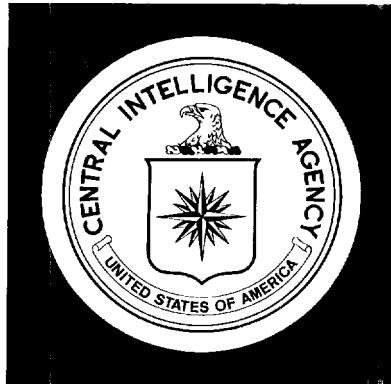


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# Weekly Summary

**Secret**

14 September 1973  
No. 0387/73

State Dept. review completed

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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

The WEEKLY SUMMARY contains classified information affecting the national security of the United States within the meaning of Title 18, sections 793 and 794, of the US Code, as amended. Its transmission or revelation of its contents to or receipt by an unauthorized person is prohibited by law.

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Comments and queries on the contents of this  
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# Chile

## THE OVERTHROW OF ALLENDE

(NOT SOURCED)

The military junta that overturned the Allende government gives every evidence of being efficient and determined, but faces many difficulties in getting the country on its feet again.

Moving in the early hours of 11 September, the armed forces took swift control of communications, media, the judiciary, public administration, transportation, and most government enterprises. A nearly nonstop series of public announcements revealed careful planning, but as resistance dragged out in Santiago, the forces shifted from reassurance to retaliation. Troops needed for the job of re-establishing economic order, particularly the distribution of scarce supplies, were instead brought into Santiago to reinforce the military effort to root out resisters.

Allende's defiant stand until his death in the burning presidential palace and the resistance of heavily armed leftists holed up in government buildings and industrial areas of the capital caused many casualties. The bloodshed will slow the work of reconciliation in a nation that was bitterly divided over the Allende administration. The junta is highlighting, however, the key role of leftist extremists and Cubans in the armed hold-outs and the Soviet origin of the heavy weapons in their hands.

The junta is composed of the heads of the three military services and the national police. All are experienced and respected senior officers who only recently took command. The new President, army General Augusto Pinochet, is a nationalist like most of his colleagues, but he has had good relations with US representatives. All but two of

the 15 cabinet members named on 12 September are military officers, a choice recommended by the junta's civilian advisers. Many of the new ministers are trained administrators, probably chosen more to reorganize the chaotic and corrupt bureaucracy than to provide expertise in their fields of responsibility.

The military government is keeping its distance from the major opposition parties, and those civilian advisers identified with it thus far are conservative business and professional leaders. Congress, where Allende's opponents had a majority, has been "dissolved" indefinitely. While the Christian Democrats have announced they will not accept government posts, they and the more conservative National Party leaders have come out in support of the new government. Preliminary reports of the junta's plans for political reform include a new constitution and congressional elections. These reforms may not be realized for a long time since the restoration of public and economic order will be given top priority.

International reaction to the coup has been vehement and widespread. Most governments that opposed Allende are silent. Several countries, including West Germany, Sweden, and Denmark have expressed regret over the ouster of an elected government. Venezuela and Mexico, and perhaps others, are joining Cuba in three days of official mourning. Leftist groups staged protest demonstrations in a number of capitals and, like Peron in Argentina, most of them accused the US of complicity in Allende's downfall. The Soviet Central Committee issued a sharply worded statement denouncing "reactionary forces," and other Communist governments followed suit.

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Qadhafi departs meeting hall

Algerian Foreign Minister Bouteflika addresses preliminary meeting

Sadat and Boumediene

Castro during session



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## The Nonaligned Chorus

1,4 [The Fourth Summit Conference of Non-aligned Nations broke up this week in a cloud of cliches. As before, it served largely as a forum for airing the resentments and grievances of the poor and weak countries against the rich and strong. The final resolutions were largely a repeat of those issuing from earlier gatherings; US policies in the Middle East and Indochina were roundly condemned, along with colonialism and apartheid.]

4 [The US nevertheless came off reasonably well; most speakers attacked a nameless imperialism and colonialism. The Soviets lost some ground; most speakers lumped the USSR with the US as a rich, powerful, and menacing state. A heavy-handed effort by Moscow on the eve of the conference to avert that association backfired. 1 The letter from Brezhnev did not win friends, and Fidel Castro's espousal of the Soviet position was badly overdone. The Chinese remained quiet and unobtrusive, while their views on big-power hegemony gained ground. 5 Libyan President Qadhafi directed a broad appeal to the participants to break relations with Israel and promised Libyan assistance for any country that did so. He did, however, manage to introduce a rare note of candor into the proceedings.]

2 [With representatives of more than 70 countries in attendance, including 52 heads of state or government, the Algiers meeting was the largest of the four summits held since 1961. Prince Sihanouk's delegation and one from the Provisional Revolutionary Government of South Vietnam were seated as full members.]

1,2,3 [The Middle East resolution was somewhat watered down from the extreme language advocated by some Arab delegates. It nevertheless demanded immediate, unconditional Israeli withdrawal from the occupied Arab territories, condemned the US—and unnamed other powers—for giving support to Israel, and called on the non-aligned states to work on measures for a full boycott of Israel. Only Cuba, trying to recoup, actually did anything: Havana broke relations with Tel Aviv.]

3 [In addition, the assembled leaders:

- supported the peaceful reunification of Korea before its admission to the UN and the withdrawal of all foreign troops;

- backed independence for Puerto Rico and Panamanian sovereignty over the Canal Zone;

- supported African liberation movements and sharply criticized various Western powers and Japan for aiding racism and colonialism in Africa;

- recognized the right of every state to nationalize its own resources as well as the right of developing countries to break agreements imposed by force;

- established a special fund to promote the economic and social development of non-aligned states.]

1,2 [The nonaligned leaders failed to redefine a clear role for nonalignment or to set up a permanent secretariat to make their views heard more effectively by the great powers. The Algiers meeting did, nevertheless, bring some attention for a time to third world concerns. They will come up again at the UN and other international forums.]

1 [Algerian leaders are probably satisfied with the results of the conference, which launched President Boumediene as a nonaligned leader. He will appear before the UN General Assembly this fall to present the conference resolutions. Although disappointed by the failure to form a permanent secretariat, the Algerians will make the most of the 15-member coordinating committee, headed by Boumediene, to establish Algiers as the capital of the nonaligned. The next summit will be held in Sri Lanka in 1976.]

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## Mr. Bhutto Comes to Washington

6 Prime Minister Bhutto of Pakistan is scheduled to arrive in the US on 17 September for a seven-day visit. During his stay he will consult with government leaders in Washington, address the UN in New York, and receive an award from his alma mater, the University of California at Berkeley.

7 Bhutto is in firm control of Pakistan, yet problems are mounting for him. A month of devastating floods that hit Pakistan beginning in early August has left hundreds of thousands homeless and food stocks dangerously low for the coming winter.

7 Up to a million tons of wheat, largely privately owned, have been lost, and the important rice crop was partially wiped out. Some 800,000 bales of cotton, Pakistan's principal foreign exchange earner, were destroyed. Irrigation canals were breached, transportation and communication lines disrupted, and around 800,000 homes destroyed. In short, the economy, which was showing considerable promise in early summer, has been dealt a severe blow, and Bhutto will be asking for additional assistance when he meets with US and UN officials.

6 The domestic political scene has been clouded by growing hostility between the Prime Minister and his opponents. An opposition-sponsored protest movement against alleged government undemocratic "processes" was launched on 24 August. The government responded by banning processions and large gatherings in populous Punjab Province. When Bhutto's opponents sought to defy the ban, more than 100 opposition members were arrested. The opposition, already weak and disorganized, did little for its cause by attempting to carry on politics as usual at the time of a major natural disaster. Conversely, the government, by strenuous efforts on the part of its leaders, has won wide approval for its handling of the flood emergency.

9 Opposition efforts, some of them violent, are harder to contain in the frontier province of Baluchistan, where no flooding occurred. Low-level insurgent activity is almost endemic among the tribes in the province, but the arrest last month on sedition charges of three tribal leaders and top officials of the major opposition party has led to an increase in the number of clashes between tribesmen and security forces. Bhutto removed a popularly elected opposition



Troops evacuate flood victims



Bhutto

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government in Baluchistan last February and has tried—without success thus far—to create a majority in the provincial assembly for the government he imposed<sup>7</sup>

6 Bhutto has won considerable popular approval for his government's success in reaching agreement with India on issues remaining from the 1971 war. All but 195 of the some 90,000 prisoners of war will be repatriated and the future of the 195, wanted by Bangladesh for war crimes trials, is to be decided jointly by Pakistan, India, and Bangladesh. Concessions made by Pakistan—release of all Bengalees held in Pakistan and acceptance of some Biharis from Bangladesh—are

not regarded in Pakistan as an excessive price to pay for the release of the POWs.]

? [Bhutto still voices concern about a possible Soviet-supported pincer movement aimed at his country and Iran from Iraq, Afghanistan, and India. His concerns were strengthened by the recent coup in Afghanistan which brought to power Mohammed Daud Khan, an advocate of an independent Pushtunistan for the tribes living in Pakistan along the Afghan border. Daud's sharp protest to Islamabad following the arrest of the three tribal leaders in Baluchistan did little to calm Bhutto's fears or improve relations between the two countries.]

