advocacy of Western positions. France, instead of taking off on its own, was maneuvered into presenting the EC case advocating that there be terms of reference for conference agenda items. [redacted]

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AUSTRIA-YUGOSLAVIA: SIGNS OF STRIFE

Belgrade's heavy-handed campaign on behalf of Austrian Slovenes is complicating Chancellor Kreisky's efforts to guarantee the rights of that small minority.

There are some 20,000 Slovenes living in Austria, virtually all of them in the predominantly German-speaking state of Carinthia. Angry demonstrations broke out in early October following the erection of bilingual road signs in Carinthia. They were put up by the new socialist government under the provisions of the Austrian State Treaty of 1955. Indignant German-speakers promptly destroyed most of the new signs and staged rallies demanding repeal of the implementing legislation.

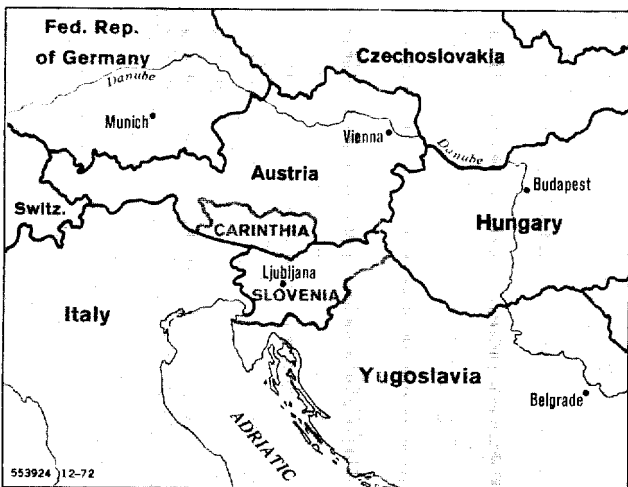
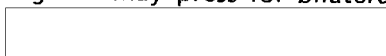
Low-key efforts by Vienna to cool local passions were set back on 8 November when the Yugoslavs threatened to appeal the plight of the Slovenes to the great power signatories of the Austrian Treaty. On 12 December Tito further inflamed the problem in a speech delivered in Ljubljana, the capital of the Yugoslavian province of Slovenia. He charged that "fascist elements" were responsible for the repression of Slovenes in Austria. The war of words took on new stridence three days later when Belgrade's Defense Minister Ljubicic pointedly linked Yugoslav military preparedness to the "campaign against our mi-



nority in Carinthia." Irritated and taken somewhat aback by these allegations, Kreisky has hotly denied that fascists were active in Austria and has accused the Yugoslavs of "saber rattling." He stated testily on 14 December that Austria would not be "prodded" by the Yugoslavs; he did form a commission of inquiry to examine the bilingual road sign dispute.

Belgrade's sharp and persistent public criticism doubtless serves its own domestic interests by portraying Tito as the defender of Slovene rights, but it is rapidly undermining Kreisky's attempts to ease tensions. Although his Socialist government is generally sympathetic to the Slovenes, the chancellor is anxious to avoid alienating conservative Austrians and exposing himself to charges of knuckling under to Belgrade. While most responsible opposition elements have condemned excesses in Carinthia, many have also criticized government handling of the issue. Growing political sensitivity to the matter was underscored on 12 December, when there was violence at the University of Vienna over a scheduled address on the Slovene question by a conservative member of parliament.

Vienna probably will continue to play for time, hoping that emotions will subside and permit a level-headed solution to the problem. The Yugoslavs, however, have made it plain that they intend to keep public pressure on the Austrians, and Belgrade may press for bilateral talks on the issue.



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SECRET**FRANCE: A SLOW START**

President Pompidou's coalition has gotten off to an unshowy start in the campaign for the legislative elections next March. The latest public opinion poll shows that during the past month support for the ruling majority parties has dropped from 42 to 38 percent; at the same time, backing for the united left opposition has increased from 43 to 45 percent. President Pompidou probably will have to gird himself to play a personal role in the campaign if he is to avoid real inroads into his big majority.

