

25X1C10b

Next 2 Page(s) In Document Exempt

CHILE'S DETERIORATING ECONOMY

1. Chile's growing economic problems were acknowledged by Allende himself in his first anniversary speech on 4 November. Although the bulk of the speech was devoted to claims of the government's material accomplishments, Allende did note a number of the problems. He admitted there were scarcities of food and consumer goods, that mining production was off and that miners' wages would be tied to gains in production. In foreign economics he said his government was the "most heavily indebted in the world" on a per capita basis. Five days later Allende announced that the Popular Unity government would seek to renegotiate Chile's huge foreign debt of some \$4 billion and tried inaccurately to blame Chile's current balance-of-payments crisis on economic mismanagement by previous administrations and "unilateral actions" by the U.S. government.

2. The real reason for this crisis in the Chilean economy lies in the fact the Allende government has continued expansion-type policies contrary to its own Central Bank recommendations that it curtail deficit spending (now estimated at thirty per cent of government expenditures), raise prices charged by nationalized enterprises, allow prices on luxury goods to rise, reassure private investors and devalue the escudo to stimulate exports and reduce imports.

3. When the Allende government took over one year ago, Chile's foreign reserves amounted to almost \$400 million, but because export earnings from the nationalized copper industry have declined, food import requirements have increased and foreign lines of credit have dried up, these reserves have now plunged to just above \$100 million.

a) Large-scale foreign aid and credits during the past decade sharply increased Chile's external debt (to approximately \$2.3 billion), with the heaviest repayments scheduled during the next few years (an average \$330 million annually during 1971-1973). Nevertheless, Chile could have covered its debt service obligations if copper production had increased by some forty per cent as it was expected to do under the U.S. companies' expansion program.

b) Instead, the nationalized mine operations have suffered from inefficiency, absenteeism and a lack of labor discipline, and therefore the actual increase has been only a little over four per cent. This, combined with a twenty-two per cent drop in international copper prices, has reduced the expected copper export earnings by about one-half billion dollars, with indications the gap will be even greater in 1972.

c) The administration's agrarian reform policies, with resulting shortfalls in agricultural production, have led to a sharp rise in import requirements. There have been widespread embarrassing shortages of food and other consumer goods imports in spite of more than double the 1970 foreign exchange expenditures for these very items.

d) Chile's inability to meet its foreign debt obligations is also a result of the Allende administration's radical policies and the subsequent decline in Chile's credit rating. Foreign lines of credit have dried up and few new loans have been extended. The Communist loans have all been tied to specific projects and cover purchases of goods and services only from the creditor country.

4. Likewise, basic facts and figures belie Allende's allegation that U.S. "unilateral actions" are in part responsible for his country's foreign exchange crisis. The U.S. ten per cent surcharge affects only 5.7 per cent of Chile's exports to the United States and less than 0.7 per cent of its total exports. Although U.S. economic aid was substantial in the early years of the Frei government, it was reduced to less than \$25 million in 1970 because of Chile's high copper earnings and rapidly increasing foreign reserves. Since no new aid projects were scheduled for 1971, the aid cut-off has little economic effect.

5. Allende also erred when he claimed that Chile's per capita external debt is the world's highest. Cuba has the highest foreign debt: \$3.3 billion or \$390 per capita as compared to Chile's \$2.3 billion or \$250 per capita. Furthermore, Chile might well bear in mind that ninety per cent of Cuba's debt is with the Soviet Union, a factor which has limited Cuba's freedom of action in both the economic and political spheres.

Allende's costly takeover

THE international politics of extracting natural resources is rarely tranquil, and the case of Chilean copper may yet rival the oil of the Middle East for intrigue and complications. Besides the main adversaries, Chile and the United States, the French are peripherally involved and the Soviet Union has played a fascinating if so far limited rôle.

The US Government came into conflict with Chile when President Allende made clear that in nationalising copper he did not intend to pay American-based companies anything like what they felt was the value of their holdings. Señor Allende announced this intention the day that Congress unanimously approved the constitutional amendment enabling nationalisation.

On what is now known as "the Day of National Dignity," July 11, Señor Allende accused the companies Anaconda and Kennecott of having mismanaged the copper mines and taken out excess profits. To sustain the mismanagement charge he referred exclusively and exhaustively to investigations by a French firm "of indisputable prestige" as well as by a Soviet team.

Eager

Señor Allende's résumé of those studies gave a picture of bumbling and greed by the companies that would cost Chile dearly in its future development of the copper mines.

An eager press was told that the French and Soviet studies would not be made public. The team of the French Mining Society — in which the French Government has a majority holding — had departed without leaving a copy with its own Embassy.

But secret papers are at least as vulnerable in Santiago as in Washington, and the French report was passed to the Opposition newspaper "Mercurio." The paper published the text, which turned out to be a mild compendium of criticism and praise of the mines. If Señor Allende's accusations were mined from the French document, it had undergone

severe refining.

The use made of the French report has become an issue in Paris as well as in Santiago (no one has denied the authenticity of the "Mercurio" text), and it is understood that this will be the last such undertaking by the French Mining Society.

In the partisan press it was suggested that the French experts were few and were at the mines barely a month, and their firm was not all that expert in copper anyway.

At this point, the Communist Party paper, "El Siglo," published the text of the Soviet investigation of the mines. It was highly critical of the past performance of the American companies and many of the President's denunciations seem to have come directly from it.

