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# Weekly Summary

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**CONTENTS** (November 29, 1974)

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.

- 1 Breaking the Ice at Vladivostok
- 2 Ethiopia: The Blood Flows
- 3 Israel: Digging in Its Heels

**MIDDLE EAST  
AFRICA**

- 4 Palestinians: After the Vote
- 5 Angola: Competition Growing
- 6 Jordan: New Cabinet

**EAST ASIA  
PACIFIC**

- 7 Japan: A New Prime Minister
- 7 Australia: Troubles for Whitlam
- 9 Vietnam: Le Duc Tho; Thieu's Men
- 10 Laos: Storm Warnings Subside

**EUROPE**

25X6

- 11 The Cyprus Equation

- 13 Iceland: Another Fishing Dispute
- 14 EC-Arab Dialogue Stalled
- 15 World Food Conference Concludes
- 16 RYAD Computer Production Lags
- 17 Romania: On a Note of Defiance

**WESTERN  
HEMISPHERE**

- 18 Argentina: The Government Scores
- 19 Mexico: Listening to the Public

25X1

25X1

**Page Denied**

Next 1 Page(s) In Document Denied

SECRET



## *Breaking the Ice at Vladivostok* (1-4)

Moscow is obviously pleased with the Vladivostok summit. General Secretary Brezhnev, delivering a speech on November 26 in Mongolia, characterized his first meeting with President Ford as confirming and reinforcing the trend toward improved Soviet-American relations. He referred specifically to a "considerable step forward" in the quest for curbing and reducing nuclear arms, and, in an unusually explicit commitment, stated that he and the President had agreed to conclude an arms limitation pact in coming months.

Not surprisingly, Soviet and East European media have echoed Brezhnev's high praise for the summit and have implied that the two leaders got along well personally. *Pravda* on November 25 ran the joint communique on the front page and also carried the US-Soviet statement on strategic arms limitation. Another mass-circulation daily, *Sovetskaya Rossiya*, said there had been "great progress" toward a new arms control agreement, adding that cooperation has become the political norm between the two states. On Wednesday, President Ford's "thank you" message to Brezhnev for playing host at the summit was front page news in the Soviet Union. Several commentators stressed the value of summit-level meetings; one described such personal contacts as essential to detente.

Moscow has publicized heavily the favorable reaction to the meeting, both domestic and foreign, including US media articles, especially those on the significance of the SALT elements. This positive coverage was tempered by only occasional references to obstacles still to be overcome before detente becomes irreversible. Most of these zeroed in on the efforts of "certain circles" in the US to block normalization of commercial relations.

There has been no public discussion by the Soviets of the details of the SALT understanding nor any hint of misgiving over the terms of the accord. These could surface later, however. A persistent theme of earlier Soviet articles on SALT, although less in evidence recently, was that US "forward-based systems" and other asymmetries must be taken into account to ensure "equal security."

During his address in Mongolia, Brezhnev made a point of mentioning the participation of the US and Soviet foreign ministers in the Vladivostok deliberations. His reference to Gromyko, a fellow Politburo member, may have been a way of sharing some of the responsibility as well as the credit for the Vladivostok decisions.

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## Ethiopia: The Blood Flows [5-8]

In a sudden and bloody climax to the conflict that had developed between the ruling military council and General Aman, the head of the provisional government, the council last weekend shot Aman along with 59 military officers and former high civilian officials who had been in detention for several months. This extreme action, which seems sure to have far-reaching repercussions, came after the council had concluded that Aman was bent on challenging its authority and becoming Ethiopia's strong man.

The council has announced that the remaining former officials being detained on charges of corruption, maladministration, and counter-revolutionary activity will be tried shortly by military tribunal; many of these may also be executed. Nothing has been said officially about former emperor Haile Selassie, but his life is almost certainly in jeopardy.

No one has been named yet to replace Aman. His removal leaves Major Mengistu, who last week was appointed first vice chairman of the council, the ranking government official. The council has said, however, that the new head of government will come from outside its ranks.

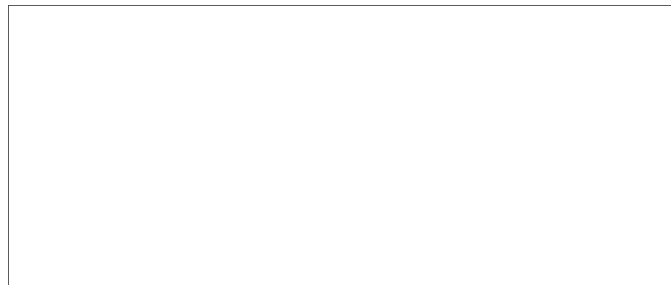
The council's differences with Aman came to a head last week over his refusal to go along with a council decision to send army reinforcements to Eritrea Province to begin an offensive against insurgents of the Eritrean Liberation Front. On November 22, the council placed Aman under house arrest; the next day, his removal as head of government was announced. Within hours, Aman was dead. The council announced on November 24 that he had been executed along with the 59 detainees, but later acknowledged he had died in a shoot-out at his house.

The other victims were killed, reportedly in groups of 20, in a courtyard of a prison in Addis Ababa. The bloodbath was apparently intended in part to cow military supporters of the popular Aman and in part to counterbalance his removal with a dramatic action against the discredited



General Aman

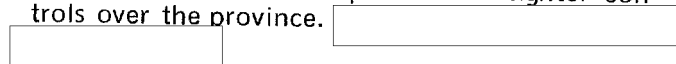
luminaries of the Haile Selassie era. The decision to move against Aman and carry out the mass executions appears to have had broad support within the council, although previously only a minority of the members had favored such summary treatment of leaders of the old regime.



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The executions mark an abrupt change from the military's previous policy of avoiding bloodshed, and most Ethiopians will probably conclude that the revolution has entered a new phase. The arbitrary nature of the killings and the council's refusal to allow relatives to claim the bodies have probably alienated some segments of the population that until now had generally supported the council.