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## INDOCHINA

### CAMBODIA: HOLDING ON

10 [As the battle for Kompong Cham approaches its second month, Khmer Communist pressure against the key northern city has eased considerably. Bolstered by a steady flow of reinforcements from Phnom Penh, government defenders early in the week appeared to have halted the insurgents' advance—if only temporarily.]

10 [The lull in Communist ground action has enabled government troops to begin to push out the city's defense perimeter to the southwest and to launch counterattacks south of the city. Effective naval artillery fire against insurgent positions on the east bank of the Mekong opposite Kompong Cham reduced the Communist threat to government positions in that area. West of the city, however, government forces still have not managed to reopen Route 7 to Kompong Cham's isolated airfield.]

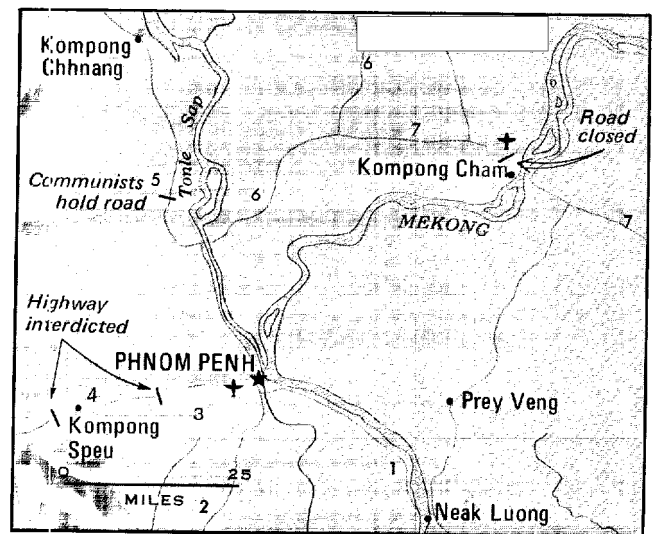
11 [The fighting around Kompong Cham is the heaviest in the north since late 1971, when seasoned Vietnamese Communist forces wiped out a major government clearing operation—"Chenla II"—along nearby Route 6. Apparently recognizing that the loss of the nation's third largest city would be a severe political as well as military blow, Phnom Penh is doing almost everything it can to keep Kompong Cham from going under. In

the last week, the government has moved almost 2,000 fresh troops into the area—raising the force defending the city to approximately 7,000 men—and is making a maximum effort to sustain these forces with its limited air and naval resources.]

### Some Points for Sihanouk

10 [Prince Sihanouk has come away from the nonaligned conference in Algiers with some

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Cambodian rifleman in Kompong Cham

additional diplomatic support. During the conference, six more countries formally recognized his exile government. In addition, the conference's final political declaration supported Sihanouk's "government" and condemned Washington and Phnom Penh. Such actions seem sure to encourage Sihanouk and his Communist allies to challenge the credentials of the Lon Nol gov-

ernment at the United Nations General Assembly this fall.<sup>7</sup>

#### LAOS: DOWN THE HOME STRETCH

<sup>12</sup> [After almost seven months of tortuous negotiations, Prime Minister Souvanna Phouma is finally in a position to put the finishing touches on the peace agreement that was concluded with the Lao Communists in February. The implementing protocol of the agreement was approved by the cabinet on 11 September, it was initialed by the two sides on 12 September, and the long-awaited formal signing ceremony is scheduled to take place in Vientiane on 14 September. It will bring years of military conflict in Laos to an end; it may usher in a new period of political competition between Souvanna and his followers on the one side and the Lao Communists on the other.

Souvanna did some adroit political maneuvering to obtain final approval of the protocol from his various critics. Faced with the seeming intransigence of some, but by no means all, of the rightist politicians and generals, the Prime Minister first threatened to resign. Once that not entirely hollow threat had provoked the expected protests and made it clear to all that Souvanna continued to have the support of almost everybody who counts in Laos, he moved to bring things to a head. He arranged two meetings between the army generals and Pathet Lao representatives. At the meetings, the Communists only agreed to some minor editorial changes to the protocol, but the atmosphere was cordial, and the Communists were on their best behavior. The meetings, therefore, served Souvanna's purpose of allaying the generals' apprehensions about Communist interpretations of the agreement.

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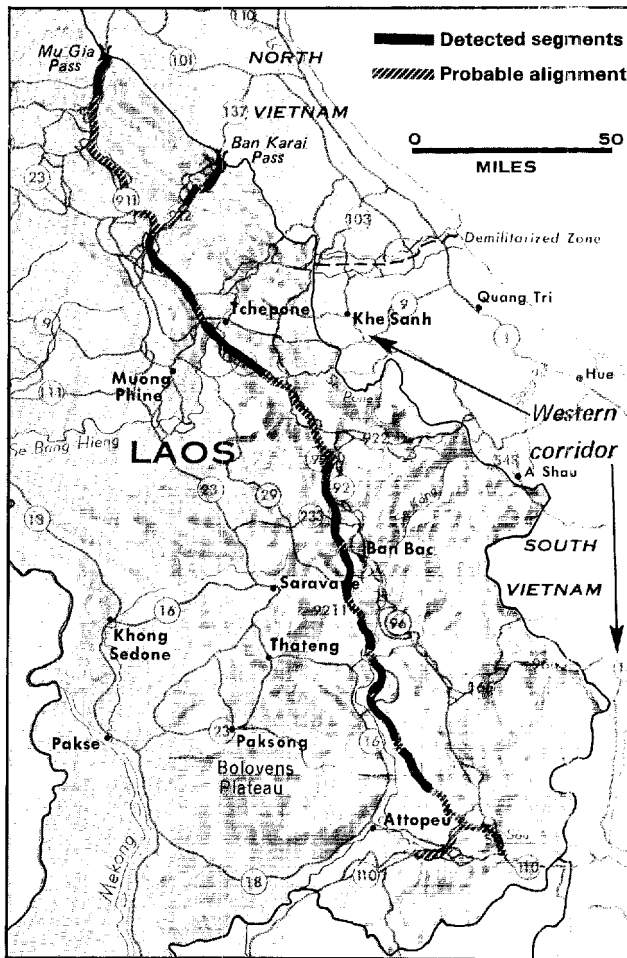
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Following the first meeting, Souvanna's most outspoken military critic, the Deputy Commander in Chief of the Lao Army, General Kouprasith, and several other influential officers pledged their support to the prime minister. Their shift isolated Souvanna's chief civilian opponents in the cabinet. As a result, Finance Minister Sisouk and Transportation Minister Ngon Sananikone informed Souvanna that they would raise no further objections to the agreement.

Once the protocol is signed, Souvanna's task will be to ease it through the National Assembly. That body, which is dominated by the rightist Sananikone family, has in the past opposed Souvanna on many issues. In anticipation of some assembly opposition to the protocol, Souvanna may decide merely to discuss the agreement with the deputies rather than submit it to them for formal approval.]

#### ANOTHER COMMUNIST HIGHWAY

#### New Road Construction in Laos



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13 [ ] a new, 25X1  
high-speed, all-weather road through the Laos panhandle is under construction. The road begins on the North Vietnamese border and probably will run all the way to Cambodia; about one half of the road has been built since March. The rapid pace of construction suggests that the North Vietnamese are getting ready for another substantial dry-season logistical campaign. The road probably will not be open for through traffic until early 1974.]

13 [ ] Like the new north-south corridor in western South Vietnam, the Laos route has two lanes, is well-drained, and may be able to support year round traffic. When completed, the two systems will give the Communists great flexibility in supplying their widely scattered military forces in Indochina. During the summer rainy season in Laos, the Communists can use the route through western South Vietnam; during the winter rainy period in Vietnam, the Laotian corridor will be open. [ ]

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## JAPAN: A BIG SPENDER

(20-22)

Almost \$6 billion in long-term capital was invested or loaned overseas by Japan during the first seven months of 1973; the figure approaches the highest one-year level of capital exports registered by the US and compares with the \$2 billion sent abroad during the same period last year.

In the summer of 1972 Japan moved to reduce its enormous foreign exchange reserves by stimulating the export of capital. Tokyo eliminated the remaining direct controls and deposited large amounts of dollars in commercial banks, thereby increasing their lending capacity. The government also used tax inducements to encourage direct investment abroad as well as the purchase of foreign securities. These government efforts had an effect; Japanese industrial firms and large trading companies have expanded their foreign operations, and Japanese banks have channeled large sums to countries where interest rates are higher than those in Japan.

A major feature of Japan's investment and lending activities overseas this year has been the rapid expansion of syndicated loans, often issued in conjunction with foreign banks. Two such loans have been made to European public utility corporations this year, with the Japanese share

totaling \$450 million. Large loans also have been made to US multinational firms, including IBM.

Japanese direct investment activity is increasing, but it remains small compared with that of the US. During the first half of 1973, direct investment abroad by Japan amounted to about \$620 million—almost equaling the level for all of 1972. This is well short of US direct investment abroad, which has averaged more than \$3 billion annually since 1965. Much of the Japanese money is going into purchases of oil concessions in the Persian Gulf. Japanese purchases of foreign securities and the floating of foreign bonds in the Tokyo money market have boosted capital exports.