So did the Government's case to the Comptroller for subtracting millions of dollars from the book value of the mines because of alleged mismanagement.

The Opposition press suggested that the Soviet experts, who themselves were at the mines less than a month, took most of that time overcoming the language barrier and the rest pirating ideas from the American machinery for application at home. "El Siglo" saw the report as saving Chile in the nick of time by the application of superior Soviet technology.

In any case, on October 11 the Comptroller issued his finding that the major Anaconda and Kennecott holdings fell far short of deserving any indemnity whatever.

Extract

The American Secretary of State, Mr Rogers, hinted at economic reprisals, and the Chilean Government in turn threatened measures to counter any foreign interference. To many Chileans and Americans it sounded like the start of the Cuban sequence 12 years ago when Fidel Castro took over American interests and turned to Moscow after US sanctions.

There are Communists in the Allende Government who wish to cut all market and credit ties with the United States and to turn to the Soviet Union with Soviet links. If they took satisfaction in the rôle played

by the Soviet study in afflicting the American companies, the Communists must have been perplexed by what happened next.

On Tuesday, Senator Frank Church (Democrat, Idaho) revealed that at the very moment when the Soviet experts' report was being used against the companies in July, Mr Kosygin was proposing that the companies should extract copper from Siberia.

The Soviet study had said: "The decision taken by the Chilean Government to carry out total nationalisation of the big copper companies and the creation, in this way, of a State direction of copper activity, is a transcendental step in the task of organising copper production . . ."

But Mr Kosygin was telling David Rockefeller, of the Chase Manhattan Bank, that American companies could come in alone in association with Soviet teams to mine the copper, and could take their pay in the copper itself.

For Chile, such a development would mean competition for major export, and a possible immediate effect on the already weakened price of copper. It also suggested that the Soviet experts had not found the performance by the American companies so deplorable after all.

The next day, the Chilean Minister of Mines said there was plenty of room in the market for everybody, and added that Chile's Ambassadors in Washington and Moscow were asking for more information.

○ In Washington Mr Rogers let it be known over the weekend that the US is prepared to invoke the so-called Hickenlooper Amendment if Chile persists in its refusal to compensate the copper companies.

If that happened — and it would be the first time that the US had used the special powers voted by Congress in 1964 — it would mean that all direct American aid and some aid given through international organisations to Chile would be cut off.

At the moment Chile is expecting some \$20 millions of US aid that is now in the pipeline. On top of that there is another six or seven million dollars in food aid and military equipment that has yet to be delivered.

CPYRGHT

Economic Crisis in Chile

Eroding Allende Support

SANTIAGO, Chile, Oct. 28—

An economic crisis with serious political implications is being grudgingly recognized as a reality by Chile's left-wing Government, as well as by Opposition parties and business sectors.

President Salvador Allende Gossens, in a sometimes angry talk to heads of Government departments recently, said that without a greater sense of responsibility in public management "we are headed for an irremediable failure in the short run."

Luins Corvalá, secretary general of the Communist party, which forms part of Mr. Allende's Popular Unity coalition, said there were signs that Chile's revolutionary regime was losing public support.

The National Council of the Christian Democratic party, Chile's major Opposition force, declared after a weekend meeting called to analyze the political situation that Chile faced "the worst economic crisis in her history."

Businessmen Pessimistic

An assembly here of businessmen and industrialists from all over Chile found prospects for the survival of private enterprise very uncertain even in areas that Dr. Allende has said should remain outside of state ownership.

The speakers who drew the most applause at a meeting of Chile's Confederation of Commerce and Production were those calling on businessmen and workers who do not want to be state employes want to "political action" against the establishment of a full Marxist regime.

The recent signs of official concern over the political consequences of the economic crisis grow out of some situations of which the public has been aware for some time and of others that are perceived mainly by technical analysts.

Economic stress is most apparent in the shortages that have developed in some consumer goods. The problem is discussed constantly here in markets, in homes and on buses, and is a daily topic in the Opposition newspapers and in radio commentaries.

The shortages are most noticeable in markets. Beef is

month and poultry and eggs are frequently not to be found. Dairy products and canned goods are often missing from store shelves. Supplies of cloth have been irregular since textile mills were nationalized.

Black Market Is Busy

There are many signs of black market operations. Chickens and eggs are delivered at homes in the wealthier districts at prices well above those set by the price control agency. Small dressmakers and producers of metal goods are paying well above official prices for supplies they obtain from middlemen who have access to unregulated sources.

Earlier this year, after the Government authorized wage increases of 40 to 60 per cent and put controls on the prices of most consumer goods, Chileans went on a buying spree.

This was a period of great popularity for Dr. Allende and his coalition. In April, Popular Unity candidates won nearly 50 per cent of the votes cast in municipal elections, well above the 36.3 per cent won by Dr. Allende in the Presidential election of September, 1970, in a three-way race.

The Government's attempt to hold prices down is now under severe pressure because of inflationary money, wage and credit policies that have been followed since November. The money supply has risen 75 per cent since December and the Government has an enormous deficit. The official cost of living index shows a 14 per cent rise in prices during the first nine months of the year, but this is not regarded as an accurate reflection of the price situation, nor of the growing pressures.

Among these is a deficit in the balance of payments that may reach \$200-million by the end of the year. Last year Chile had a favorable balance of \$132-million.

The immediate effect is a new push by labor for wage increases. Dr. Allende flew today to the nationalized copper mines at Chuquicamata and El Salvador, formerly owned by Anaconda, the United States mining company, to try to talk the workers out of demanding a 50 per cent raise this year.