There is particular uneasiness in Asmara, the capital of Eritrea, over the council's decision to send additional forces there. The Eritreans believe the council will follow the execution of Aman, an Eritrean who favored a peaceful solution to the insurgency, with the imposition of tighter controls over the province.



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## Israel: Digging in Its Heels

[9-12]

[Tel Aviv this week reacted to setbacks in the UN and recent widespread anti-Israeli manifestations on the occupied West Bank by reaffirming its refusal to be pressured or cowed into negotiations with the Palestine Liberation Organization. It also demonstrated its determination to retain control of the West Bank pending a peace settlement.

Prime Minister Rabin, in an interview published this week in *Time* magazine, emphasized that Israel will never negotiate with terrorist organizations like the PLO, even if the US should recognize such a group. Rabin repeated the standard Israeli position that negotiations concerning the West Bank are impossible without Jordanian participation.

Demonstrating anew that Israel runs the West Bank, the cabinet on November 24 voted to authorize the establishment of a large industrial park nine miles east of Jerusalem as part of a larger development plan for the city. Israeli press reports state that the cabinet was divided on the issue, with several liberal ministers arguing that such decisions increase political tensions because they are interpreted abroad as signs the government intends to establish a permanent Israeli presence in the area.

Information Minister Yariv issued a public disclaimer of any such intent, saying that implementation of the government's decision would not require Israel to annex any new land "for the time being." He also said the cabinet's action should not be construed as Israel's "answer" to the Rabat Arab summit last month or the UN votes on the Palestinian question. The Israeli press had speculated that the timing of the cabinet decisions was meant to convey this impression.

Anti-Israeli demonstrations in the occupied territories subsided during the week, in part because of rigorous Israeli security measures. The government, continuing its crackdown on Arab dissidents, in the West Bank, made numerous

arrests and expelled several prominent West Bankers on charges ranging from instigating strikes and demonstrations to membership in the Palestine National Front, a West Bank amalgam formed earlier this year by fedayeen, non-PLO Palestinian nationalists, and Arab Communists.

This week, more Israelis—including a growing number of cabinet members—began calling for a "national emergency" government that would include the rightist Likud bloc. In support of their position, these Israelis pointed to what they regard as the growing Arab threat and the country's increasing economic difficulties resulting from its effort to counter this danger.

Rabin's small coalition partner, the Independent Liberal Party, voted on November 21 to support the formation of such a government, and a party delegation met with Rabin this week to discuss the matter. Rabin's other coalition partner, the National Religious Party, has long been on record as favoring Likud's inclusion in the cabinet and pressed its case in separate meetings this week with President Katzir and Labor Party leaders. Information Minister Yariv, in an Israeli television interview on November 23 also reaffirmed his long-standing support of an enlarged coalition, saying he would do all in his power to achieve it.

Despite the increasing pressure to include the Likud, Rabin, influential Labor Party figures such as Mrs. Meir, Pinhas Sapir, and Abba Eban, and the majority of the dominant Labor Alignment remain opposed to such a step. They believe that bringing in the ultraconservative Likud could produce a split in the Labor Alignment. They also maintain that basic differences on foreign policy matters—such as Likud's inflexible attitude toward making territorial concessions in return for a peace settlement with the Arabs—preclude a national unity government at this time.

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#### PALESTINIANS: AFTER THE VOTE

[25, 26]

Yasir Arafat is striving, in a flurry of diplomatic activity since his recent appearance before the UN General Assembly, to maintain what he sees as steadily building momentum toward wider international recognition of the PLO. His trip to the USSR this week follows visits to Cuba and seven Arab states. He will probably make at least one stop in Eastern Europe before returning to the Middle East.

In Moscow, Arafat is almost certainly seeking to temper the Soviets' cool reaction to his UN speech as well as to elicit more vigorous backing for Palestinian political goals. He wants an unqualified statement of Soviet support for the PLO as the sole representative of the Palestinians and a reaffirmation of the Soviet position that the PLO should participate as an equal partner in any future peace negotiations.

The Soviets, who are trying hard to carve out a direct role for themselves in Middle East diplomacy, undoubtedly welcome Arafat's visit.

Moscow seems likely to offer more explicit recognition to the PLO than it has in the past in view of the backing Arafat and the PLO won at the Arab summit in Rabat and at the UN. Arafat may meet publicly for the first time with General Secretary Brezhnev.

The Soviets, however, will probably stop short of giving Arafat a full endorsement. They will almost certainly caution him against repeating his more extravagant demands and will continue to stress their recognition of Israel's right to exist. The Soviets have publicly sought to dissociate themselves from Arafat's call for a secular Palestinian state.

Neither Arafat nor representatives of the Arab states have shown uneasiness over the fact that support for the Palestine resolutions adopted by the General Assembly late last week was confined to the nonaligned bloc and the Communist states. PLO spokesmen have said only that the number of those who abstained or voted "no" means that "we must do more to make them understand our cause."

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The PLO's momentum was threatened last weekend by the hijacking in Dubai of a British Airways airliner. Prompt condemnation of the incident by Arafat, however, minimized the repercussions for the PLO, which has a policy of condemning international terrorism while condoning or approving strikes directly at Israel. The hijacking—carried out by Palestinian radicals who in the past have operated from Libya and Iraq—was the first directed against an Arab state other than Jordan. It was immediately condemned by virtually all Arab governments, including Libya and Iraq.

The ultimate fate of the hijackers is unsettled. The PLO, the Tunisian government, and the other Arabs, for the moment, are all claiming that the hijackers should be forced to "pay the price," although none will be eager to shoulder responsibility for exacting that price.

**ANGOLA: COMPETITION GROWING**

{Angola's three liberation groups, whose rivalry has stymied progress toward decolonization, are each attempting to improve their military and political positions inside the territory. Their efforts are likely to increase suspicions and could lead to violent clashes.

The Zairian-based National Front for the Liberation of Angola is taking the lead. The Front is believed to have over 200 lightly armed troops in the city of Luanda and another 2,000 or so in the countryside. Some of these troops were in Angola before the coup in Portugal last April; others, along with political organizers, have been brought in over the past few months with the help of the Zairian government. During the recent outbreak of violence in Luanda, the Front helped local Portuguese forces restore order. Although it was rebuffed in its attempt to assume a major security role, the Front has continued to publicize its willingness to assist in the maintenance of order.