After weeks of semi-public wrangling over which candidates should run, the coalition—the Gaullist Union of Democrats for the Republic, the Independent Republicans, and the Progress and Modern Democracy—managed to agree on candidates for 484 of the 490 legislative districts. In 433 districts the coalition will back a single candidate. In another 51 districts, two or more of the coalition parties will each field candidates. These will compete in the first round, but the parties have agreed to unite behind the front-runner in the second round. While the lion's share of the selected candidates are Gaullists, the lineup represents a more equitable distribution than in previous years. Despite earlier talk by the Gaullists of purging their ranks in view of the recent scandals, only 30 of the present 279 Gaullist deputies are not running. Some of these are figures tainted by the scandals, but most are standing down for reasons of age or health.

Pompidou had to intervene personally in an angry session of the secretaries general of the coalition parties planning campaign strategy. He warned that the coalition could not afford the luxury of narrow partisanship in the face of growing popular support for the united left. Pompidou's leadership may be crucial if Prime Minister Messmer is as ineffective a campaigner as he was in a lackluster television appearance during the campaign kick-off. Messmer's performance contrasted poorly with that of French Communist Party Secretary General Georges Marchais, whose speech at the Communists' national con-

gress was televised shortly after the prime minister's interview.

The government parties will probably respond by emphasizing the government's record under Pompidou and by invoking the "Communist menace." They have, after all, managed to agree on common candidates in nine out of ten districts, while the Communists and Socialists will have opposing candidates in almost all of the districts. The first round of voting will be on 4 March; the second round will be a week later. 25X1

ICELAND: GAMBIT DECLINED

An apparent ploy to force the Communists out of the government failed when they swallowed their pride and approved devaluation of the krona. The action last week shows that the Communists badly want to remain in the governing coalition in order to influence decisions on the fishing limits issue and the US base agreement.

Hannibal Valdimarsson, chairman of the Organization of Leftists and Liberals, the small, pivotal member of the three-party coalition, on 12 December demanded that the krona be allowed to float, aiming at a 15.5-percent devaluation. He made the demand at a cabinet session convened to deal with runaway inflation and a growing trade deficit. He vowed to leave the coalition if his proposal was not accepted. The Progressives quickly abandoned their own plan and supported Valdimarsson. The other coalition party, the Communists, though preferring other measures, finally agreed to a 10.7-percent devaluation.

Valdimarsson realized that his proposal would place a severe strain on government stability. Before the cabinet session, he asked the leaders of both opposition parties whether they

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would tolerate a minority government for six months in the event the Communists pulled out. He may have reasoned that during the interim the vitally important fishing limits issue would be resolved and a new base agreement signed. Valdimarsson got the opposition's tacit consent, and the relatively quick adoption of his proposal by the Progressives suggests that he may also have had their prior agreement.

new base agreement. Not wanting to be excluded from the government before these questions are decided, the Communists agreed to a devaluation despite their distaste for it.

The devaluation should, in time, help curb the growth of imports and reduce the trade deficit. The most immediate benefit will be to increase the krona value of exports, which should be of particular value to the fishing industry. Other measures will be necessary, however, if Iceland is to control inflation, which increased 11 percent between February and August.

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The Communists evidently saw through Valdimarsson's ploy, which would have given the government more flexibility in negotiations with the British on fishing limits and with the US on a

UGANDA: TIME FOR THE BRITISH

President Amin announced on 18 December that he was taking over a number of British-owned tea plantations and industrial firms, steps that fell well short of the "drastic" action he had long been promising. Amin did not take over the largest British firms, and relatively few of the approximately 3,000 British nationals in Uganda were affected by the seizures; even some of the employees of the seized firms apparently will be asked to remain as consultants.

and businessmen. In addition, Amin, who recently has dispatched teams to several countries, including the US, to recruit teachers and technical and medical personnel, may not be receiving as many experts as he had hoped from his Arab benefactors.