Although Japan has emerged as a major supplier of capital, this activity is likely to slow in the coming months, perhaps to less than half the recent levels. Foreign exchange reserves have been reduced to \$15 billion, [redacted]

[redacted] Tokyo has no wish to cut them much more. To hold reserves near \$15 billion during the next year, long-term investments and lending overseas will have to be reduced to about \$4 billion unless Japan eases its tight controls on capital imports. Moves in this direction are now under consideration in Tokyo. [redacted]

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## USSR

## A PAUSE IN THE ATTACK

24 ¶ Statements of concern by leading Western statesmen and other notables have given the Soviets cause to rethink their two-week-old public campaign against two outspoken dissidents, Sakharov and Solzhenitsyn. Over the past week or so, West Germany, Austria, and Sweden have issued official statements critical of Moscow's handling of the dissidents. Quasi-official and private disapproval came from many quarters, and Communist Party officials in France and Italy have expressed their concern. Fearing that a major international embarrassment was building up for them, the Soviet leaders have paused in their vilification of the two men.7

24 ¶ Since 8 September, the Soviet press has published no items explicitly critical of Sakharov or Solzhenitsyn, though other articles touching on the subject of dissidence have continued to appear. With a few exceptions on the 9th, Soviet radio, too, has maintained silence on the two dissidents. Until the switch, the Soviet media had been carrying daily blasts against both men for several weeks. The increasing stridency of the attacks had suggested that the authorities in Moscow were bent on silencing the two men, possibly by means of criminal prosecution.7

24 ¶ How hard Soviet authorities now press their case against Sakharov and Solzhenitsyn depends in large measure on Moscow's evaluation of the impact of continued harassment on its policy of detente with the West. Sanctions against the USSR have already been threatened by US political figures and by the American scientific community. Moreover, the Soviets doubtless recognize that the resumption of blatant pressure tactics could set back the Conference on Security and Cooperation in Europe and imperil Soviet dealings with some governments. The Brandt government, for instance, must contend with a political opposition that thinks that German policy toward the East is still much too soft.7

23 ¶ Much will depend on the actions of the dissenters themselves. Their behavior thus far suggests that they do not intend to fade away with the pause in the public campaign against them. The Soviets would clearly prefer that both Sakharov and Solzhenitsyn, especially the latter, would simply go away—preferably abroad. Solzhenitsyn has said that he will not exile himself; security considerations make the regime reluctant to permit Sakharov from going abroad. Soviet authorities, therefore, must find some way to isolate the protesters and prevent them from venting their views. Recent disclosures of Sakharov's criticisms of the Soviet system in the official press, though distorted and manipulated for other purposes, may have already raised new questions in the minds of the Soviet populace about the quality of life in their country.7

23 ¶ The dilemma for Moscow is how best to do this without resorting to a crackdown against the Western press corps in the Soviet capital or without physically detaining the two dissidents. For the time being, at least, the Soviets are simply ignoring the statements of the protesters while calling attention to the support Moscow has received from some of its allies for its handling of the problem of intellectual dissent.7

## LESS JAMMING

25 + 26 ¶ In a possibly related development, Moscow stopped jamming broadcasts of the Voice of America, the British Broadcasting Corporation, and Deutsche Welle as of midnight 8 September. With the exception of an hour-long cessation of jamming during Brezhnev's visit to the US—the hour of the Soviet leader's radio and television address—the Soviets have jammed these broadcasts since the invasion of Czechoslovakia in August 1968. Radio Liberty and Radio Free Europe continue to be jammed. The timing of the Soviet move suggests that Moscow is attempting to offset the adverse impact of the campaign against the two Soviet protesters, to limit damage to the spirit of detente, and to make a show of good will just before the European security conference resumes. [REDACTED]

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## FRANCE: TROUBLE WITH IMMIGRANTS

27 Feelings against Arab immigrants continue to run high in France as a result of the murder of a French bus driver last month by a demented Algerian. Sporadic clashes between French and Arab workers, mainly Algerians, have so far resulted in the deaths of six Algerians. Most of the incidents have occurred in the south of France, where Arab immigrants are a large majority of the unskilled workers. They perform the menial tasks, scorned by the French, and live under wretched conditions. The Arab workers have responded by staging protest strikes demanding better pay, housing, and working conditions. 1

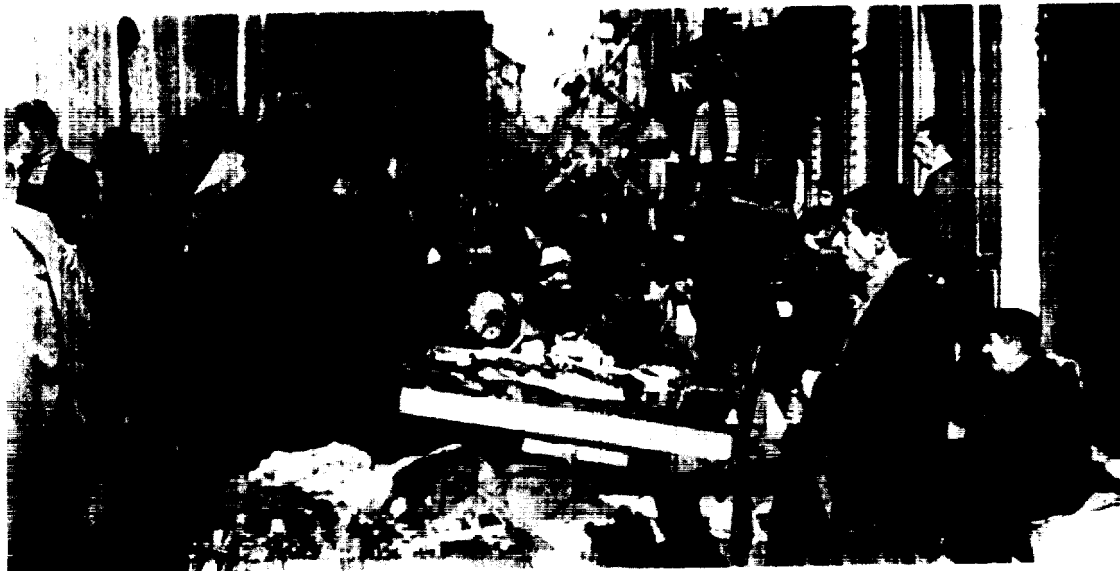
30 The troubles grow out of cultural and color differences which have made the assimilation of Arab newcomers a slow process. In the Marseille area, the problem is complicated by a large concentration of former French settlers still resentful over their expulsion from Algeria. 1

30 As long as the French economic boom continues it will require cheap labor from Arab and Black African states. According to Labor Minister Gorse, a "critical point" in relations between these workers and the French people will be

reached when the immigrants compose 12 percent of the labor force. He did not say what would happen then. At present, foreign workers account for about 11 percent, but in some industrial areas around Paris, Marseille and Lyon the percentage is higher. 1 The French Government is trying to play down the racial aspects of the current tension while quietly deporting known immigrant leaders. The uncharacteristic restraint of the extreme left organizations, which apparently have decided not to try to exploit the incidents, has enabled the government to keep the situation under control. 1

28 The incidents are having a harmful effect on Franco-Algerian relations. 1 The Algerian foreign minister has issued a protest, and both President Pompidou and Foreign Minister Jobert have personally assured the Algerians of their desire to prevent a repetition of the incidents. 1 Algiers is unlikely to be satisfied with this response and may express its displeasure by moving even more slowly to remove some of its outstanding differences with Paris, especially the difficult problem of compensation for nationalized French property. 1

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Algerians living in France

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## NORWAY: LOSERS ALL AROUND

32 Despite heavy losses in the election earlier this week, Norway's dominant Labor Party intends to form a minority government. The final tally gave Labor and the small leftist splinter parties a total of 78 seats in parliament; the non-socialists won 77.1

32 Labor Party chairman Trygve Bratteli, who will head the new government, said he will not form a coalition with the Socialist Electoral Alliance, which won a surprising 16 seats in the new parliament. The Alliance leader, Socialist People's Party chairman Finn Gustafsen, also spurned a coalition. Gustafsen toppled the Labor government in 1963 by withholding his support and is in position to do so again. Gustafsen is sharply critical of the US and advocates a neutral and unarmed Norway.

31 Bratteli's strategy for survival may hinge on his success in gaining the support of Alliance leftists on economic and social issues and the support of the non-socialists on defense and foreign policy. It seems unlikely that Bratteli will be able to perform this balancing act indefinitely. Given this fact and the uncompromising Norwegian character, Bratteli's government will have difficulty lasting until the next elections in 1977.

33 With the exception of the Liberal Party, which broke apart over the EC issue, the non-socialist parties held their own or gained seats in the election. Should the Labor government stumble, the non-socialists might bury their EC differences and form a minority coalition. Such a government, however, probably would lack the strength for dynamic leadership. Any way the political pie is sliced, Norway is saddled with an inherently unstable situation for the next four years.

## Sweden

33 The indecisive results of the Norwegian elections may affect Swedish voters, who go to the polls on 16 September in what promises to be a close race between the ruling Social Democrats and a three-party bourgeois coalition. If recent polls are any guide, Prime Minister Olof Palme's Social Democrats still need an additional 2 or 3 percent of the vote to remain in power. The large bloc of undecided Swedish voters, mindful of what occurred in Norway and uncertain of the policies of the bourgeois coalition, once again may flock to the Social Democrats they know than to the bourgeois parties they know but little.