The Front's chief rival, the Popular Movement for the Liberation of Angola, has few troops

inside Angola. The Movement's president, Agostinho Neto, still faces a stiff challenge to his leadership from a rebellious faction within the organization.

Neto seems, nevertheless, to enjoy strong support in Luanda. Clashes between his supporters and members of the Front accounted for a large part of the recent disturbances.

The smallest of the three insurgent groups, the National Union for the Total Independence of Angola, shares with the Front the advantage of operating from long-established bases inside Angola. It has not, however, been able to match the strength of its rivals.

Both Front leader Holden Roberto and Union leader Jonas Savimbi believe that the Portuguese privately favor the Popular Movement and that they are working covertly to facilitate a take-over of Angola by that group. Roberto and Savimbi also maintain that the Movement, which has long enjoyed Soviet support, will turn Angola into a Communist state.

Last weekend, Savimbi and Roberto discussed prospects for Angolan decolonization with President Mobutu, who shares their feelings about Neto and the Movement. They also talked with Portuguese Foreign Minister Soares, who was visiting Kinshasa. A press report from Lisbon early this week stated that Savimbi and Roberto had signed an agreement to cooperate.

As the rival nationalist groups strengthen their positions and maneuver against each other, the likelihood of their resorting to force to settle their differences will increase. Even now, it is questionable whether the Portuguese could halt a military clash between the liberation groups. The Portuguese already realize that locally recruited troops cannot be relied on to quell disturbances involving fellow Africans. As time goes by, troops from Portugal are also likely to refuse to risk the dangers of trying to maintain order.

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**JORDAN: NEW CABINET**

{19, 20}

Late last week, King Husayn acted on his intention to reorganize his government. The King's move came in reaction to the decision of the recent Arab summit conference to back the claims of the Palestine Liberation Organization to the Israeli-occupied West Bank territory. In a message to Zayd Rifai, who was reappointed prime minister, the King indicated that henceforth greater emphasis would be placed on East Bank concerns. At the same time, however, he attempted to reassure the local Palestinian community that it will receive fair treatment.

On November 23, Husayn dissolved parliament, appointed a new cabinet, and accepted the resignations of a number of major palace advisers. A principal immediate effect was a significant reduction in Palestinian participation in Jordan's government with the number of Palestinians in the cabinet dropping to four from ten. The new cabinet is largely a mixture of technicians with a reputation for efficiency and of traditional East Bank personalities; an exception is the minister of information and culture, Salah Abu Zayd, a long-time adviser to the King who is expected to play an important role in the formulation of foreign policy. Husayn also apparently made a conscious effort to achieve regional balance: four ministers each are from the northern, southern, and central sectors of the East Bank, and four are from the West Bank.

Prior to the announcement of the new government, reports were circulating that the King would choose his uncle, Sharif Husayn, to be prime minister. Widespread criticism of the anticipated choice—Sharif Husayn is both ailing and ineffectual—apparently persuaded the King to change his mind and reappoint Rifai. Rifai's retention is sure to displease East Bank conservatives for whom he has become a symbol of both corruption and neglect of East Bank interests. The Palestinian community, on the other hand, is likely to be reassured by the reappointment of Rifai, who can be expected to move slowly in making domestic changes. Despite the King's assurances of moderation, the Palestinians have

been apprehensive about their status following the Rabat conference.

The replacement of five powerful palace advisers—including Bahjat Talhuni, the chief of the King's personal secretariat, and Abd-al-Munim Rifai, the King's aide for international affairs—is apparently Husayn's response to continued pressures from hard-line East Bankers to "clean out" the unpopular palace crowd who have been the object of public criticism for corruption or bad policy advice to the King on the West Bank issue. The appointment of Mudhar Badran, an East Bank conservative, as chief of the secretariat will give the palace staff a decidedly more traditionalist character.

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**ISRAELI AIR FORCE: STATUS REPORT**

The Israeli air force apparently is encountering personnel problems. In the past six weeks, the Israelis have lost four fighters and a helicopter in accidents. One F-4 and three A-4s were lost in training flights, apparently because of pilot error. This is in marked contrast with the air force's normally high standards, and the nature of the accidents suggests a shortage of qualified air crews.

The Israelis most likely are having difficulties training enough pilots both to replace those lost during the last war and to man new aircraft delivered by the US.

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According to the US defense attache in Tel Aviv, the Israelis have doubled the number of cadets undergoing flight training. This increase probably means the air force has had to lower its qualifications for pilot-trainees. The attache believes that the pilot shortage will occur principally in support and lower performance jet aircraft rather than in F-4s and Mirages, to which the best graduates are assigned.

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## JAPAN: A NEW PRIME MINISTER

[39]  
With the announcement on November 26 of Prime Minister Tanaka's decision to resign, attention in Japan is focused on the ruling party's efforts to choose a successor before the Diet convenes on December 11. Tanaka's resignation will not take effect until the new Liberal Democratic Party president is named on December 10, but conflicting interests have so far blocked agreement on a method for choosing a successor.

Former finance minister Fukuda, the aging leader of the party's conservative wing, favors a negotiated settlement of the succession problem by Liberal Democratic Party elders. This would give him a greater chance of becoming prime minister than he would have in a party convention. Finance Minister Ohira, the other top contender, is widely believed to hold the edge in any potential showdown by ballot at a convention.

Tanaka, still a major power broker in the ruling party, is adamantly opposed to the acces-



sion of Fukuda, his most bitter critic. The Prime Minister's position on Ohira, his chief political ally over the past two years, is less clear. Tanaka would throw his faction behind Ohira in a convention vote against Fukuda, but might be willing to settle for a compromise candidate in negotiations.