Amin's speech did have enough heavy criticism of the UK so that he has room for more serious moves against the British, as well as other Westerners when and if he chooses. He denounced the UK's "colonialist policy" and accused London of attempting to have Uganda expelled from the Commonwealth. He also charged the UK with pressing other countries to remove their technical personnel, citing the withdrawal of the US Peace Corps contingent as an example.

Amin also failed to announce any expulsions, and said he did not intend to break relations with London. He did say, however, that if any of the approximately 800 British physicians, teachers, and technicians, employed by the Ugandan Government, whose salary supplements are to be ended by the UK, did not want to stay on at Ugandan salaries, they must leave by the end of the month with few of their personal effects. He added that those remaining will be investigated by a government committee.

The British, who have been resigned to a diminution of their role in Uganda, were somewhat relieved by the tenor of Amin's announcement. Nonetheless, they see little room for optimism over their future in Uganda. Many of the technical personnel are likely to leave, and British officials in Kampala expect to be instructed to make only routine noises about compensation for seized property.

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The President's relatively mild anti-British measures may have resulted from a desire to forestall further disruption of the country's economy, already suffering from the departure of Asian and Western technicians, medical personnel, teachers,

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ANGOLA-ZAIRE: INSURGENTS, UNITE

Prodded by Zairian President Mobutu Sese Seko, the leaders of the two major movements seeking to liberate Angola signed on 13 December a reconciliation agreement in Kinshasa. There were smiles and handshakes, but a truly united effort against the Portuguese is a long way off.

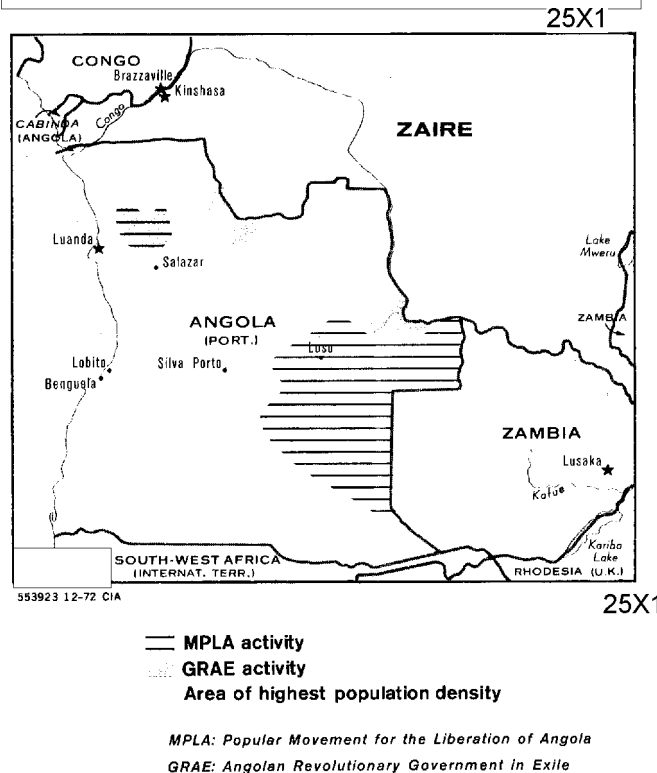
The two leaders agreed to establish a Supreme Council for the Liberation of Angola, which will "coordinate at the highest level" the operations of a political council and unified military command. Holden Roberto, who heads the Zaire-based Revolutionary Government of Angola in Exile, will be president of the Supreme Council. Either he or one of his representatives will also head the political council. Agostinho Neto, who runs the Popular Movement for the Liberation of Angola, will be vice president of the Supreme Council. Neto or one of his associates will direct the unified military command. Headquarters of all three bodies will be in Kinshasa. Heretofore, Neto has operated out of Congo and Zambia.