**NORWAY**  
**Representation in Parliament**  
(155 seats)\*

## LEFT:

|                              |     |        |
|------------------------------|-----|--------|
| Labor Party                  | 62  | (- 12) |
| Socialist Electoral Alliance | 16  | (+ 16) |
| Includes: Communist Party    | (1) |        |
| Socialist People's Party     | (9) |        |
| Anti-EC Laborites            | (6) |        |

## CENTER:

|                    |    |         |
|--------------------|----|---------|
| Center Party       | 21 | (+ 1)   |
| Liberal Party      | 2  | (- 3)** |
| New People's Party | 1  | (- 7)** |

## RIGHT:

|                               |    |        |
|-------------------------------|----|--------|
| Christian People's Party      | 20 | (+ 6)  |
| Conservative Party            | 29 | (same) |
| Anders Lange's Anti-Tax Party | 4  | (+ 4)  |

\*Expanded from 150 seats by this election.

\*\*In 1969 the Liberals elected 13 members who split 5-8 when the New People's Party was formed in 1972.

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**SECRET****UK: TOSS-UP**

34 The annual meeting last week of the Trades Union Congress, the blanket organization that claims to represent all British workers, turned out to be a relatively quiet affair in which both the moderates and the left wing scored points. The moderates were successful in getting acceptance for continuing the talks with the government while the left won out on international matters. The delegates elected a new general secretary, Lionel Murray, to replace Vic Feather, who retired. The new leader is expected to carry on in Feather's moderate fashion.

35 The moderates were able to defeat left-wing resolutions calling on the unions to break off talks with the government on the next phase of the wage-price controls. The meeting agreed to continue sending union representatives to the talks to demand statutory price controls on food, rents, fares, and fuel, as well as subsidies to make them effective, and to insist on an end to statutory wage controls. Little progress has been made



Vic Feather

in the talks thus far, and the position of the union makes success unlikely. Prime Minister Heath strongly opposes subsidies of any sort and advocates pay agreements which take into account rises in the cost of living.

37 A wave of strikes is possible in the fall when contracts of some militant unions expire. With prices rising, particularly on food, the unions seem to be regaining some of the public support lost earlier in the strikes by the coal miners and various civil servants. According to a recent poll, 52 percent of those questioned said the unions should press for wage increases. A year ago, 75 percent said the unions should hold back.

34 The Trades Union Congress voted to expel 20 unions for registering under the National Industrial Relations Act. The unions are trying to amend, abolish, or ignore the legislation. A proposal by the left wing that unions not defend themselves when charged with violations under the Industrial Relations Act was defeated largely because many unions find contempt-of-court fines too costly for their impoverished treasuries.

36 After extensive debate, the delegates voted by a narrow margin to reject participation in EC institutions and then unanimously approved continued opposition to membership in the EC. The unions are convinced that EC membership has caused skyrocketing food prices. This action by the congress will certainly strengthen the hand of Labor Party anti-marketeers and could cause problems at the party conference next month. The Labor Party is on record as favoring a renegotiation of EC entry terms if it comes to power.

36 The meeting also voted in favor of approaching all international union federations—including the Communist World Federation of Trade Unions—for the purpose of setting up an international liaison committee and starting discussions on international labor unity. Some steps have already been taken toward this end. The leaders of six European trade union federations—three from Communist countries and three from the West—met in Vienna in July. They reached tentative agreement to hold a European trade union conference next January.

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**YUGOSLAVIA: A TITO MAN****(NO SOURCE)**

Stane Dolanc appears to be gaining new stature as Tito's heir apparent. In a speech to young Communists in Slovenia recently, Dolanc reaffirmed his vow "not to deviate one millimeter" from the Titoist system. He also took the lead in

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setting the tone and policy lines for the tenth party congress next year. Altogether the speech showed the tough-minded paternalism that the Yugoslavs want from their leaders.

Dolanc devoted most of his remarks to easing fears that rash changes would be made at the party congress. He indicated, for example, that the alterations proposed for Yugoslavia's self-management system would be carried out over a long period of time. He said that the party would strive to achieve unity through open discussions, and that it would not tolerate witch-hunts against those who have been out of step. Dolanc placed himself at odds with extremists of the right and left by condemning both as counter-revolutionary.

Dolanc offered some philosophic considerations about the proper role of the party in society, indicating that a Soviet-style "fusing of the state and party" would be tragic for Yugoslavia. Instead, he preferred an action-oriented party pre-

pared to regulate problems through its leading role at all levels of society. The party should be broadly based and, to this end, he would work for a substantial increase in the number of working-class members, who currently make up only 30 percent of the membership.

In foreign affairs, Dolanc stuck to matters of concern to most Yugoslavs, reiterating the country's commitment to nonalignment and independence. He condemned separatist sentiment and linked it to "foreign circles." He accused the Western press of "diversionist" tactics for speculating that Yugoslavia was drifting into the Soviet orbit.

In general, Dolanc demonstrated the necessary devotion to Tito's formula, but he articulated a sense of direction that has been lacking in many of Tito's diatribes over the past few years. Much of Tito's success has stemmed from his skill at pragmatic compromises. Dolanc's flexibility in dealing with his peers has not yet been put to the test.

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## FEDAYEEN: A TALE OF THREE CITIES

43 Last week Palestinian terrorists gained new international headlines—but little else—from a bizarre spree that began in Paris with the invasion of the Saudi Arabian Embassy and ended three days later at the Kuwait airport where the five gunmen released their Saudi hostages and surrendered to authorities. At least no blood was shed this time.

rest, it was an annoying distraction from their efforts to condemn Israel.

43 The five terrorists, who called themselves members of Al Icab, "The Punishment," cannot yet be linked to an established fedayeen group. Spokesmen for the Palestine Liberation Organization fell back on their usual charge—that the incident was an Israeli provocation. The Saudis blamed Wadi Haddad, a free-wheeling leader in the Popular Front for the Liberation of Palestine. The front itself lent credence to this charge by challenging public Arab criticism of the operation. The US Embassy in Beirut believes that Wadi Haddad and Black September leader Salah Khalaf, who operates with Libyan support, may have pooled resources in this operation. Other indications, although just as inconclusive, suggest Iraqi involvement.

46 The announced objective of the operation—the release from prison in Jordan of Abu Daud, a leader of Fatah's Black September Organization—was never even close to realization. Neither Saudi Arabia nor Kuwait petitioned King Husayn of Jordan to free the guerrilla leader.

43 Arab leaders were at the Algiers nonaligned conference, and Libyan President Qadhafi was the only one to show any satisfaction with the incident; for the

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43 [The demand for the release of Abu Daud may have been only a smokescreen; a more important aim was probably to sabotage a rapprochement between Jordan and certain critics—particularly Egypt, Syria, and elements within the fedayeen movement who hope to return to Jordan.]

#### Meanwhile, in Rome

48 [While the Paris incident was developing, Italian authorities uncovered a more ominous terrorist project. On 5 September, they confiscated two Soviet-made SA-7 (Strela) surface-to-air missiles from fedayeen operatives near Rome's Fiumicino airport.]

48 [Italian investigators have said that the five Arabs had planned a missile attack on an El Al airliner later that day. The Strela is a hand-held, heat-seeking weapon and is effective against low-flying aircraft within two nautical miles.]

49 48 [We cannot confirm that the fedayeen have an assured source of supply of SA-7s; if they do, their capability to attack military and civilian aircraft is greatly enhanced; Israeli airliners, now protected from fedayeen sabotage by stringent security measures, and those of other countries would be in serious jeopardy. The Soviet Union probably did not give Strelas to the fedayeen. Egypt, Syria, and Iraq are known to have Strelas, but these states have been reluctant to equip the fedayeen with sophisticated weapons. Others known to have the Strela include East Germany—which was recently reported to have pledged increased assistance to the fedayeen—and the rebels of Portuguese Guinea.]



Yasir Arafat denies complicity in kidnappings

50 [An article in the Cairo daily *Al-Ahram* on 9 September strongly criticized the attempted use of missiles at Fiumicino airport, arguing that such an action would invite a wave of international wrath. The following day the paper printed a fedayeen rebuttal denying that any Palestinian groups have the weapon and claiming the missiles found in Italy were planted by Israelis to discredit the Palestinians.]

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Kurdish fighting men



Mustafa Barzani

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## IRAQ: KURDISTAN SMOLDERS

51 [Government forces have been clashing again  
52 with Kurdish tribes in northern Iraq. The clashes  
53 have included both minor encounters involving  
54 police and larger incidents involving army tanks  
55 and artillery, but all were local in nature.]

that so far the Kurds have resisted.

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53 [The incidents were spread across a mountainous region extending from Khanaqin near the Iranian border through the oil-rich Kirkuk area to Sinjar in the extreme northwest. Government forces in the region have been reinforced in recent weeks, and Kurdish forces have been placed on full alert.]

54 55 [The Kurds, led by Mullah Mustafa Barzani, claim the government in Baghdad is trying to weaken tribal control over much of the traditional Kurdish territory before the agreed deadline next March for granting the Kurds autonomy. Barzani has warned Baghdad of the possibility of all-out war after more than three years of relative peace.]

54 55 [With winter approaching, however, the Iraqi Army is unlikely to undertake a major offensive into the strongholds of the Kurds, where operations can be contemplated only from May to October. The government realizes that the greater firepower of the army would be largely neutralized by the mountainous terrain of Kurdistan and that a resumption of hostilities at this time would produce mostly negative results militarily and politically. The Kurds, for their part, know that they have neither the arms nor logistical support for protracted fighting against the army.]