At this juncture, it is unlikely that either Fukuda or Ohira—because of their intense rivalry—could be selected through negotiations. Fukuda, however, estimating that he would lose in an electoral showdown, might agree to support an alternate "consensus" candidate. Otherwise, the party will gather on December 10 for an election in which Ohira is now the favorite.

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## AUSTRALIA: TROUBLES FOR WHITLAM

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The Labor government, beset by mounting economic problems, is drawing increased opposition from its main base of political support—the labor unions. The discontent in the unions comes at a time when polls show a sharp decline in the government's popularity, leaders of the Labor Party are increasingly dissatisfied with the performance of Prime Minister Whitlam, and the party has suffered heavy losses in a number of recent local elections.

Bob Hawke, the head of the Australian Council of Trade Unions, claims he has warned Whitlam that sentiment is growing among the workers that the government is not "supporting the people who elected it." Hawke said he was under pressure for a change in government policies. The head of the textile union, for example, has charged that 13,000 textile workers have lost jobs as a direct result of the government's policy of liberalizing imports and has asserted that his union will not support the Labor Party financially in future elections. The postal

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Prime Minister Whitlam

union is threatening similar nonsupport unless the government drops its opposition to a wage increase for postal workers.

The trade unions are especially concerned over the sharply rising unemployment. Registered unemployment reached 2.5 percent of the work force in October—extremely high for Australia. The government announced a number of economic measures in mid-November to stimulate the economy, placate the unions, and improve employment, but it will be some time before these measures take full effect. They include easing some restrictions on business credits, cuts in personal and corporate income taxes, increases in import duties on foreign cars, and more funds for housing loans.

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These measures will help stimulate the economy, but they could also push the inflation rate, now about 22 percent, even higher. The government's success in controlling inflation depends heavily on restraining the trade unions from seeking further wage increases, and the prospects of doing so are not very bright.

In another move on the economic front, Whitlam announced late last week that leftist Deputy Prime Minister Cairns, currently minister for overseas trade, would assume the post of treasurer in mid-December. The appointment will make Cairns officially responsible for overall government economic policy. Whitlam apparently hopes that Cairns will be more effective than the former treasurer in bringing analytical resources to bear on the country's economic problems and in maintaining support for the government's policies within the Labor Party's parliamentary caucus.

Although Cairns is ideologically committed to socialism, he has advocated relatively moderate policies since joining the Whitlam government. In his new post, he is certain to be identified with the hard economic decisions that are bound to be unpopular, thereby running the risk of losing his support from the Labor Party's vocal left wing.

Whitlam's planned five-week trip to Europe may make matters worse between the Labor Party and the trade unions. He seems certain to evoke criticism from the unions as well as the political opposition not only for leaving the country amid such serious economic problems, but also because of the length of the trip and its emphasis on "tourist" spots.

Officials involved in planning the trip reportedly are referring to it as "Whitlam's swan song," reflecting a growing opinion among political observers in Canberra that Whitlam's political troubles will lead to new general elections next year and that the Labor Party will be defeated.

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## VIETNAM

### LE DUC THO IN PARIS

(40-42)

[A North Vietnamese delegation headed by Politburo member Le Duc Tho arrived in Paris on November 25 for a ten-day visit at the invitation of the French Communist Party. Tho's delegation left Hanoi on November 18 and made a brief stopover in Peking before heading on to Moscow and then Paris. While in Moscow, the North Vietnamese met with Soviet Politburo member Suslov and party secretary Katushev. In what appears to be a routine reaffirmation of Soviet policy, Moscow pledged to give "all-round and effective support" to Hanoi's "just struggle."

Le Duc Tho received lower level treatment from the Chinese during an overnight stop. A middle echelon member of the Chinese Politburo held a banquet for Tho and his party, and the Chinese press barely mentioned the visit. During his many stopovers in Peking on previous trips to

Paris for the Vietnam peace talks, Tho was usually received by Premier Chou En-lai and senior Politburo member Chang Chun-chiao.

While in Paris, Tho can be expected to meet with various French Communist and leftist groups. He probably will use these meetings to denounce the Saigon government and the US for failing to implement the 1973 Paris Agreement.

### A NEW CABINET IN THE SOUTH

President Thieu has selected replacements for the four cabinet ministers who resigned last month, but he is not ready to make the list public. There have been rumors that more ministerial resignations are in the offing, and it is possible that Thieu may want to complete these moves before publicly announcing the composition of his new cabinet.



Downtown Saigon

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**LAOS: STORM WARNINGS SUBSIDE**

(46-51)

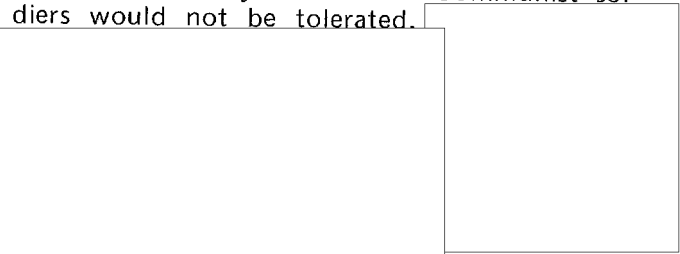
Tensions have apparently eased following the disturbances in Vientiane last week that threatened to undermine the fragile stability of the eight-month-old coalition government. Nevertheless, both the Communists and non-Communists remain inherently suspicious of each other, and this will almost certainly complicate Lao efforts to achieve unity and national reconciliation.

The precise reasons for the full-scale alert last week by military forces on both sides are still unclear, but there is no evidence of serious coup plotting by either side. It seems more likely that the unrest was related to the threat of large-scale demonstrations by war veterans in Vientiane, and that both the Communists and the non-Communists heightened their military posture to deal with anticipated disorders.

The latest war of nerves in Vientiane was doubtless exacerbated by the absence of key political leaders who would have been able to counsel moderation and restraint. Prince Souphanouvong, Deputy Prime Minister Phoumi Vongvichit, and other senior Lao Communist leaders were in Sam Neua for a reported meeting of the central committee, while non-Communist Deputy Prime Minister Leuam Insiengmay and Defense Minister Sisouk were in Europe. Prime Minister Souvanna was convalescing in the royal Lao capital of Luang Prabang, and both sides were probably reluctant to involve him in a tense situation that might prove detrimental to his failing health.