Dr. Allende has disclosed that the cost of producing copper in

May has risen to an average of 47 cents a pound. The international market price is 49 cents a pound.

This leaves Chile with a very narrow profit margin from copper exports, which account for 80 per cent of foreign income and a major part of Government revenues.

Recent elections in student associations, some unions, and professional groups have been lost by candidates identified with Popular Unity.

Two By-Elections Due

The death of a Christian Democratic Senator last week and the departure for Australia of a Federal Deputy for the Opposition National party will offer a new opportunity in January for voters to express their preferences between Popular Unity candidates and the Opposition. These by-elections will be in the senatorial district covering the provinces of O'Higgins and Colchagua and in Linares.

Both districts have been the scene of rural violence this spring in which radical revolutionary groups, particularly the Revolutionary Peasant Movement led by pro-Cuban students, have been invading properties not taken over by repudiated violent seizures and asked patience while large properties are taken over under the reform program.

Further south, in cautaín province, one of a group of Mapuche Indians who invaded a farm was killed by the owner in a gun fight last week. The farm owner's nephew was critically wounded. Twenty-two persons are under arrest in the latest of a serious of incidents involving violence over land seizures in recent weeks.

This rural violence is another factor that perturbs the Popular Unity coalition. Dr. Allende has repudiated violent seizures and asked for patience while large properties are taken over under the reform program.

But the Government has shown little initiative in arresting the radical activists who push these invasions, partly because the Socialist party in the governing coalition is demanding more political militancy, asking, for example, that the present Congress, now controlled by the Opposition, be replaced by a "Popular

CPYRGHT

Chile Seeks Negotiation Of Debts

SANTIAGO, Nov. 9—President Salvador Allende announced today that Chile will call in its creditors to renegotiate \$3 billion in foreign debt, over half of which is owed to the United States.

Blaming the debt service crisis on the borrowing policies of past governments, Allende said his year-old government "has resolved to renegotiate the external debt with the object of satisfying adequately the interests of the country and its creditors."

The \$3 billion figure does not include another \$728 million in debts accrued by the government when it nationalized American-based copper companies. While Chile intends to pay no indemnization for the major mines, it has indicated that most of their inherited debts would be honored.

Allende made the announcement on television and later at a news conference dominated by the one story absorbing all of Chile's press—the arrival Wednesday of Cuban premier Fidel Castro.

Chile has the world's highest per capita debt along with Israel, according to Allende, and recent economic difficulties have made its renegotiation widely expected.

Indeed, the more militant wing of Allende's Socialist Party includes many members who have called for repudiation of the debt.

But Allende chose the conciliatory stand of negotiation. He put it this way:

"The government understands that any state, in ex-

ercise of its sovereignty, can and ought to take measures, tending to protect its development and level of living of its people. The United States, to confront its own balance of payment crisis, has adopted unilateral measures with this as the object.

"The government of Chile, nevertheless, prefers not to use that approach."

Thus, he said, Chile asks the creditors to negotiate to periods of payment and to consolidate the debts.

Allende referred to numerous precedents for the action, including renegotiations by Ghana, India and as recently as 1968 by Peru. However, Peru at that time was only able to renegotiate about 30 per cent of its outstanding debt.

Negotiations of this type usually are drawn out and are seldom satisfactory to the debt-ridden country. Frequently the result is that the debt is extended but the interest charges are increased.

However, bankers point out that given the widely held view that Chile might repudiate its debt, the disposition to negotiate might find the lenders also forthcoming. An official in the U.S. AID mission termed Allende's statement as conciliatory.

An official government accounting at the end of last year put the debt at \$2.8 billion, not including private debt. Of that, about \$550 million was in AID loans, \$335 million in export-import Bank loans and \$300 million in lending by private U.S. institutions to the Chilean government.

"There are several precedents for the American government

renegotiating debts of this sort, and a Chilean opposition leader just back from New York said he found the private banks there disposed to take the same position.

Among the reasons Allende gave for Chile's difficulties were the closing of credit lines on the order of \$190 million because of failure to meet obligations by the private Edwards Bank here. The bank denies this allegation.

Allende wore his most serious expression during his exposition of the debt situation, but he lightened up on the question of Castro's visit.

After arrival on Wednesday, the Cuban leader is to leave Friday for the northern desert to visit copper and nitrate mines.

He then will turn south to Concepcion, center of the steel industry and home of the most radical student groups calling for violent revolution—Allende pointed out carefully that while he admires greatly the Cuban revolution it is not the same as that desired here. Finally, Castro is to go by boat through the channels of the extreme Chilean south to the city of Punta Arenas on the Straits of Magellan.

Allende is an old friend of Castro and the entire left of this ever more leftist country considers itself to be a friend equally.

Although Allende had declared last Thursday that he would submit to congress today his proposal for amending the constitution so as to replace the bicameral congress with a one-house body, he failed to put that bill in. It apparently got lost in the rush to prepare for Castro.

Chile, Reserves Low, Will Seek Renegotiation of Payments on Her \$3-Billion Foreign Debt

CPYRGHT

SANTIAGO, Chile, Nov. 9— President Salvador Allende Gossens announced today that Chile would ask her foreign creditors to renegotiate payment of debts totaling more than \$3-billion.

Dr. Allende, who is preparing to receive Premier Fidel Castro of Cuba here tomorrow, said that payment of the debts on schedule was incompatible with sustaining an adequate rate of development in the new socialist structure of investment in Chile.