54 55 [Although full-scale hostilities thus appear unlikely, skirmishes and other incidents probably will continue for at least another month. The government seems to be using a "carrot-and-stick" approach to the Kurds. While trying to intimidate them through various types of harassment, the government is also offering the Kurds a place in the national front government, an offer

## SUDAN: AFTER THE STORM

56 [President Numayri has broken the railway workers strike and restored order, but his political position has been damaged in the process. The disturbances showed that his political foes were able to incite students and workers to antigovernment actions. Encouraged by having shaken the regime, Numayri's enemies no doubt will try again later.]

56 [The government thwarted the railway strike, which threatened to cripple the economy, by arresting union officials and occupying railway workshops. These tactics split the union leadership and led several union officials to call for an end to the strike. Rail traffic had returned to normal by 10 September and the threatened general strike never got under way.]

56 [Numayri's supporters were disappointed in his speech to the nation on 9 September. He directed his fire at "external plotters"—an



Khartoum

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Numayri

apparent reference to dissident exiles—and other scapegoats. He failed to address himself to any of the key problems facing the country and his regime. These include:

- inflation and shortage of consumer goods—issues that were exploited by his enemies during the disturbances;
- labor unrest and how to deal with strikes;
- student grievances against the educational system.

#### ARAB HARMONY

60 President Sadat's latest go at summitry—his fourth in three weeks—brought Jordan's King

Husayn and Syria's President Asad to Cairo this week. Billed as an effort to reconcile Jordan's long-standing differences with its sister "confrontation" states, the meeting resulted in the normalization of Egypt's relations with Jordan and the prospect of an early restoration of Syrian-Jordanian ties.7

60 The communique issued at the summit's conclusion indicates by its terse wording that all differences have not been resolved. Major problems remain, centering on the restoration of the fedayeen to Jordan and the re-establishment of the so-called "eastern front" against Israel. Husayn is not willing to agree to more than a token commitment to either proposition, and Sadat—whose experience with the Libyan merger project has reinforced his caution—will probably not press the point.7

60 Sadat is taking other steps to expand Egypt's international support and to forge a greater degree of inter-Arab cooperation. Iran's foreign minister was in Cairo early this week, and the Arab League is meeting there now. Discussion will center on Arab strategy at the UN General Assembly, which opens next week.7

60 Also scheduled for next week, or soon thereafter, is the final adoption of Sadat's new policy paper, which has been under debate in Egypt for the past several weeks. The paper calls for:

- disengagement from superpower interests
- expanded diplomatic and economic ties to establish a better balance in Egypt's relations between East and West
- greater inter-Arab collaboration, particularly on economic matters, to strengthen Egypt's and the Arabs' position against Israel.

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## ARAB APPREHENSIONS

61 The Arabs are playing up accounts of US desert warfare exercises, linking them to Washington's current concern over its energy supplies. As the Arabs are handling the story, it has so stirred existing suspicions that some Arab leaders are openly expressing uneasiness about the possibility of US military intervention in the Middle East.

62 Feature articles about "the largest US desert battlefield maneuvers in 40 years" appeared in US newspapers in August. The stories, along with comments from Arab correspondents in Washington, were picked up and embellished in a variety of Middle Eastern periodicals, which are now talking of US readiness to ensure its oil requirements by force. Several articles claim that unidentified US Marines had directly linked the intensification of their desert training to the situation in the Middle East.

64 The Beirut *Daily Star*, a moderate English-language newspaper, noted that the maneuvers came on the heels of reports that "the US, in order to guarantee its oil supplies, may intervene directly or through surrogates such as Israel and Iran." As usual, more inflammatory renditions appeared in the Libyan press; for example, one paper claimed last week that the exercises were carried out under conditions which simulated the

Libyan environment. Others predicted US and British collusion in a plan for using airborne troops to seize oil fields.

62 Arab officials, who see themselves reacting in a war of nerves started by the US, have lent themselves to the campaign. President Boumediene, in his address to the nonaligned conference, declared that "overt and covert military threats" by the US are dangerous tools to gain domination over important economic and strategic areas. He specifically referred to the possibility of an "imminent invasion" of the Gulf states. President Sadat told the conference, "What the American press writes about, what it calls the desert war, is intended to usurp the wealth of other states."

63 Some Middle East observers believe all this talk about "desert war" has created a sense of urgency in the Arabs' search for common ground on such sensitive issues as oil pricing and production limitation. The search, however, still confronts the same serious political and economic differences that have so far prevented a united Arab oil policy. Nevertheless, if mistrust of US intentions grows, Arab oil negotiations will be that much more difficult in the months ahead.

# THE DAILY STAR

The Leading English Language Newspaper in the Middle East

BEIRUT  
No. 7816

WEDNESDAY, AUGUST 22, 1973

10 Pages  
PL 25

## But Deny Mideast Link

### U.S. Marines Train for Desert War

By EDMOND GHAREEB

"The Daily Star" Correspondent

WASHINGTON, Aug. 21 -- Energy requirements, Middle East tension and geo-political considerations may have been the motivating factors behind the largest desert battlefield maneuvers in 40 years held recently by the U.S. Marines in the Mojave desert.

The maneuvers, which involved several thousand reserve troops, were held in the desert to simulate the conditions of a possible conflict in the Middle East.

"I have been in the marines for 12 years and I have never been called upon to fight in the desert before. I just hope it is another 12 years before the marines decide they have to be ready again."

"There must be some reason for the longest desert exercise in 40 years. You can hardly say it took us 40 years to think of it. The airline hijackings, the skirmishes, the controversy in this country over the Jews and the Arabs, the Russian influence in the Arab world that might have had something to do with it."

## URUGUAY: A MEETING OF MINDS

67 President Bordaberry's position vis-a-vis his military associates was strengthened by his performance at a recent meeting, which was called to seek ways to restore vigor to the economy and confidence in the administration. The President, who set the tone for the meeting by rolling up his sleeves and getting down to business, emerged with increased prestige among the officers present?

66 During the week-long meeting, the President, his top civilian advisers, and high military officials decided to encourage foreign investment; spend considerable sums on roads, bridges, and port facilities; and support the development of key industries. The administration hopes to rally flagging public enthusiasm by publicizing this example of civilian-military cooperation and the actual measures adopted to cure the country's ills. It was also decided, but not made public, that the Brazilian-style mini-devaluation of the nation's currency in relation to the dollar would continue.

66 One man who loomed large at the conference was General Gregorio Alvarez, chief of the joint general staff and secretary of the national security council. Alvarez, who is considered

the leading military intellectual, reportedly initiated the conference. During the meeting, he cemented relations with Bordaberry, while General Esteban Cristi, commander of the important First Army Division, a right-winger and a man of action, took a back seat. The prominence of General Alvarez could signal the emergence of a strong military faction more interested in ideas and plans than in force. Although Bordaberry has enjoyed a good relationship with Cristi, he could benefit from an equally close link with Alvarez, who could be a balancing force to Cristi and his followers. The President must exercise care, however, not to show partiality to either since this could foster a disruptive rivalry.

69 Bordaberry has gained a broader base of support among the military by indicating his readiness to innovate. He has secured from the officers a renewed public commitment to act on the national problems, a commitment they used months ago to justify their assumption of a larger role in government. Action must be quick and specific, however, if the government is to keep alive the optimism created by the meeting.

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Gregorio Alvarez



President Bordaberry



Esteban Cristi

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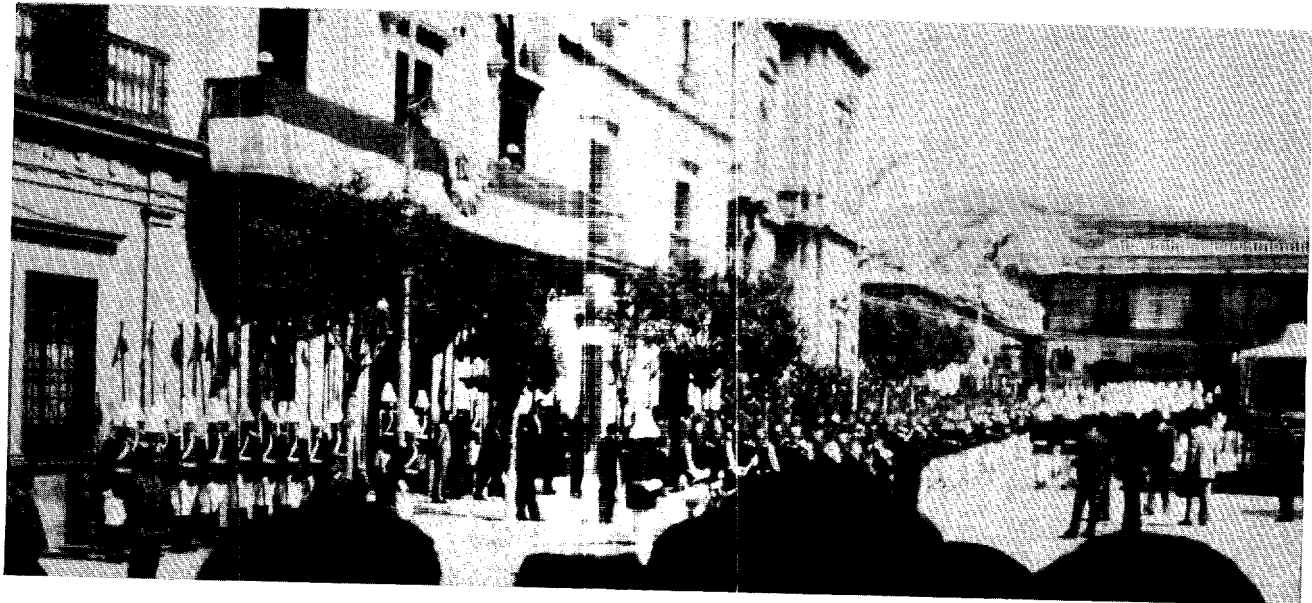
## BOLIVIA: NO TIME FOR CHANGE

76 After raising public expectations by calling for the resignation of his cabinet on 7 September, President Banzer proceeded to reappoint nearly the same people and to maintain the same political balance as before. This lack of meaningful change suggests that Banzer was convinced that it is unwise to upset his coalition until after his visit to the US in October.