Non-Communist politicians have become increasingly frustrated in recent weeks by what they perceive as a concentrated effort by the Pathet Lao to subvert student, labor, veteran, civil servant, and other groups throughout the non-Communist zone. In their frustration, the non-Communists are beginning to look on the Royal Lao Army as the only organized and unified force on their side capable of countering such subversion. The army did in fact move swiftly against its

own veterans, making it unmistakably clear both to the protest leaders and to the Pathet Lao that demonstrations by former non-Communist soldiers would not be tolerated. 25X1 25X1



Main street, Vientiane

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Clerides and Makarios

## THE CYPRUS EQUATION

### Clerides to London

[5-4 -5-7]

Acting President Clerides went to London last week to apprise Archbishop Makarios of the situation in Cyprus and, possibly, to persuade him to delay his return. Clerides is concerned about his own status, but he is also known to believe that Makarios' insistence on a multiregional federation as a solution to the Cyprus problem is unacceptable to the Turkish Cypriots, who prefer a biregional geographic federation. Clerides also believes that Makarios' return will harden the negotiating position of the Turkish Cypriots because of their distrust of the archbishop. Clerides had earlier announced his willingness to consider the Turkish Cypriot demand for a biregional geographic federation.

Makarios apparently remained adamant in his opposition to the Turkish Cypriot proposal. He reiterated his call for a multiregional federation in a press conference on November 22, following a meeting with Clerides and British Foreign Secretary Callaghan. He also announced that he would return to Cyprus on or about December 6.

Makarios' tough negotiating position may well be toned down at the Athens summit this weekend, where Greek Prime Minister Karamanlis is likely to urge an approach that lies somewhere between the uncompromising stance of Makarios and the accommodating position of Clerides. At the meeting, the Acting President is likely to insist that he will continue as negotiator for the Greek Cypriot side only if he is given a wide measure of freedom to conduct the negotiations as he sees fit.

### On Cyprus

Preparations are being made in the Greek sector of Cyprus for Makarios' return. The government is trying to deter possible violence between pro- and anti-Makarios groups by counseling moderation and pointing to the Turkish threat to the Greek Cypriot community in the event that the Greek Cypriots begin fighting among themselves.

While Turkish Cypriots have voiced their displeasure over Makarios' return and have rejected his call for a multiregional federation, Turkish forces are not likely to move against the Greek

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Cypriot sector unless violence between Greek Cypriot factions threatens the security of Turkish Cypriots living within the Greek Cypriot sector of the island.

In the meantime, the Turkish Cypriot sector is fast assuming the character of a de facto state. Denktash announced recently that a constituent assembly will soon be convened to establish the constitutional basis for a "Turkish Cypriot wing" of a federated state. Various government posts have been upgraded to ministries, and foreign companies are required to register with Turkish Cypriot authorities. Turkish Cypriot officials also announced recently that Greek Cypriot properties in the Turkish Cypriot sector will be temporarily "leased" to Turkish Cypriots and will be turned over to them in the event of a settlement.

#### Clerides-Denktash Talks

After successfully completing the exchange of over 5,000 prisoners, Clerides and Denktash have now turned their attention to other "humanitarian" issues. They agreed to the exchange of certain categories of aged, infirm, and isolated individuals, which will affect some 2,000 Turkish Cypriots and an equal number of Greek Cypriots. The two also agreed to make a renewed effort to solve the island's educational problems, and to try to improve the living conditions of the Greek and Turkish inhabitants in their respective sectors. In addition, they said they would make a special effort to locate the several hundred people, mostly Greek Cypriots, reported to be missing.

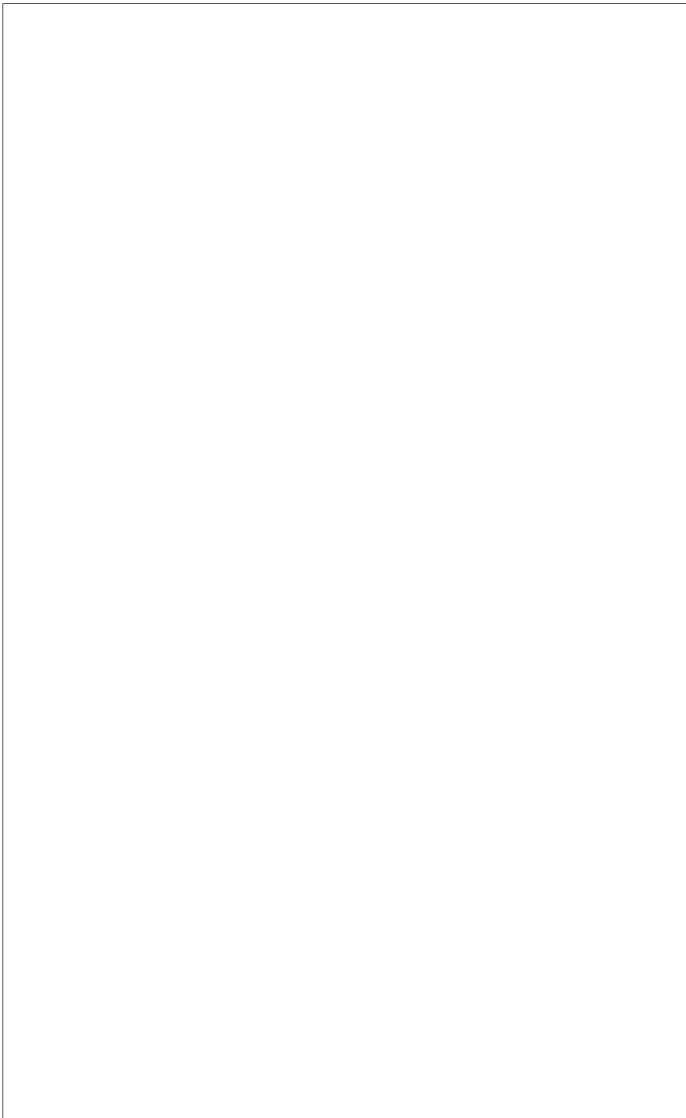
The lack of movement on political questions can be partly attributed to Clerides' lack of a clear mandate as a result of Makarios' planned return and the unsettled political situation in Ankara. Following the Athens summit, the Greek side will likely be ready to focus on political questions. The talks are not expected to gain momentum, however, until the political situation in Ankara is clarified.