On paper, the new accord satisfies longstanding demands by the Organization of African Unity for a united front in Angola. In practice, however, the new organization will need a long shake-down period. Both movements suffer from internal disputes over leadership and tactics, and both leaders have had to contend with challenges to their authority. Neither Roberto nor Mobutu fully trusts Neto, whose movement is Marxist-oriented and Communist-supplied. It has also chalked up a better record in the field than Roberto's group. There is a history of antagonism between the two groups and it will probably take more than a new organization to overcome this.

The eventual success of the new effort at unity depends in large part on Mobutu. He considers the agreement important to his own bid for recognition as one of Africa's leading statesmen. The terms of the reconciliation were largely Mobutu's, even though they bore the imprimatur of a special OAU committee which included

Zambia, Tanzania, and Congo. Mobutu will attempt to maintain authority over the new supreme council by controlling the purse strings, flow of arms, and movement of insurgents through Zairian territory. Although Mobutu has exerted such controls over Roberto's movement for years, Neto may be less ready to accept restrictions on his military operations.

While success in this endeavor would improve Mobutu's African credentials, he must move carefully. He will, for example, have to take into account the possibility of Portuguese retaliation for any increase in the Angolan insurgency. In return for Mobutu's limitations on Roberto's operations, the Portuguese have kept open Zaire's important rail outlets through Angola. Lisbon could easily close down those outlets and thereby shut off Zaire's vital copper exports.



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GREECE: THE ECONOMY SOARS

Prime Minister Papadopoulos, troubled by rumors of anti-government intrigue, can take comfort in an estimated 8.6-percent rise in Greece's real gross national product this year. Per capita income has increased to \$1,350. The economic boom and rapidly rising standard of living can be attributed largely to the political stability established by the government and to its specific economic policies, a fact that cannot be totally lost on the Greek public.

Devaluation of the drachma in December 1971 with respect to the currencies of all of Greece's major trading partners except the US helped spur a 41-percent increase in exports in the first seven months of 1972. This, together with expanding domestic demand, led to a 20.2-percent rise in industrial output in the first six months of the year. The brisk sale of manufactured goods was supported by substantial increases in bank financing of consumer durables and long-term industrial investments.

With tourist facilities operating at full capacity, tourism is likely to set a new earning record this year. Substantial expansion of tourist facilities, including a 50-percent increase in the size of the Athens Hilton, is planned. The growing demand for more such facilities as well as for new manufacturing plant is stimulating construction, which already was booming because of the \$60 million invested in housing by seamen and temporary workers abroad during the first half of 1972.

The boom has led to a scarcity of labor, a major new problem that will inhibit Greece's economic growth. A low birth rate and liberal emigration laws have slowed increases in the indigenous labor force. A few foreign workers recently have arrived from Africa to work in hotels and shipyards, but the government has rejected the use of large numbers of foreign workers and has implemented programs to boost the birth rate and to induce Greek workers

abroad to return home. In recent rounds of wage negotiations, for example, the government allowed increases of 10 to 17 percent. Greek wages, however, are still far less attractive than those in West Germany, and the government is considering non-monetary incentives to induce Greeks to come home. Tax incentives, mainly increased exemptions based on family size, are being offered to increase births.

Despite the tight labor market, the government has no intention of applying the brakes to Greece's economy. The 1973 budget, released this month, is designed to help stimulate another real increase of over eight percent in gross national product. The government plans a substantial expansion in its social welfare programs, including education and health services, to enhance the standard of living.

The military may not keep pace with other elements in the population. In a recent submission to NATO, the Greek Government estimated that its basic defense expenditures will increase by only 1 percent next year. Because prices in Greece are rising at about 5 percent annually, the real incomes of military personnel, whose pay and allowances account for 60 percent of total defense expenditures, may well decline relative to other economic groups. Military personnel have benefited over the past several years from large increases in both salaries and fringe benefits, but if military pay increases slow perceptibly amid general prosperity, it could contribute to disgruntlement in the ranks.