The foreign debt is concentrated in the United States through past foreign aid loans and bank credits. The current schedule calls for payment of \$300-million dollars this year, \$400-million in 1972 and a like amount in 1973.

These payments are equivalent to 30 to 40 per cent of Chile's foreign earnings from exports. With copper production below expectations and world copper prices lower than last year, Chile's main source of foreign exchange is restricted.

In addition, foreign banks have reduced lines of credit to Chile totaling \$190-million, Dr. Allende said.

The presidential announcement came in a surprise radio and television speech early in the afternoon. It amounted to official recognition of a foreign-exchange crisis.

Later, at a news conference Dr. Allende said Chile's foreign debt problems had been aggravated by "unilateral United States actions" such as the

establishment of a 10 per cent surtax on imports and "suspension of foreign aid."

To Sail Through Strait

He said Chile would continue to make payments on her foreign debt on schedule, but that creditors would be asked to "renegotiate the debt structure."

Dr. Allende also said he would take "my old friend Commandante Castro" on a trip the length of this 3,000-mile-long country between the Andean peaks and the Pacific Ocean.

The visit will include meetings with workers at the nationalized copper mines, rallies in key cities, and a trip through the Strait of Magellan.

The political importance of the visit, Dr. Allende said, was that Mr. Castro's presence here would be public recognition by the Cuban revolutionary leader that "Chile is living a revolutionary process under a revolutionary government, although with tactics different from those used in Cuba."

"The end is the same, however, to make Chile politically independent and economically sovereign," he said.

Since Dr. Allende took office last November, Chile's reserve position of nearly \$400-million had been reduced by more than \$250-million dollars through increased imports, a virtual ending of private foreign investment and the shrinkage of credit.

The most critical problem is in production of copper, which has slumped since the Government established state administration of the mines and then nationalized the five biggest

properties involving United States investments.

Production of these mines is now estimated at 580,000 metric tons, well below the more than 800,000 tons expected this year under an expansion program involving investment of over \$500-million since 1965.

Dr. Allende said the proposed renegotiation would not include the \$736-million debts that Chile has taken over from the copper companies through the nationalization program.

While seeking renegotiation of the debt with western creditors on softer terms, Chile has announced she has obtained \$250-million in additional credits from socialist countries since Dr. Allende took office.

In his speech today, Dr. Allende said, "unless there is a restructuring of the accumulated debt, the country will face serious balance-of-payments problems, which cannot be corrected through partial internal measures in exchange policy or in foreign trade."

Move Was Expected Here

By H. ERICH HEINEMANN

Bankers with close ties to Latin America said last night that they had been expecting President Allende's announcement that Chile would have to renegotiate her foreign debt for a long time.

"It had to come," said one senior banking official here, citing the sharp decline in Chile's reserves of convertible foreign currencies.

In Washington the State Department declined official comment on the announcement.

Informants said that Chile's

intention to renegotiate her foreign debts had been known for some time as her economic situation continued to deteriorate.

"Copper production hasn't brought in the foreign currency that the Allende regime has been counting on," said one Washington source who declined to be identified. "Obviously, as the economy goes on running downhill, it's becoming harder for Chile to meet her interest payments and take on new development loans."

In New York, bankers with close acquaintance with Chile said that the \$3-billion mentioned by Dr. Allende represented her entire foreign debt, with the exception of that related to the takeover of the copper companies.

The vast bulk of this debt, sources said, was basically governmental in character and was owed to agencies such as the International Bank for Reconstruction and Development (the World Bank), the Inter-American Development Bank, the Export-Import Bank of the United States as well as Government export-financing agencies in West Germany and France, among others.

The debt owed to private banks in the United States, bankers said, was probably between \$200-million and \$300-million at the present time, though no precise estimate of its amount was possible.

Bankers explained that there was no single, large loan to the Chilean Government that had been extended by banks in the United States, but rather a multiplicity of relatively small credits that had been extended to finance Chilean trade.

Marxist Chile After One Year

SANTIAGO, Chile — A ranking economic official in President Salvador Allende Gossens's Government recently took part in a seminar for lawyers discussing the technical ways and means of expropriation in Chile.

The official apologized to the lawyers for his lack of legal expertise, but he assured them of one thing: the motivation behind every important economic decision by Chile's Marxist-oriented Government is political.

That may be true in any country, but in Chile the politics are socialist and the economy is still capitalist. As the country approaches its first anniversary under Marxist management, the Chilean economy is an odd amalgam of relatively high employment and consumer shortages, price controls and inflation struggling to get away, high consumer spending and rapidly falling reserves of foreign exchange.

To understand the sometimes confusing picture of an economy in transition from capitalism to socialism within a traditional legal framework, it helps to bear in mind the political uses of economic policy.

President Allende's Administration has used economic policy to make its electorate happy with more money to spend, as well as to destroy the economic power base of its political enemies in banking, textiles and farming. It has declared its independence from the United States, the "imperialist enemy" that was once the prime source of Chile's foreign credit and capital, by making it clear that little or no compensation will be paid for American equity in nationalized copper interests.

The Government has raised wages, held prices, nationalized banks, farms, textile mills and other plants all by using existing legislation and the pressure power of organized labor. Only the nation-

alization of the minority interests of three American companies in five copper mines last July took new legislation — a special constitutional amendment was passed unanimously in a Congress dominated by the opposition.