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The two incidents are the first between Iceland and West Germany since a compromise agreement ended the 15-month-long "cod war" with the UK in 1973. Since the spring of 1972, Iceland and West Germany have held intermittent negotiations on a similar agreement. That agreement reduced the UK's annual fish catch and gave Iceland limited jurisdiction over British craft inside the 50-mile fishing zone. This compromise agreement was not reached, however, until after many Icelanders questioned the value of their ties with NATO and the US. The Icelandic government charged that both the US and NATO should have done more to help end the conflict.

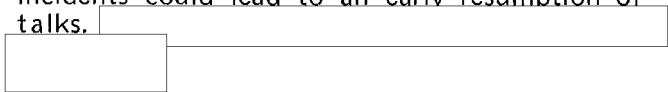
The UK-Iceland dispute revolved around what areas would be open to the British and how large a catch they would be allowed. The main issue between Reykjavik and Bonn is the type of fishing boat that would be allowed to operate within the 50-mile zone. Iceland would like to limit, if not completely ban, West German trawlers to prevent massive catches that would deplete resources. Large factory and freezer trawlers make up the bulk of the West German fleet.

During a round of talks last month, Iceland and West Germany reached a tentative agreement permitting some freezer trawlers to operate within the 50-mile zone. Iceland later canceled this agreement because of opposition within the governing Independence-Progressive coalition. Although the canceled agreement was more restrictive than the one negotiated with the UK last year, critics claimed that the presence of even a limited number of trawlers was unacceptable.

Iceland's past disputes over fishing rights have evolved into contests among its political parties. They have vied with one another in advocating an aggressively nationalistic line to protect Iceland's most important industry. The current government, formed last August, is anxious to prove that it can be just as tough as the previous center-left coalition. Even though Iceland is apparently determined to crack down on fishing violations, Prime Minister Hallgrimsson has not ruled out negotiations with Bonn, and the recent incidents could lead to an early resumption of talks.

**ICELAND: ANOTHER FISHING DISPUTE**

[62 - 64]  
A long-simmering dispute between Iceland and West Germany over fishing rights developed into a skirmish last weekend when the Icelandic Coast Guard seized one West German trawler and chased another from its unilaterally declared 50-mile fishing zone. Bonn, charging piracy, demanded the release of the trawler and closed one of its ports to an Icelandic ship.



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**EC-ARAB DIALOGUE STALLED**

[65 - 70]

The Nine have been unable to agree thus far on a response to an Arab League demand that the PLO be given observer status in the EC-Arab talks on economic cooperation initiated early this year. As a result, the Arabs refused to attend the first meeting of the joint general commission, which had been scheduled to meet in Paris last week to set up working groups. The EC is likely to propose a compromise that might permit an organizational meeting with the Arabs before the end of the year.

The EC foreign ministers, at their political consultation meetings last week, agreed that they would not accept Arab conditions that would put a "political burden" on the dialogue. If, as expected, the Arabs introduce political subjects at an eventual general commission meeting, the EC president has been authorized to reiterate the EC's declaration on the Middle East of November 1973, and to note that the present dialogue is not concerned with issues related to a political settlement in the Middle East.

The Arabs' refusal to hold the Paris meetings is clearly a pressure tactic designed to exploit the EC's eagerness to establish a closer relationship in the hope that this will help protect oil supplies and aid in recycling petrodollars. Arab obduracy will lead to intensified efforts by the Nine to reach a compromise among themselves that would permit PLO attendance while preserving the EC's intention to keep the dialogue from becoming a political forum for Middle East problems.

Attitudes toward granting the PLO observer status vary within the EC—France, in particular, has tried to accommodate the Arabs—and the matter may have to be resolved at the EC summit next month. It is unlikely that the general commission meeting will take place until after the first of the year. The Nine may, in fact, propose an indefinite postponement of the general commission meeting—and thus put off the question of PLO observers—but suggest that the two sides get together next month, in an as yet undecided forum, to set up working groups. By such a tactic, they apparently count on the Arabs not to reit-

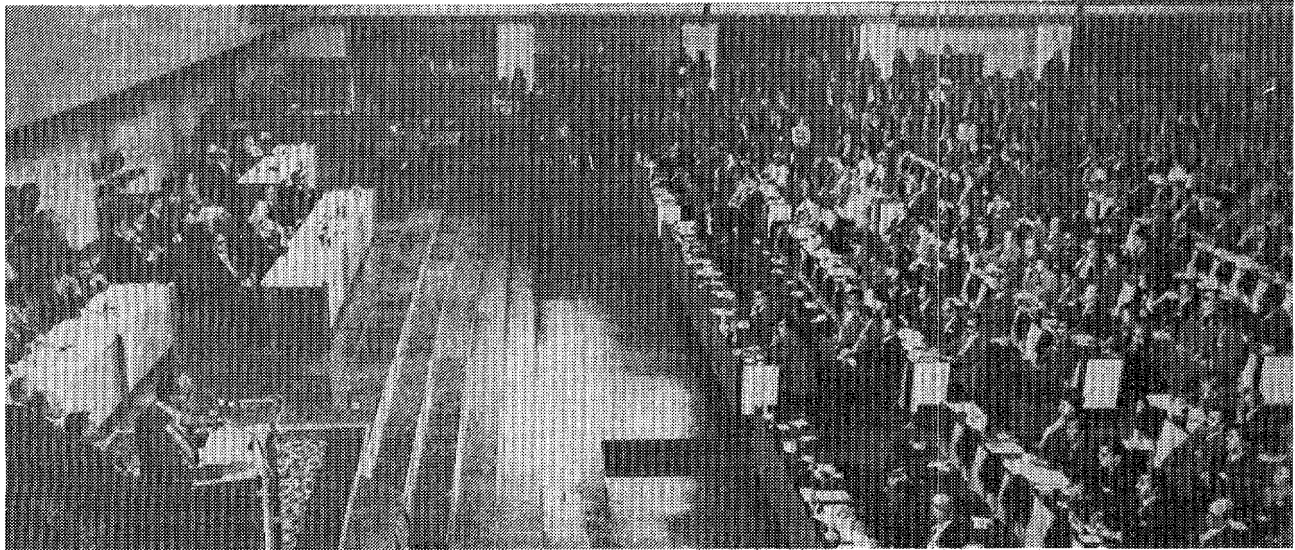
erate their demand that the PLO also have observer status in the working groups.