Banzer took a poll of military officers in the garrisons, and they seemed willing to abandon the "corrupt" politicians and rule with an all-military cabinet. The advice was not taken. Banzer probably preferred not to install an all-military cabinet at this time since the action would open him to charges of being a military dictator—a charge that has plagued him during visits to other countries.

77 The right-wing Bolivian Socialist Falange, headed by Foreign Minister Mario Gutierrez, has been too obstreperous for Banzer's taste, openly attacking its partner in the coalition, the Nationalist Revolutionary Movement. Banzer seems to favor the Falange, but it has only minimal public support. He needs the Movement, which has a measure of support, to avoid isolating himself.

78 As a result, the new cabinet is basically the old one; a few cosmetic changes have been made, but the new cabinet will not be any better prepared than the old to find solutions to old and future problems. President Banzer still has hard decisions to make about the long-range organization of his government.



Presidential Palace on Independence Day

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## INTERNATIONAL MONEY

### Money Market Developments

(NO SOURCES)

The dollar was mixed on European money markets last week. In Tokyo, it remained essentially unchanged as the Bank of Japan continued to sell dollars in moderate amounts to prevent the yen from depreciating.

Sterling continued under strong pressure and since mid-August has declined almost five percent relative to the currencies participating in the joint

European float. Contributing factors in the decline were the belief that the British would pursue expansionary policies at the expense of increased inflation, lack of labor support for the government's incomes policy, and a growing trade deficit.

### International Monetary Reform

Agreement on an acceptable draft outline for monetary reform now seems unlikely in time for the Nairobi International Monetary Fund



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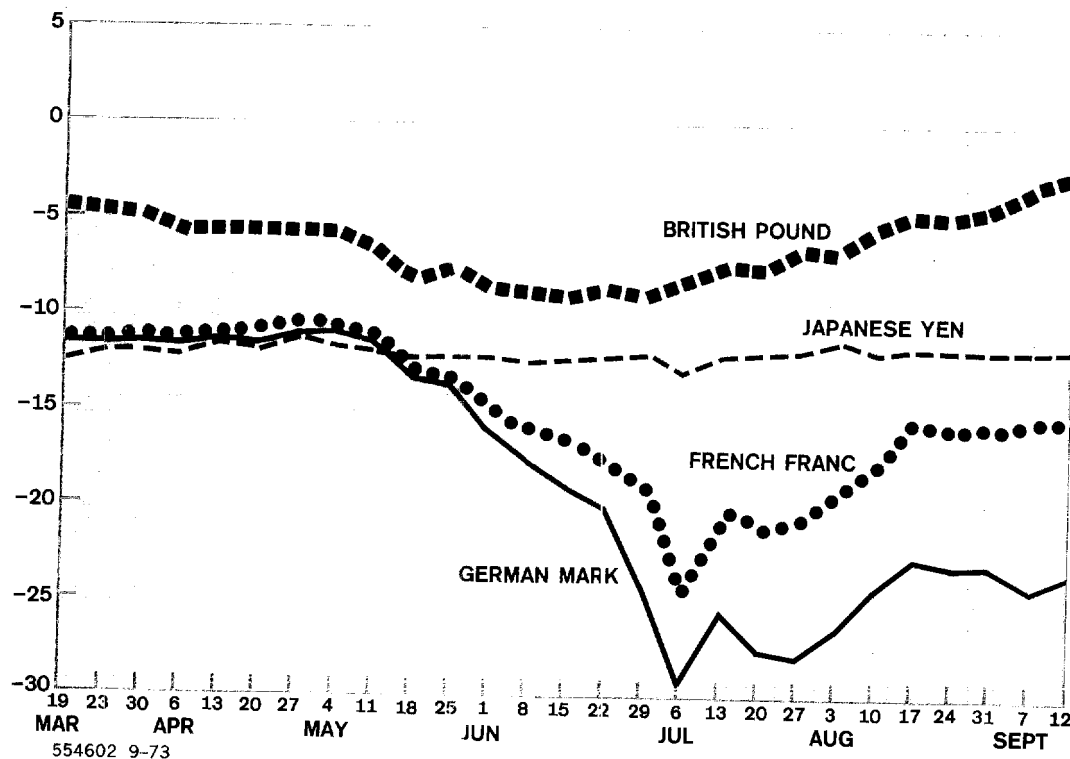
meetings. The recent meeting of the C-20 Deputies—the body established by the International Monetary Fund last year to develop proposals for monetary reform—ended in deadlock. The Europeans took a less conciliatory position than at the July meetings and spoke of a hardened US position. The same basic issues remain in contention: the nature of the balance-of-payments adjustment process and the extent of currency convertibility.

The US proposal that changes in the level of international reserves be relied on to indicate the need for balance-of-payments adjustment—an idea that seemed to gain ground earlier this year—was severely criticized in this negotiating session, especially by the French. The Europeans are opposed to subordinating their economic policies to the dictates of reserve levels.

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**Percent Change Since 2 January 1973 in the Value of the US Dollar Relative to Selected Foreign Currencies**



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# Weekly Summary

## Special Report

*Conference on Security and Cooperation in Europe:  
The Crunch*

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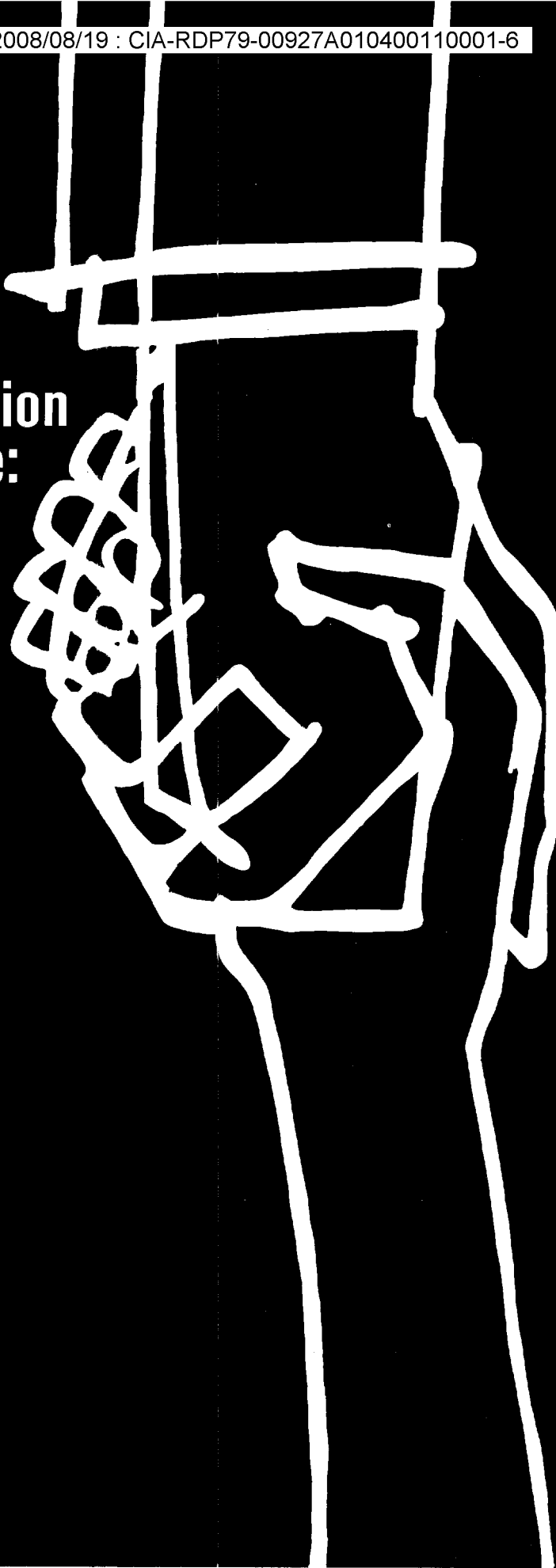
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## Summary

After six months of preparatory discussions and a brief opening stage last July, the Conference on Security and Cooperation in Europe gets down to brass tacks on 18 September in Geneva. This stage of the conference is to produce the agreements that are to be approved by ministers—or at the summit level—in the final stage. The conference has moved forward thus far by postponing or skirting contentious issues.