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MALAGASY REPUBLIC: TRIBAL UNREST

General Ramanantsoa's seven-month-old government is beset by rivalry between the island's main tribal groups. The instability has

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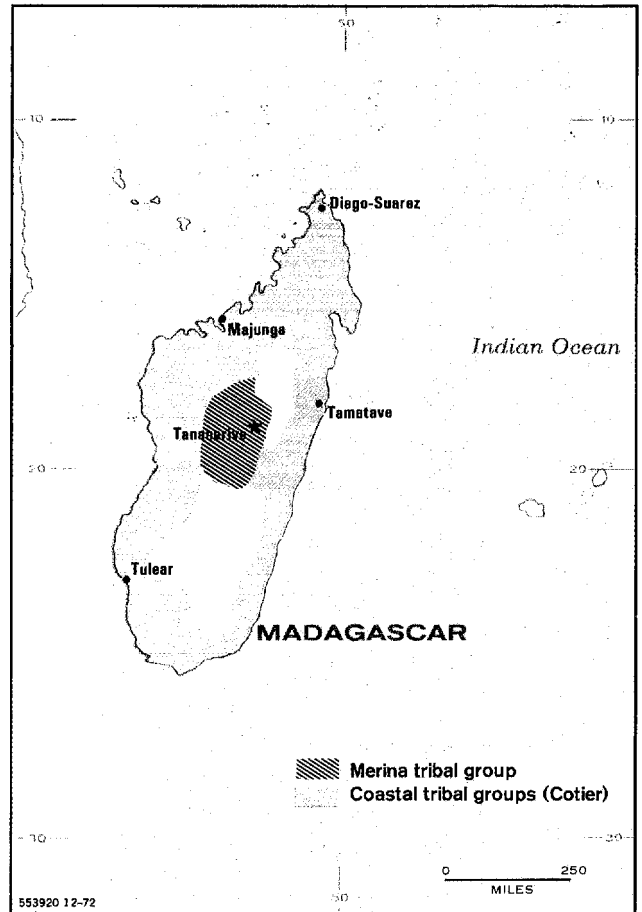
eroded business confidence and is causing a serious slowdown in commercial activity.

A dispute over reforms in the educational system is the immediate cause of rising tension between the wealthier, better educated Merinas of central Madagascar and the cotier (coastal) tribes. The dispute has split the national student coalition formed last May after the downfall of former president Tsiranana, himself a cotier. Cotier students believe the reforms, designed by the new government to give education a more national flavor, are working to the benefit of the Merina. The coastal tribes particularly resent the imposition of the Malagasy language, which is essentially Merina.

Last week the government imposed martial law in the coastal city of Tamatave and sent security reinforcements there. Rioting students had gutted the business district and burned government buildings before the gendarmerie restored order.

Many coastal people, including some officials, believe the government is acquiring a stronger Merina complexion and will try to impose Merina domination on the numerically larger and once politically dominant cotiers. Ramanantsoa, a Merina, is acutely aware of cotier sensitivities and has appointed members of both groups to his cabinet. The Merina, however, are in charge of almost all the key ministries, and Ramanantsoa's close personal advisers are all Merina.

Ramanantsoa is, of course, trying to hold the tribal rivalries in check. In a radio address on 13 December, he cautioned against an overly rapid pace of educational reform and promised to work out a new national language synthesizing



the major dialects. Cotier fears are ready-made for exploitation by ousted officials of the Tsiranana regime.

Because of the tribal unrest, consumers have reduced purchases, wholesalers and retailers are ordering less, and manufacturers are holding back on new investment. A continuation of the economic slowdown will produce more unemployment and more discontent among workers. 25X1

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ECUADOR: TOWARD THE BRINK

The military government of President Guillermo Rodriguez is losing what little cohesion and public support it had after taking power in February. At present, there is no obvious successor, either civilian or military, but a political vacuum does not last any longer in Ecuador than elsewhere. Continued vacillation and ineptitude on Rodriguez' part could bring on his ouster.