The EC Commission expects the dialogue to continue to develop slowly. It has proposed draft guidelines that attempt to make the proposed cooperation of practical value to the Arab states, some of which are very poor and in need of the kind of technical and commercial assistance that the EC could provide. The guidelines include:

- giving priority to a few relatively modest agricultural projects that can be implemented quickly and primarily in the poorer Arab countries;
- financing of initial projects by the oil-producing countries, with the Nine providing technical assistance;
- vocational training of young Arabs in the EC countries;
- priority for "inter-Arab" projects involving more than one country;
- possible establishment of an ad hoc committee for mineral exploration in the Arab countries.

Meanwhile, EC solidarity on the PLO question held up reasonably well during UN votes last week. The Arabs made a strong pitch for the Nine's support of the UN resolution affirming the rights of the Palestinians, going so far as to soften somewhat the text at the last minute. Although some EC members—including the West Germans and the British—felt strongly that the final resolution still demanded a negative vote, a common position supporting abstention was maintained. On a second resolution giving the PLO observer status at the UN and at all UN-sponsored conferences, however, the French broke ranks by voting in favor while the other eight members abstained.

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## WORLD FOOD CONFERENCE CONCLUDED

[71 - 73]

The UN World Food Conference ended on November 16 with general agreement on long-term goals to meet world food needs. A World Food Council was established to deal with the 22 resolutions adopted by the 130-nation conference. Key recommendations include:

- a food aid program of at least 10 million tons of grain a year;
- an internationally coordinated system of national grain reserves;
- an international agricultural development fund;
- a global information and early warning system on food and agriculture.

Official reaction to the results of the World Food Conference from both developed and developing states has been marked by cautious optimism in spite of critical press reaction to the alleged failure of the conference to deal with immediate food aid problems. Much of the press, however, did acknowledge that the conference's

aim was to set the stage for worldwide cooperation on long-term food supply problems and that it was not intended to deal with immediate food needs.

Most states are still analyzing the impact of the conference's myriad resolutions and are waiting for follow-up initiatives to begin. Although current food needs were not on the agenda, Food and Agriculture Organization Director Boerma has called a meeting on November 29 to discuss the immediate grain needs and financing problems of the larger grain-deficit nations, particularly India, Bangladesh, and other Asian countries. Major grain exporters, including the US, will participate. The meeting will again test the willingness of the major grain exporters and the oil-rich states to provide aid. In separate initiatives, the US is working to convene a grain exporters' planning group in London in January. This group would review grain production plans in light of the resolutions passed at the World Food Conference and lay the groundwork for a plan for longer term food assistance and for a follow-up meeting of a larger international coordinating body to discuss national reserve policies.

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Although most of the conference delegates returned home in a positive and conciliatory frame of mind, the generally well-balanced and constructive resolutions and provisions for follow-on organizations and committees must still be formally cleared by the UN Economic and Social Council and by the General Assembly. Radical states among the developing countries' Group of 77 could try to impose extreme positions that many developed states would oppose. Food issues, however, are of such great concern to the poorer developing countries that support for measures that would damage the results attained at the Rome conference are unlikely. [redacted]

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because uncompleted or defective parts and sub-assemblies are replaced or repaired only after all assembly operations have been completed, up to three RYADs are cannibalized to produce one workable machine.

In the USSR most high quality integrated circuits are pre-empted by the military. The Soviets do not yet produce in commercial quantities the more advanced type of integrated circuits needed for the largest systems in the RYAD family. East European production of RYADs is dependent upon hard-to-get components and parts from the USSR and the West.

Shortages of modern peripherals, or input-output devices, are also delaying production of RYADs. Some necessary peripherals are in limited production, and others depend upon Western imports for critical parts.

#### USSR: RYAD COMPUTER PRODUCTION LAGS

[ 74 ]

The Soviet program to build modern third-generation computers is off the ground but moving slowly. Last year, the USSR and Eastern Europe together produced an estimated 100 to 150 RYADs, far below the 3,000 to 4,000 units per annum implied in earlier forecasts by Soviet officials. The Soviets have produced most of them, and they are overwhelmingly the slow speed, low capacity ES-1020 type. Higher capacity models are being produced in very small numbers or are still in prototype. Moreover, speeds of models in production are 25 to 50 percent below original design goals. The fastest and highest capacity machine—the ES-1060—is still in the design stage.

RYADs that have been produced and delivered have limited usefulness owing to shortages of software programs and the absence of efficient maintenance support services. IBM-360 series software, which the Soviets had hoped to use directly, cannot now be run on RYADs without costly modifications. Moreover, because of technical variations among RYAD models, the same IBM programs may require separate modifications for use with each RYAD system. Soviet development of software needed to make all RYADs compatible with each other is apparently still several years away.