Vigorous East-West clashes are likely to precede any agreements of importance; the East wants assurances about the "inviolability of frontiers"; the West would like to see "freer movement" of people and ideas across national boundaries. The willingness of the Soviets to make concessions on "freer movement" and of the West to sweeten the bargain with offers, for instance, of increased economic cooperation, will say a great deal about the direction of detente in the 1970s. The conference could produce only pious rubbish or it could take a small but meaningful step toward reduced tensions and more stable relations between East and West.

## Background

The idea of a security conference in Europe was first broached by the Soviets in 1954, at the height of the cold war. Behind the initiative was a Soviet desire to secure international approval of European borders as they stood after World War II and thus give Soviet territorial gains legitimacy; equally important, the conference would ratify the division of Germany. The Soviets had in mind a grandiose diplomatic gathering, something like the Congress of Vienna, that would define the structure of European security for decades to come.

This rather grand design was in the beginning staunchly opposed by the West. By last year, however, a number of factors—including Brandt's Ostpolitik and the Berlin and inter-German agreements—had made the idea of a conference more acceptable. Although the basic Soviet aim was the same, the West Europeans recognized that a certain legitimacy had already been given to the division of Germany in the other agreements.

They also began to think that a conference might offer real opportunities for the West. It could perhaps encourage the countries of Eastern

Europe to move toward a greater degree of independence in their relations with the Soviet Union. In addition, the Communist regimes might be induced to relax their domestic policies which would lead to greater freedom for the people of Eastern Europe. Some economic benefits might also be derived from the conference. To the smaller nations of Western Europe, a conference began to seem a way of participating in detente. Of their larger neighbors, Bonn now viewed the conference as a logical extension of its Ostpolitik, while France saw it as an opportunity for exercising independent diplomacy. The EC as a whole perceived in a conference a chance to concert its policies toward the East.

## Preparatory Talks, November-June

Preparations for a conference got under way in Helsinki in late November 1972 and, with interruptions between the four preparatory rounds, lasted until early June 1973. Despite debate that at times plumbed the depths of obscurity, there were several useful results. First, possible agenda topics were grouped into four "baskets," or general categories. Agreement was made possible when the Soviets reluctantly acceded to the West's desire to put "freer

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movement" items into a separate basket. With the agenda items organized in their "baskets," the delegates decided to produce draft "mandates" for each of the "baskets" to serve as terms of reference for the committees in the stage of the conference that is about to begin. These "mandates" were haggled over for months, and the Soviet willingness to discuss substantive issues at such length in the preparatory talks was another major concession. Moscow had hoped the preparations would be general and brief; they ended up being detailed and lengthy.

The Soviet concessions, however, were for the most part a matter of tactics. The main Soviet goal in the preparatory stage was, of course, the convening of the conference itself. A willingness to give in on procedural points and even to display some flexibility on matters of substance seemed to Moscow a cheap enough price to pay for the conference. The Soviets doubtless hope to turn these concessions to their later advantage. They may, for example, argue that, since the preparations reached such a level of detail and went on for so long before, the second stage of the conference need not go over the same tired arguments and can be relatively brief.

Finally, the Soviets may have been pushed a bit by the surprising unity of the non-bloc countries. This was due in part to the consultations in Helsinki among members of the EC. The preparatory phases were perhaps the first major success of the EC at political consultation. Even the French—expected to be the Western prima donna—played a useful role. The emergence of reasonable EC positions on a number of issues attracted support from other Western countries and from several nonaligned states as well.

#### STAGE I, JULY

The preparatory talks ended in a spirit of optimism, with many observers feeling that agreement on the "mandates" might indicate that the resolution of some problems would be easier than had previously been thought. The conference itself was formally held in Helsinki on 3 to 7 July; this stage showed clearly that no one was really willing to concede basic positions without a good deal of intensive bargaining.

Foreign Minister Gromyko made the first speech. He took nearly three times his allotted 20 minutes and left no doubt that the main Soviet goal was, as it had always been, the preservation of the territorial status quo in Europe. Europe's existing borders, he said, are an incontestable political reality. He also opposed the West's aspirations for the freer movement of people and ideas, arguing that there could be no changes in political systems or ideological views. Any increased contacts would have to develop, he insisted, in accordance with the laws, customs, and traditions of the countries involved.

The Polish and East German foreign ministers followed suit. Specifically, they said that since the treaties between West Germany and various East European countries recognized territorial realities, the conference should do so too. The Polish and Bulgarian representatives offered draft guidelines for increased contacts between East and West that would place such contacts firmly under state auspices.



Gromyko arrives for opening session

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**BASKETS AND MANDATES****I. Questions Relating to Security in Europe****A. Principles (in conformity with purposes and principles of UN):**

1. Sovereign equality
2. Non-use of force
3. Inviolability of frontiers
4. Territorial integrity of states
5. Peaceful settlement of disputes
6. Nonintervention in internal affairs
7. Respect for human rights and fundamental freedoms—freedom of thought, conscience, religion, or belief
8. Equal rights and self-determination of peoples
9. Cooperation among states
10. Fulfillment of obligations under international law

**B. Elaboration of a method for the peaceful settlement of disputes****C. Confidence-building measures:**

1. Prior notification of major military maneuvers
2. Exchange of observers at maneuvers
3. Prior notification of major military movements (to be studied only)

**II. Cooperation in the Fields of Economics, Science and Technology, and the Environment****A. Commercial exchanges (general provisions to promote trade and exchange of services, "most-favored-nation" treatment, measures to reduce and eliminate obstacles to trade, measures to facilitate commercial transactions and exchange of services)****B. Industrial cooperation and projects****C. Science and technology****D. Environment****E. Other areas (transport and communications, tourism, migrant labor, training of personnel in economic activity)****III. Cooperation in Humanitarian and Other Fields****A. Human contacts (facilitation of freer movement among persons, institutions, and organizations):**

1. Family contacts; international marriages
2. Travel
3. Youth meetings; sports

**B. Information (printed, filmed, and broadcast):**

1. Specific agreements to improve circulation and access
2. Improvement of conditions for foreign journalists

**C. Culture:**

1. Increased cultural contacts and exchanges
2. Encouragement of international cultural events and projects

**D. Education:**

1. Improved access to other countries' institutions
2. Encouragement of study of other languages and civilizations
3. Exchange of information on teaching methods

**IV. Follow-up to the Conference ("such measures as required" to give effect to CSCE decisions; perhaps contributions from existing international organizations)**

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The Western foreign ministers spoke out strongly in favor of meaningful agreements to enhance human contacts, making it clear once again that this is the supreme Western goal at the conference. Most of the Western ministers said that in dealing with the "inviolability of frontiers" ways must be found to leave open the possibility for peaceful changes deriving from the popular will.

The final document of the preparatory talks—containing the "mandates" and a section on procedures for the remainder of the conference—was approved early in the July session with little controversy. It was agreed that the conference's coordinating committee should begin work at the end of August and that the second stage itself would get under way on 18 September. The Soviets had wanted a somewhat earlier schedule. The West successfully resisted Soviet pressure to make plans for a third stage, insisting that the progress of the second stage must first be assessed.

The concluding days of the session were taken up with the antics of Malta's Dom Mintoff. He argued loud and long for a scheme that would allow Algeria and Tunisia to present their views to the conference. Some Western countries, West Germany for instance, felt that if these Maghreb states were allowed to speak, other Mediterranean countries, especially Israel, should be invited as well. Although the ministers did not settle the problem, a solution now seems in sight. It has been agreed in principle that Algeria and Tunisia can make written or oral contributions, as may any other Mediterranean state. Israel's application will not be considered until after the second stage opens, however, and the tentative agreement could fall apart at that point. Such an impasse would no doubt set Mintoff off once again. He has warned that if Tunisian and Algerian contributions are not accepted, he will attempt to hold up the conference's progress in other areas.

## STAGE II, 18 SEPTEMBER

### Procedures

The work of the second stage will be conducted by committees that will deal with each of

the "baskets," the initial work being divided among a number of subcommittees. The committees and subcommittees will be overseen by a coordinating committee, which has already met in Geneva. In addition to managing the committees throughout the second stage, the coordinating committee will assemble the committees' production and present it at the final stage of the conference. The coordinating committee will be able to make recommendations to participating governments about the conduct of the conference, and especially about arrangements for the final stage.

The committees and subcommittees will make decisions by "consensus"—meaning in practice that an objection by any participating state can block agreement. It is this procedure that will give Mintoff and perhaps others an opportunity for grandstanding.

### Issues

The two most contentious issues at the second stage will be, as they were at the earlier phases, "inviolability of frontiers" and "freer movement."

On the first, the Soviets, who want the conference to endorse the status quo in Europe, will press for a blunt statement. A recent Soviet draft shows what Moscow has in mind:

*Inviolability of frontiers, in accordance with which the participating states regard the existing frontiers in Europe as inviolable now and in the future, will make no territorial claims upon each other, and acknowledge that peace in the area can be preserved only if no one encroaches upon the present frontiers.*

The Soviets want such a statement to stand by itself, with no explicit or implicit connection to other items, and without any other qualification. This is, of course, the maximum Soviet position, but significant concessions will probably be hard to come by.