Several ill-conceived actions have alienated a large share of the public, which for the first six months or so regarded the military government with indifference. Since August, students, labor organizations, the Catholic Church, and important business interests have at one time or another taken exception to government moves. The recent arrest and alleged torture of some leftists, as well as the arrest of an influential journalist, have brought strong protests from diverse opposition groups. At the same time, military unity is being undermined as the navy, the most radical of the services, maneuvers to dominate the government.

Almost the only issue on which Rodriguez can muster widespread support is the seizure of US tuna boats fishing within Ecuador's claimed 200-mile territorial limit. In an attempt to strengthen his position, President Rodriguez is expected to announce cabinet changes within the next month. These shifts may remove the token

President Rodriguez



civilian representation in the cabinet and increase the military's control of critical policy issues.

At present, speculation as to a possible successor to Rodriguez centers around two military men: Admiral Vasquez, commander of the navy, and Defense Minister Aulestia, a retired army general. Although a new president could perhaps end the lack of direction that characterizes the present administration, he would first have to reunite the armed forces.

Former president Ponce has begun to criticize the government and call for "action," the first civilian politician to do so. Many military men would be unwilling to return the government now to civilians. The military believe that civilian politicians were deeply involved in graft and corruption during previous administrations. Nevertheless, continued vacillation by the government could so discredit the military that a civilian replacement would be hard to avoid.

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PERU: TUNA AND ARMS

Peru's seizure and fining of a US-owned tuna boat on 12 December has clouded prospects for US military sales and could bring Lima closer to the purchase of Soviet weapons.

Peru had not seized a US fishing boat operating within the 200-mile territorial sea it claims since March 1971, and the first major arms deal since the end of the subsequent mandatory one-year suspension of the sales program was close to completion. The deal is now in limbo.

The military government has indulged in inflammatory rhetoric and organized anti-US demonstrations on the maritime sovereignty issue, but it is interested in reaching a modus vivendi on fisheries. The tuna boat captain was given the opportunity to purchase a license quietly and

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leave. He was fined only when he refused. Lima apparently hopes that the incident will not disrupt incipient negotiations on fishing.

Lima's seeming lack of concern over the seizure's effect on its planned purchase of \$20 million worth of A-37B aircraft under the military sales program may be due to a conviction that the US will not let the incident interfere with wider political and commercial interests. On the other hand, Peru has been trying to make it abundantly clear to the US that it has alternative sources of military supply.

One alternative Peru has in mind is obviously the Soviet Union. A high-level Peruvian military delegation, including Prime Minister - designate Mercado, just returned from a two-week stay in Cuba singing the praises of their hosts and of the Soviet arms in the Cuban inventory. Peru reportedly has been offered Soviet equipment on attractive terms and may be close to concluding a deal for helicopters. [REDACTED]

URUGUAY: HALT, WHO GOES WHERE?

President Bordaberry is preparing to use routine year-end reassignments to deflect a growing threat from military officers who want a more active role in government. He will be trying largely to neutralize the influence of maverick General Cristi, the commander of the country's most important military zone, who has emerged as the leader of the activist officers.

Bordaberry will not risk a frontal clash with regional military commanders who question the effectiveness of civilian government, but will leapfrog strongholds of dissension and seek to isolate, or at least separate, the dissidents. The army and navy commanders reportedly support this tactic, since they are both reluctant to plunge into a greater governmental role at this time.

Should the President encounter difficulty in his maneuvers, it will probably come from Cristi or Military Region II commander General Zubia.