The Government has also used the complex web of Chilean labor and tax legislation and the strong discretionary powers of the Presidency to take companies it wanted and to force others to produce in the face of rising costs.

The Kennecott Copper Corporation had a bill for back corporate income taxes of \$20-million entered against its 49 per cent interest in the El Teniente copper mine after the mine was nationalized. Companies that balk at facing the Government price line find themselves in labor troubles with unions led by a confederation dominated by the Communist and Socialist parties. The two Marxist leaders of President Allende's coalition Government. The other members of the coalition are the non-Marxist Radical party and three smaller groups.

Business, on a cash-and-carry basis, has been good — if the company involved is not one the Government wants to bother. But, with some exceptions, American companies have been high on the bothering list.

Besides the copper companies, Ford, the Bank of America, Bethlehem Steel, Northern Indiana Brass and Purina have left Chile. International Telephone and Telegraph is under pressure on its \$153-million telephone company, and General Motors, First National City Bank, Dow Chemical and du Pont are on the way out or looking for a way out.

Oil and pharmaceutical companies, as well as General Electric, General Tire, Gillette and RCA, however, have stayed.

"For consumer goods, business is good," said a Santi-

ago banker. "The profit margin is down, but sales are up."

As a result of this kind of policy, unemployment in the industrial area centered in Santiago has fallen from 6.4 per cent last September to 4.8 per cent this month. Chile's limited industries are working at near capacity to supply consumers on a spending spree, and production may increase by 10 per cent this year.

Yet there has been little or no new investment. Agricultural production has been crippled by political uncertainty followed by the expropriation of 1,400 farms for agrarian reform, and food imports have risen by 60 per cent thus far this year.

The Society for Industrial Development, the Chilean equivalent of the National Association of Manufacturers predicted in a technical report delivered to the Government last week that this year's budget deficit would be a record 11-billion escudos, (\$1.38-billion) or about one third of the budget. The same report estimated that foreign-currency reserves had been falling by \$17-million per month and might stand at \$100-million at the end of the year. And Chile has a foreign public debt of \$2,275,000,000, almost half of it in United States hands.

"Copper is Chile's salary," President Allende is fond of saying, and copper export earnings were supposed to have financed his policy. But production has not reached expectations. It might total 700,000 tons for one year, 30 per cent below the January estimate. Furthermore, the price of copper has been falling.

Foreign observers, using traditional economic analysis, predict that the over-heated economy is heading for a moment of truth with foreign creditors sometime after the first quarter of next year. The Government, committed to making the transition to socialism without shutting

Chile off from the rest of the world the way the Soviet Union, Cuba and China had been, says no.

"There is no possibility that Chile will declare a unilateral moratorium on her foreign debts unless a situation is created for us with no normal renewal of credits and no new inputs of capital," Pedro Vuskovic, the Minister of the Economy, declared in an interview last week. Using very cautious phrasing, Mr. Vuskovic, talked about Government economic strategy at the end of his normal working day. It was 9 P.M.

The minister, a Marxist economist without party affiliation, said that he foresaw two tactical changes within the same economic strategy for 1971. Wage increases well beyond inflation, used to redistribute income this year, will probably be repeated next year, although increases will in no case fall below inflation. Investment, virtually nonexistent, will have to be increased. Mr. Vuskovic also defended the long-range economic aims of a politically dominated economic policy.

"Clearly, nationalizations, for example, set at the oligarchy, which is hostile to the Government," he said. "But they also rid Chile of a monopolistic industrial situation that was breaking economic development."

Mr. Vuskovic said he was worried by the low investment rate, the way supply has failed to meet demand and Chile's foreign-debt situation. But he predicted a real growth in the gross national product of 8 per cent this year, and pointed to the absorption of unemployment and a decrease of inflation from 38 per cent to an estimated 20 per cent as achievements in traditional terms.

"It is a little surprising," the slight, smiling minister added, "that in the uncertainty that comes with our process, we have gotten such exceptional results."

After a Year—

CPYRGHT

THE ROAD TO SOCIALISM: A ROUGH ONE FOR CHILE

Adding up results of their "revolution," Chileans find: Food is short . . . industrial output dropping . . . land reform a mess. What comes next?

SANTIAGO

A self-styled "victory of the people" is running into problems as the Marxist-dominated Government of Chile prepares to mark its first year in power.

What is more, these problems are largely of the Marxists' own making.

Return to Chile after an absence of several months and you find that the regime of President Salvador Allende—who squeaked into office with only 36.3 per cent of the popular vote—has swept this country a long way on the road to Socialism.

The seizure of giant American-owned copper-mining companies without compensation—a move legally confirmed by Chile's Comptroller General on October 11—capped a series of take-overs of U. S. and other private firms.

More than 1,300 large farms have passed into hands of peasants and bureaucrats as the result of a sweeping land reform. Most banks are in Government hands, with credit coming under state control. At the same time, Chile's new regime has opened diplomatic relations with Castro's Cuba, Red China and East Germany, and has trade relations with North Korea and North Vietnam. Chilean diplomats also are pushing a diplomatic offensive that appears designed to weaken U. S. influence in the Hemisphere.

In November, President Allende and his Socialist-Communist coalition intend to celebrate their first year in power by hailing this package of revolutionary moves as a bright new chapter in Chilean history.

Weak underpinnings. On the surface, things appear to have been going reasonably well on the domestic front. Here in Santiago, and in other cities, the shops and restaurants have experienced a booming business.