Recognizing that some wording about the "inviolability of frontiers" must appear in any declaration of principles by the conference, the allies will nonetheless seek to modify the wording as much as possible. Some may seek language that

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West German Foreign Minister Scheel lunches with East German Foreign Minister Winzer during opening stage

would turn the principle against the Brezhnev doctrine. The West Germans, in particular, feel strongly that any statement on inviolability must not rule out peaceful change. Most of the other West Europeans agree; some of them may hope that progress toward European political integration might lead, decades hence, to peaceful changes in national boundaries. They may try for a statement to the effect that peaceful change is allowable in accordance with the popular will of the states involved, or one linking "inviolability of frontiers" to the "non-use of force," a formulation that would imply that peaceful changes in borders are not excluded.

This damage-limiting exercise on "inviolability of frontiers" is not a major Western aim. What the allies want most out of the conference is a series of specific agreements to facilitate the movement of people and ideas across borders between East and West. They feel that if detente is to have any concrete expression, it must be in this area of greater East-West contacts. The UK has suggested freer circulation of newspapers, common television facilities, and perhaps even an international magazine. West Germany has stressed measures dealing with the reuniting of families and the working conditions of journalists. Others have suggested measures in the field of education. Moscow's recent drive against Soviet

dissidents will have the effect of increasing Western determination in this area.

The Soviets and their allies, of course, want any increased contacts to be state-sponsored. To the extent they can get away with it, they will oppose explicit agreements that do not meet this requirement. They will want it made clear that there must be no tampering with the social or governmental systems of the East European states.

While they will not give way on essential points, the Soviets will be making every effort to appear accommodating on this item. Brezhnev seemed recently to be trying to squeeze increased East-West contacts into an acceptable ideological mold. Whereas previously the Soviets had accepted the idea grudgingly, Brezhnev developed a thesis that the Soviet Union welcomes increased contacts since it is convinced of the correctness of its path and its Marxist-Leninist ideology. This "victory-through-contacts" formulation is far from being a basic change in the Soviet position; it was probably meant to provide a bit more tactical flexibility in the "freer movement" area in the negotiations this fall.

The lines are not so clearly drawn on other issues, and discussion is likely to be considerably more blurred. The participants for example, have to decide what sort of "confidence-building measures" they wish to endorse. These measures, the only real military item at the conference, include the prior notification of military activity and the presence of observers at military maneuvers. Most participants agree on the need for such provisions as long as they apply only to maneuvers. Some allies, particularly Belgium and the Netherlands, wish to apply "confidence-building measures" to major troop movements. The Soviets oppose this, realizing it would reduce their flexibility vis-a-vis Eastern Europe. The US does not wish to press the Soviets to apply these measures to troop movements, fearing that the disagreement might lengthen the conference and prevent real progress in the force reduction talks.

The discussion of "economic and scientific cooperation" is likely to be tough and protracted.

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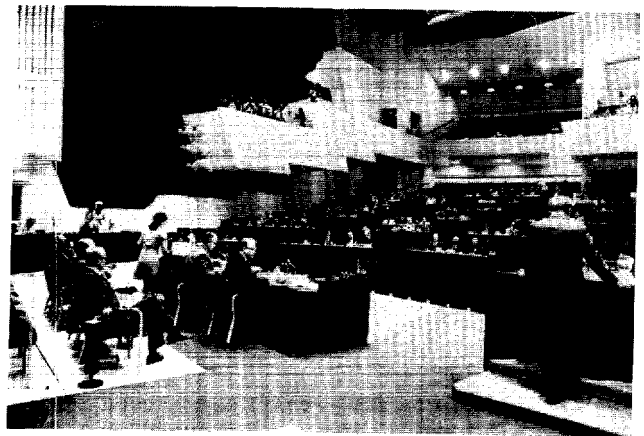
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While it is an area of importance to the Soviet Union and its allies, they may be willing to settle for bland statements of principle in order to move the conference along. Disagreement is likely to arise between the Soviets, who champion the "most-favored-nation" trade doctrine, and the West Europeans, who favor reciprocal advantages and obligations. The members of the EC will be pressing hard for specific agreements on the topics mentioned in the economic cooperation "mandate"—steps to reduce and eliminate obstacles to trade, measures to facilitate commercial transactions and the exchange of services, and projects in industrial cooperation. A West German official said recently that his government would like to see seven to ten concrete agreements emerge under this "mandate." The Danish foreign minister, who was the EC spokesman at the opening stage of the conference, promised substantial EC involvement during discussions of economic cooperation at the second stage. In accordance with this pledge, the EC Commission will be represented at the second stage.

Provisions for following up the conference probably will be adopted, but they are not likely to be spelled out by the end of the second stage. That should satisfy the West, which has been unenthusiastic about the idea all along. The Soviets once regarded the establishment of follow-up machinery as one of their main aims, but they have had little to say about this recently and may not press the issue. They will probably be content with a loose commitment from the participating states to continue a pan-European approach to the security of Europe.

### Western Unity

The unity of the Western countries will probably hold up during Stage II. Western representatives will coordinate their positions in the NATO and EC caucuses, and there will be a few substantive disagreements, the most likely one over the extent of "confidence-building measures." Some of the smaller Western states will probably press—against the wishes of the US—for a statement in conference documents connecting the conference with the force reduction talks that begin in Vienna in October. The NATO and EC



Stage I opens at Finlandia House in Helsinki

discussions to prepare for the opening of the second stage suggest that there may be other minor disagreements in the Western camp. The Soviet Union can be expected to try to turn any such Western disunity to its advantage.

There may be greater disagreement on tactics than on substance. Most of the West Europeans, while they have become more positive about the conference over the last several months, still fear what it might do to the public mood. The British have warned that a "detente euphoria" coming out of the conference could make it harder and harder to maintain public support for an adequate defense. French Foreign Minister Jobert was making the same point when he said, "Public opinion must know that such a prestigious conference, however eagerly awaited, could, despite the public's ambitions, mislead it by making false assurances."

Accordingly, West Europeans will insist that the conference produce not merely bland declarations but meaningful, concrete agreements on specific subjects. During the preparations for the conference, some of the allies felt that the US was not providing the leadership expected of it. That complaint, likely to be heard again during the second stage, derives from West European concerns that the US may give in too quickly to the Soviets on conference issues in return for Moscow's concessions in the force reduction talks.

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**CONFERENCE PARTICIPANTS****NATO**

|         |             |              |
|---------|-------------|--------------|
| Belgium | Iceland     | Portugal     |
| Canada  | Italy       | Turkey       |
| Denmark | Luxembourg  | UK           |
| France  | Netherlands | US           |
| Greece  | Norway      | West Germany |

**WARSAW PACT**

|                |         |         |
|----------------|---------|---------|
| Bulgaria       | Hungary | Romania |
| Czechoslovakia | Poland  | USSR    |
| East Germany   |         |         |

**NONALIGNED**

|              |            |             |
|--------------|------------|-------------|
| Austria      | Malta      | Sweden      |
| Cyprus       | Monaco     | Switzerland |
| Finland      | San Marino | Vatican     |
| Ireland      | Spain      | Yugoslavia  |
| Lichtenstein |            |             |

How hard to fight for matters of importance to the West and how long the conference should go on may well be of major importance to the West Europeans and could in fact lead to conflicts with the US.

**Eastern Unity**

The Soviets will have little trouble keeping most of their East European allies in line. A bloc-wide campaign to close ranks in foreign policy and ideological questions suggests that any significant show of independence by the East Europeans—except Romania and Yugoslavia—is unlikely.

The Romanians appear determined to press the conference to approve points that most feel fall within the purview of the force reduction talks. They argue that military topics must be discussed if the security talks are to produce genuine results. The Romanians thus will persist in seeking to have these views recognized, even to the extent of delaying over-all progress on the talks.

The chief of Romania's delegation to the conference recently told a group of NATO chiefs of mission in Bucharest that his country will present two documents at Geneva—one on the non-use of force, the other on a permanent European security organization. He stressed that the first will be advanced with "great vigor," and it will call for prior notification of large-scale military movements and for regional disarmament measures in Central Europe. Bucharest, he noted, has problems with the Soviet concept of the "inviolability of frontiers."

Yugoslavia will also pose problems for the Soviets. Belgrade is not a member of the Soviet alliance system but, like Bucharest, it sees the conference as a useful forum in its fight against Soviet hegemony in Eastern Europe.

**Outlook**

Stage II will be difficult. Many of the East-West disagreements that have been glossed over so far will have to be faced squarely. Problems will be created by the very size of the negotiating exercise; 35 participating states operating in numerous committees and subcommittees create almost endless possibilities for delay and confusion. It is all but certain that the West European allies will not allow the second stage to conclude by the end of this year, as the Soviets desire. It is also a good bet that the committees will become involved in more detail than Moscow would like.

Should the second stage conclude, however, with agreement on a number of principles, the Soviets will have gotten some of what they wanted. If a small number of specific agreements emerge in the area of freer movement, the West will be at least partially satisfied. If all goes well, the West might oblige the Soviets and hold the conference's final stage—the one that will consecrate the results—at the summit.

In both the short and long term, the Conference on Security and Cooperation in Europe

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cannot be separated from other elements of East-West diplomacy. As long as the security conference is going on, little progress is likely in the force reduction talks in Vienna. Should the security conference fail—or be marked by extreme contention—the force reduction talks would encounter additional difficulties in dealing with the

tough issues they face. Too much should not be expected of the security conference. In a volume dealing with East-West relations, the conference would be only a preface; most of the substantive chapters would be taken up with the force reduction talks and future US-Soviet bilateral dealings.

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