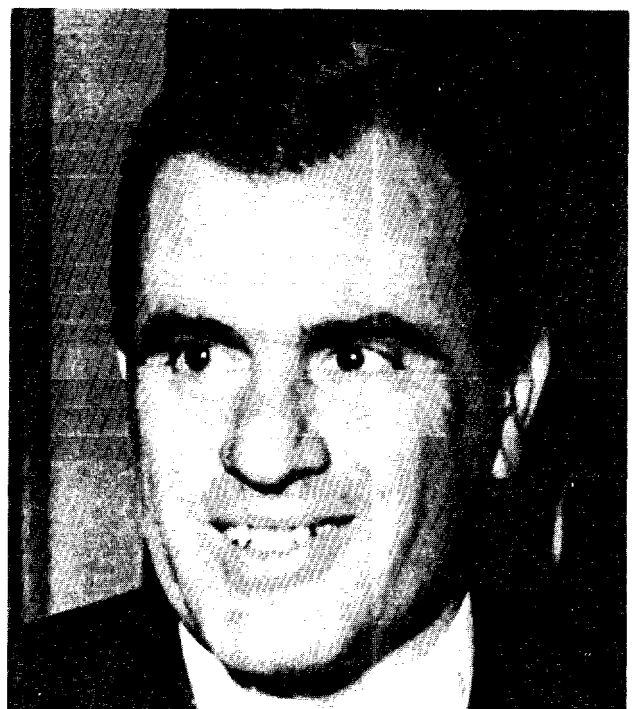
Both Zubia and Cristi have declared that they will not return to the barracks after the military's success against the Tupamaros' urban guerrilla group.

In fact, a joint communique of the police and armed forces was issued recently, stating that the once badly damaged Tupamaros have sufficiently recovered from their losses to begin planning further terrorist actions. The communique says that the Tupamaros are stockpiling weapons, receiving money from abroad, and recruiting common criminals in their ranks. There is no evidence so far that the military is raising the specter of a revitalized guerrilla threat to prevent unwanted reassignments, but disclosures of Tupamaro plans could be used to argue against shifting key officers—especially those who have been active in the antiguerrilla fight.

Even if the military accepts the planned reassignments without protest, it is doubtful that this move by Bordaberry will curb the growing influence of military leaders who are dissatisfied with his government. Uruguay is small, and it is difficult to put a great deal of distance between officers who lean toward a greater role in government. [REDACTED]

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President Bordaberry



ARGENTINA: PERONIST PROBLEMS

The nomination of Hector Campora to replace Juan Peron as the Peronist standard-bearer in the election next March has opened a deep rift in the movement. The selection of candidates for congress and provincial governorships has seen Peronist differences flare into violence and has caused serious strains within the election front organized by Peron.

Peron signaled his support for Campora in a message to the party convention after he arrived in Paraguay for a short visit. Despite the word from the supreme leader, Campora's nomination was jeered by many of the delegates, and labor representatives walked out. Campora is generally viewed as an ineffectual leader who gained his current position by being—as he once described himself—an “obsequious servant” to Peron.

Protests at the convention were so vigorous that police were called in. The following day Juan Abal Medina, secretary general of the Peronist movement, was forced to seek refuge in a police station after he was attacked while trying to pass on Peron's instructions to a provincial caucus. The candidates selected by the Buenos Aires provincial Peronist congress have been officially read out of the movement, and efforts are being made to have the results of the convention annulled. Peronists in other provinces are having similar problems in putting together local slates, and several nominating conventions have erupted into violence.

The non-Peronist parties of the Justicialista Front have generally accepted Campora's candidacy, but the selection of Popular Conservative leader Vicente Solano Lima as his running mate has stirred some rancor. Former president Frondizi's party, as the largest non-Peronist group affiliated with the front, had hoped that it would get the vice-presidential nod. Much more serious for the front's future, however, is the dispute over

provincial candidates. With the Peronists claiming all but one of the gubernatorial slots, Frondizi's followers are threatening to pull out.

Still to be heard from on the subject of Campora's candidacy is the military. The armed forces would view the election of Peron's puppet as being nearly as bad as Peron's returning to



Peron and Campora
An “Obsequious Servant”

power himself. There is much speculation that the government will prevent Campora from running. The residency deadline that bars Peron from running can be applied to anyone who traveled abroad after 25 August without notifying the authorities, as Campora did on several occasions.



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One of President Lanusse's goals since he first announced that elections would be held has been to discredit Peron and to drive a wedge into the Peronist movement. Many believe that Peron has now done this himself.