At the principal Soviet RYAD manufacturing facility, RYADs compete with MINSK-32s—a second generation computer that is obsolete by US standards—for production time, space, and resources. Both systems are produced on the same line, and by the same labor force, during alternate days or weeks. Assembly operations are largely manual and lack modern high-productivity machinery and techniques. Further,

Without massive Western help, the RYAD program will continue to limp along, further delaying Soviet plans for a nationwide data processing network and for improving efficiency in Soviet plants. The Soviets already have indicated that the Minsk plant, which could boost RYAD output by as much as 600 units annually, even with existing outdated manufacturing methods, will continue to produce mainly MINSK-32s at least through 1975. [redacted]

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## ROMANIA: ON A NOTE OF DEFIANCE

[ 86 - 82 ]  
President Ceausescu opened the 11th party congress on November 25 with one of the most forceful reaffirmations of Romanian national policy and independence since 1964. Speaking to an audience that included Andrey Kirilenko, Brezhnev's unofficial deputy in the Soviet party, Ceausescu called for a new order both in international relations and in the world Communist movement. He repeatedly emphasized the need for equality, sovereignty, and noninterference in the internal affairs of other states pointing out that these needs are nowhere greater than in the Communist movement itself.

Ceausescu indicated that Romania would participate in preparatory meetings for a conference of European Communist parties, but rejected Moscow's claim to hegemony in the movement. In language scarcely calculated to please the Kremlin, he asserted that:

- absolutely nothing must be undertaken to weaken the unity of any Communist party;
- no interference by any party in the affairs of another party can be tolerated;
- other parties should not be discussed, criticized, or condemned;
- Romania will not become involved in censuring other parties;
- a world Communist conference is "not of topical interest."

In his treatment of international issues, Ceausescu expressed "great joy" over Romania's improved relations with Peking, and noted that relations with Yugoslavia are progressing. He also pointed to the joint declaration signed with the US in 1973, noting that it incorporates many of his principles for building confidence and trust in international relations. He even acknowledged a role for the middle class in the struggle to build new relations between nations.

The Romanian leader came down hard on the need to do away with "antagonistic military



Ceausescu

blocs." His call to dismantle foreign military bases and to withdraw all foreign troops from the territory of other states strikes equally at NATO and the Warsaw Pact.

On the domestic side, he held out little hope of relief from the hectic pace of forced industrialization. In a move that enables him to undercut critics of his so-called personality cult, Ceausescu put on an unusual display of modesty in turning down a proposal that he be elected as the party's secretary general for life.

Ceausescu's stubborn restatement of Romania's independent positions probably came as no surprise to Moscow. If past practice is any guide, the Soviets will focus their commentaries on Ceausescu's recognition of the importance of cultivating close relations with the USSR and his praise for Soviet initiatives in pursuit of detente, thus keeping relations with Bucharest at their present level of chilly politeness.

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## ARGENTINA: THE GOVERNMENT SCORES

[ 83 - 85 ]

The Argentine government has taken strong action against political leftists and terrorists in outlying provinces. Early this week, President Maria Estela de Peron ordered the dismissal of the leftist Peronist governor of Salta. In Cordoba, security forces captured a large number of terrorists and several arms caches.

The removal of Governor Raul Ragone of Salta concludes a "corrective" process begun by Juan Peron to replace leftist governors, who came to power under Hector Campora, with more conservative Peronists. Seven provincial governments have been overturned—the remaining 15 provinces were already under "orthodox" leadership.

National security forces are having a measure of success in their drive to stamp out leftist guerrillas. The capture in Cordoba last week of a large number of extremists working for the People's Revolutionary Army and the retrieval of weapons

there and elsewhere could deal a setback to the subversive cause.

Evidence is still fragmentary, but improved communication between the army and police probably accounts for the government's headway in finally getting the counter-terrorist program under way after a number of embarrassing false starts and failures. Press reports suggest that the police, acting under a stage of siege that gives them broad search and arrest powers, have improved their intelligence capability and are scoring major successes for the first time.

The tide, however, has probably not turned yet. The two principal guerrilla groups, which may now be cooperating with each other, have withstood reversals in the past and have resumed the offensive with a vengeance.

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**MEXICO: LISTENING TO THE PUBLIC**

[86,87]  
The Echeverria administration, faced with an outcry over recent tax proposals, has shown a rare willingness to listen and respond to public opinion. The urban middle class, hardest hit by the taxes, made its discontent known through the media and the congress. Although all of the taxes originally proposed will be in effect by the first of the year, public pressure forced the government to make some significant accommodations.

The tax on low-grade gasoline was reduced, public transportation was exempted from the gasoline tax, and taxes on restaurant tabs will apply only to luxury restaurants. Heavy taxes on sales of automobiles, boats, and beer will remain as originally proposed. An additional income tax will be levied later on higher wage earners. The government is billing the package as essential to control inflation and to reduce the country's dependence on foreign credits. It argues that new revenues are needed to stimulate the lagging production of food and to develop long-neglected rural areas.

This rationale has not convinced middle-class Mexicans, the country's most disparate, under-represented group. Citizens of all political persuasions are especially rankled by the steep (50 percent) tax on gasoline, questioning such a hike at a time when important oil discoveries have been made.

Echeverria, evidently anticipating resistance to the taxes, invited comment. Although Mexican congresses rarely tamper with a president's legislative proposals, congressmen—including several

from the governing party—for once delved into substance and expressed their misgivings. Opposition spokesmen condemned the government for penalizing middle-class wage earners for its own ineptness and dishonesty in managing the economy.

The liveliest debate was in the press, which the Echeverria government has given a somewhat freer rein during the last year or so. The complaint most often expressed is that the urban middle class was being asked to bear a disproportionate burden. The left faulted the government for allowing foreign-dominated businesses to escape new taxes. What is needed, said the left, is radical fiscal reform to shift the weight of development to those reaping the profits. The right asserted that the government is wasteful and corrupt, and called for more austerity and integrity. One middle-of-the-road columnist sneered: "If Mexicans are going to pay taxes like Frenchmen and Americans, I assume they will also enjoy similar benefits, like free elections, a representative congress, and an end to bureaucrats who enrich themselves at the public trough."

Mexico's authoritarian political system is hardly likely to undergo that sort of reform, but the government's handling of the tax legislation demonstrates that, when pressed, it is willing to heed public opinion, debate issues on their merit, and concede to Congress some degree of the lawmaking power assigned to it by the constitution.

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