There's a run on men's clothing, with one tailor reporting a backlog of 2½ months in orders for suits. The housing market, which collapsed after last year's election, has shown a lively pickup.

The catch in this appearance of prosperity: It has not been based on solid economic gains in the country. Instead, the miniboom stemmed mostly from two measures the Government hoped would attract widespread popular support. One was to freeze prices while raising wages by an average of more than 30 per cent since the start of the year. The other was to draw on foreign-exchange reserves to keep up a heavy flow of imports.

President Allende does appear to have succeeded in buying time by promoting an era of good feeling among wage earners. But signs now are that time may be running out.

Open grumbling. In recent weeks, foreign-made consumer goods have become less plentiful. Some buses are going out of service because of a lack of spare parts.

The Government explains that these shortages result from necessary new restrictions on certain import licenses. Food, fuel and raw materials must have priority.

Chilean housewives, however, have begun to grumble openly about scarcity of some foods—particularly cooking oil, butter, chicken and beef.

Beef, mainstay of the Chilean diet, is in such short supply that the Government now permits its sale only in alternate weeks. But even during those weeks, the housewives complain that there is not much beef in the stores.

The truth behind these and other problems that have been surfacing recently, economic analysts say, is that President Allende's efforts to transform the country into a Socialist republic are steering it into serious economic straits.

Nationalization of mines, land seizures, manipulation of banking and credit, the coupling of massive wage boosts with continued price freezes, and the drain on foreign-exchange reserves—all contribute to the rising difficulties.

Faltering land reform. Take the

cultural experts say, it results from the Allende program of land reform—one drawn up by a Chilean who had spent two years as an adviser in Castro's Cuba.

The program raised such hopes among peasants that hardly had it gotten under way than young revolutionaries incited bands of the peasants to seize scores of farms themselves.

While President Allende publicly disassociated himself from such land grabs, police simply stood by in many cases on orders from the Under Secretary of the Interior, a Communist.

The legal take-overs of more than 1,000 other farms caused some trouble, as well. Hundreds of peasants marched on Santiago in August to protest the Government's announced intention of turning expropriated farms into "agrarian reform centers," rather than distributing the land directly to the workers.

In a rich valley south of Santiago, the head of a farm workers' union said:

"A lot of the workers around here are beginning to realize they were fooled. All they've done is transfer from one big landowner to another—the state. We think the land should belong to the workers, not the Government."

Some peasants, to the dismay of Marxist officials, actually are teaming up with private landowners to form corporate-style enterprises.

In these, the workers' labor is measured as a contribution toward the capital of the enterprise. At the end of the year, the workers and the former sole owners share equally in the profits.

One way or another, the Government's efforts at land reform have disrupted a large part of the countryside. Some farmers are leaving, others cutting back in the face of bureaucratic controls on credit and imports—while still others are hesitating to expand output for fear of tighter controls in the months ahead.

Agricultural output, as a result, has experienced a sharp fall-off. To make up for the loss, the Government pushed food imports in 1971 to a yearly rate of 250 million dollars, or about 100 million above the 1970 figure.

Even at this import level, food shortages continue to plague markets all over the country.

Caught in the squeeze. In the cities, businessmen are taking their lumps under Socialism.

The difficulties of doing business in Allende's Chile—for those companies that survive—are such that new investment is practically nonexistent.

It is still possible to turn a profit under the Marxist regime, and the firms that have managed to ride the consumer-goods boom of recent months have done well.

Still, all businessmen are caught in the same squeeze between big Government-ordained wage rises and price ceilings. This means they must eat into their own capital to keep operating, for the Government does not make many short-term business loans.

President Allende insists that private industry will continue to have a place in the country. But as most businessmen see it, almost all signs point the other way.

With every week that passes, new Government take-overs of private firms are announced. Some companies just quietly fold up as their funds run low.

The net effect of this steady narrowing of the private sector, economists say, will be not only a measurable drop in Chile's productive capacity but—perhaps more importantly—a serious drain on its supply of skilled manpower.

One-way tickets. For some time, the international airlines have been doing a brisk business out of Santiago airport. A significant number of the tickets they sell are to executives, engineers, farm experts and other skilled men.

These Chileans are buying one-way tickets to other countries—Argentina, Brazil, Spain, the U. S. Most have jobs waiting for them or—as in the case of engineers—are sufficiently qualified to feel assured of employment abroad.

One manufacturing company in Chile spent years putting together a highly regarded management team. Now, of its two dozen members, the top six already have left.

As for the others, they reportedly have visas and foreign jobs lined up should the Government go through with

its plans to nationalize the firm.

Copper hard hit. The most talked about flight of professionals is in the mining field. When the Government expropriated the huge El Teniente mining complex from the Kennecott Copper Corporation of the U. S., the biggest turnover of skilled manpower in a single business ensued.

Those leaving El Teniente included four general superintendents, 17 department heads and a total of 170 men. All but a handful of these were Chileans.

The copper-mining properties—ever since their seizure in July—have constituted a major headache for President Allende. He had proclaimed to fellow Chileans that “copper is Chile's salary.” Copper exports account for about 80 per cent of the country's foreign earnings, and were supposed to finance ambitious new programs.

When output fell off at Anaconda's former Exotica mine following the take-over, Allende blamed its former private managers for the trouble. Yet mining men said the difficulties could have been overcome quickly if the Government had personnel capable of coping with an unusually high limestone content found at the new mine.