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The government-sponsored coalition of provincial parties that is expected to nominate air force General Ezequiel Martinez for president is now talking of naming Jorge Paladino to the second spot on the ticket to take advantage of Peronist divisions. Paladino preceded Campora as Peron's personal representative, but was drummed out of the movement primarily because he was developing a power base independent of Peron. Paladino probably still has a following among moderate Peronists, and if Lanusse gives him the nod, it would indicate that the President plans to take full advantage of Peron's problems in an attempt to shatter once and for all the long-feared Peronist political juggernaut.



General Prats

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CHILE: PRATS' EXPANDING ROLE

General Prats has taken on a more active political role, and this is causing consternation among opposition and government politicians alike. Prats had been interior minister only a little over three weeks when President Allende left on 30 November for a two-week trip, but Prats showed no hesitation in assuming responsibility as chief executive.

On the other hand, Prats has taken actions that opposition parties criticize as partial toward the Allende government. On 15 December, Christian Democratic Party President Fuentealba accused Prats of a whole litany of misdeeds. The conservative National Party started criticizing Prats' conduct as pro-government even earlier, probably stimulated by the general's reported belief that Chilean industrialists are feeding leftist extremism by their unrealistic insistence on retaining all their old privileges.

Prats himself takes the position that his obligations are to the president and to the army. He apparently believes that only by expanding military influence in the government can he assure political calm for the March elections. It is quite apparent, however, that he relishes his new role; indeed, he may harbor ambitions to become president himself. There is as yet no indication that President Allende disapproves of Prats' activism, particularly since his attitude shores up presidential authority over coalition politicians who often fail to defer to Allende.

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UN: DO-LITTLE ASSEMBLY

The 27th UN General Assembly that concluded this week was unable to come to grips in a meaningful way with virtually all of the difficult problems it considered. Its most glaring failure was a refusal even to begin to consider specific measures against international terrorism. Secretary General Waldheim had said last September that the UN could not be a "mute spectator" to such tragedies as the murder of the Israeli athletes in Munich. The UN, although hardly mute, has taken the role of a spectator, at least for the time being.

Waldheim's original hope was that the assembly would move toward a general anti-terrorism treaty. The US agreed, going so far as to propose a draft for such a treaty. The assembly ended by merely establishing a committee that will look into the causes of terrorism—not measures to prevent it—and report to next fall's assembly session. The Arabs, for obvious reasons, opposed any other sort of an anti-terrorism resolution, the Africans feared that a meaningful resolution might limit the operations of national liberation groups, and other third-world countries went along with the Arabs and Africans.

The anti-Israeli resolution passed at the conclusion of the Middle East debate can only worsen the impasse. The assembly approved a number of disarmament resolutions, but most of them will have little impact. A committee will study the Soviet-supported idea of a World Disarmament Conference, though none of the nuclear powers except the Soviet Union will participate.

The Soviets managed three other minor victories. The assembly passed a version of a familiar Soviet initiative on "strengthening international security," approved a Soviet resolution on the "non-use of force," and accepted a Soviet proposal asking the Outer Space Committee to formulate principles governing the use of direct broadcast satellites. The first two are largely propaganda exercises.

The major US success of the session—and perhaps the most consequential at the UN this



Secretary General Waldheim

year—was the approval by a large margin of the US proposal that its contribution to the regular UN budget be reduced. Beginning in 1974, the US share will be 25 percent of the regular budget rather than the present 31 percent. The US will continue, however, to be the source of more than 40 percent of all voluntary contributions to the UN.

The results of the 27th UN General Assembly were meager. Institutionally, however, the assembly has never been an action arm; at best it can set in motion other parts of the UN machinery to try to produce the practical solutions. Although the General Assembly failed to do so this year in such difficult areas as terrorism, the Middle East, and disarmament, it did advance on two subjects likely to be increasingly important to the UN in the future. The way was cleared for a Law of the Sea Conference to start in Santiago, Chile in the spring of 1974. The assembly also approved the establishment in Nairobi of a professional secretariat and a 58-nation governing council to carry out the recommendations of last June's Stockholm Environmental Conference.

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