Unmet goals. Strikes broke out at other mines in the early months of Government operation. Workers at one gained a 42 per cent wage increase, but not before President Allende had summoned union leaders to Santiago and admonished them, saying it was unpatriotic to strike against a company owned by the state.

Production at the mines has picked up a bit since then, but it still lags far below the targets set by the U. S. private companies under their agreements with the previous Government.

Under these contracts, total copper production was supposed to reach 1.2 million tons this year. Unofficial estimates say 1971 output will come to only 870,000 tons.

Adding to Government woes is the fact that the world price of copper has been falling. Now, as a result of the reduced revenues expected from copper,

Chile faces a fiscal crisis at home and a payments crisis abroad.

Of Chile's foreign debt, almost half the total 2.3 billion dollars is in U. S. hands. Yet Mr. Allende is defying the U. S. by refusing to pay Kennecott and Anaconda any of the more than 600 million dollars they set as the worth of their expropriated properties.

In Washington on October 13, U. S. Secretary of State William P. Rogers warned that Chile's action might jeopardize its chances of obtaining further private or public capital abroad.

Improvement, but— Such matters are of little concern to the man in the street in Chile. His interests are more basic: food, clothing, shelter, a job. So far, the Allende Government has been able to supply most of these needs as well as previous Administrations had been and probably a little better.

Even so, signs of disenchantment are setting in here and there. Besides the farm workers and their gripes about land reform, the housewives and their grumbling over food shortages, the uneasy businessmen, there are others.

Industrial workers recently have been going before congressional committees to complain of being fined, demoted and even fired if they fail to join Marxist unions in nationalized industries.

In the driver's seat. To political observers, none of this constitutes any real threat to President Allende and his drive to turn the oldest democracy in South America into a Socialist republic.

One reason: President Allende, a consummate politician, has taken special care to retain support of his country's traditionally anti-Communist armed forces. This includes naming generals to the boards of the nationalized copper and steel corporations and announcing plans to use other officers in the managements of expropriated factories.

All the same, the road to socialism in Chile is getting rockier, even if there is nothing in sight to detour Mr. Allende and his followers from it. Unless it can be improved, Chile could wind up as broke as that Socialist republic to the north—Castro's Cuba.

Progress tally on Chile's road to socialism

Chile's Socialist President Salvador Allende Gossens can look back on his first year in office with considerable satisfaction.

While he did not accomplish all he set out to do in nudging Chile along the road to socialism, many of the basic economic reforms he sought have been achieved. They include the nationalization of copper, the creation of a state banking system, and speeding of the agrarian reform process.

Through it all, he managed to keep his politically diverse governing coalition together, although in some ways it is more fractured today than when he took office Nov. 4, 1970, as the first elected Marxist leader in the Western Hemisphere.

The political going could well become rougher in the year ahead. Moreover, the economic situation, while looking fairly good now, may well be less so in the days ahead.

On balance, observers looking at Dr. Allende's first-year performance give his Unidad popular government relatively high marks. The chaos predicted by many of his critics simply has not occurred.

In fact, on the economic front, Dr. Allende is currently riding the crest of a fairly impressive economic growth for this narrow land stretching 2,600 miles along the South Pacific.

Industrial production is pegged up some 10 percent. Chile's gross national product at the end of 1971 should show an increase of between 6 and 8 percent. There has been significant growth also in real income, and in the past seven or eight months. There has been real consumer sales boom.

This has, in part, been accomplished by a staggering infusion of money into the econo-

my — by use of the printing press — an action which is bound to cause problems in the future. Just how serious the situation will be depends in some measure on future mining and agricultural production.

Copper production is up, as expected, but because world market prices are down, Chileans are earning less for copper today than a year ago. Prices could drop still further, cutting back on income despite another expected production increase.

The agrarian reform process, which has resulted in the take-over of nearly 5.5 million acres of rich farm land in the past year, together with the sizable number of land takings by landless peasants which the government has so far done little to curb, has slowed agricultural production, boosting substantially the already high food imports.

Moreover, Chile's already large foreign-debt payments are to go up a whopping \$350 million in debt servicing next year alone—including payments on the debt incurred by the foreign copper firms which the Allende government assumed when it nationalized the copper mines last July.

Aside from the copper-nationalization issue, Dr. Allende has had numerous foreign-policy successes. In the first place, he has kept Chile from being isolated from not only the rest of Latin America, but also the world in general.

Dr. Allende has met with neighboring Argentina's Gen. Alejandro Agustin Lanusse on two occasions.

He soon will play host to Cuban Premier Fidel Castro, marking a further step in the reincorporation of Cuba into the hemisphere community, a process that Dr. Allende is helping to lead.

Chile Under Marxism: Does It Work?

All day long, they poured into Santiago de Chile. Miners and peasants and Mapuche Indians from the far south, they came in trucks and buses and horse-drawn wagons. By nightfall, there were 90,000 of them. And they all jammed their way, singing and laughing, into the National Stadium in the Chilean capital. The people of Chile turned out last week to celebrate a special occasion—the first anniversary in power of the first freely elected Marxist Chief of State in the Western Hemisphere. And then, suddenly, he was there in the center of the floodlit stadium, the star of the event himself. Standing in the rear of an open convertible, his arms raised high like a triumphant Roman general, El Compañero Presidente Salvador Allende Gossens received the roar of the crowd.

As things turned out, that was the high point of the evening. For the exuberant multitude felt let down when it realized that, despite persistent rumors, Cuban Premier Fidel Castro would not be on hand to give his Marxist comrade a warm *abrazo*. (Later in the week, a dozen of Fidel's bodyguards flew into Santiago, suggesting that his arrival was imminent.) And to make matters worse, Allende delivered a rambling, two-hour catalogue of his accomplishments that drove half of his audience into the night before he got to the point of his speech. Announcing that he would send a bill to Congress proposing the replacement of Chile's bicameral legislature with a unicameral "People's Assembly," Allende proclaimed: "We are going to democratize Parliament."

Earlier this year, Allende had considered, then shelved the idea of submitting just such a bill to Congress. And since its prospects of passage appeared no better last week, most observers felt that the only effect of the President's announcement would be to further polarize his already divided nation. That, of course, could not help but damage Allende's cause by undermining his efforts to woo Chile's dominant middle class and make it part of his "democratic revolution." Yet,

there were those who still believed that Allende could pull off this feat. To assess his chances, NEWSWEEK's Latin American bureau chief, John Barnes, traveled to Santiago and filed this report:

The tensions and fears that gripped the middle and upper classes in Chile after Allende scraped through with a wafer-thin plurality in the September 1970 Presidential election have not vanished. And after a century of peaceful political history unmatched in Latin America, an element of violence has seeped into Chilean life. The assassination of the commander in chief of the Chilean Army, the slaying of the Interior Minister of the previous Christian Democratic administration and the President's allegations of rightist plots have seared an ugly scar on Chile's body politic. Still, after a year of left-wing rule, Chile's upper classes still have their casinos and polo clubs, and the country's democratic institutions—Congress, the judiciary, and the free press—remain intact.

What is more, Allende has not always gotten his way. For he was decisively voted down by Congress when he tried to set up Soviet-style "popular tribunals" to replace traditional courts. Thus, Allende has been forced to concentrate on carrying out his electoral pledge to capture the commanding heights of the Chilean economy. And here he has been stunningly successful.

Threat: Turning to Congress only on an issue where he knew he had the support of most Chileans—the nationalization of copper—Allende dusted off rarely used laws to break the economic power of his political enemies. By dangling the threat of nationalization over the banks, the government had little difficulty in persuading bank shareholders to sell out. Major private industrial concerns have been taken over by the simple expedient of using carefully coordinated labor disputes as an excuse for government intervention. Ford lost its \$6 million plant that way. And other American companies, like Bethlehem Steel, quickly read the

handwriting on the wall and sold out. (With the nationalization of the Kennecott and Anaconda Copper mines, U.S. private investment in Chile has dwindled from \$750 million at the time of Allende's election to about \$50 million.)

Allende's agrarian-reform program has moved at the same ruthless pace. His predecessor, Christian Democrat President Eduardo Frei, expropriated 1,408 farms for agrarian reform during his six years in power. In one year, Allende's Popular Unity government has already taken over 1,328 *fundos*, or more than 5 million acres. Illegal take-overs by peasants and Indians—egged on by extreme leftists—have helped swell that number.

Boom: There were other pledges that Allende made during his election campaign. Among them was a promise to curb inflation and put extra money in the Chilean worker's pockets. And that promise he has kept—after a fashion. By handing out up to 40 per cent wage increases to Chile's modestly paid workers, Allende has unleashed a consumer-fueled boom which, in the short run at least, has been a boon to business. Production is booming, as the poor have gone on a buying spree, snapping up furniture, television sets, refrigerators, new clothes and even automobiles. To keep the bonanza rolling, the government printing presses are pouring out crisp new escudo bills at a record rate. Yet with prices legally held down, the government claims that the inflation rate, formerly one of the highest in the world, has dropped from 37 per cent to 18 per cent.

Quite an achievement—except that Allende's "successes" may well bankrupt him politically and Chile economically by the next Congressional elections in 1973. The country's dollar reserves, a solid \$335 million when he took over the government, have dropped to \$100 million. Food imports, \$160 million in 1970, are expected to soar to \$300 million this year because of the drastic reduction in farm production as a result of the agrarian-

reform program. And for the first time in many years, the copper mines for economic salvation. For despite all of Allende's exhortations to the country's well-paid miners to win the "battle of production," the former Anaconda holding of Chuquicamata is the only one that is even equalling last year's output. To add to Allende's woes, prices on the world market have dropped from 68 cents a pound to around 49 cents a pound. Consequently, receipts from copper exports are reportedly down 23 per cent over last year.

The squeeze is already being felt. Importers can't get the dollars to buy urgently needed spare parts and equipment. Consumer items produced outside Chile have vanished from the stores. And real, as opposed to legal, prices are beginning to soar, as Chileans turn to the black market for necessities. A housewife in one of Santiago's shanty towns said last week that she was paying double for chickens and fish—when she could find any. "As for meat, we just never see any in this neighborhood," she said. One day there are no tomatoes to be bought anywhere in Santiago, the next day no lettuce. Nescafé, noodles and powdered milk are among the growing list of commodities which disappear as soon as they arrive in the stores.

Monopoly: The Minister of Economy, Pedro Vuskovic, has blamed the shortages on hoarding. In an attempt to regulate distribution, the government has "requisitioned" food wholesaling companies and has worked its way into a virtual monopoly over the buying and distribution of meat. "The government has us all hanging by our necks," said one butcher in Santiago last week. Like most of his fellow *carniceros*, he claims that the meat industry is being rapidly destroyed. But despite the threat of heavy fines, some butchers are selling beef as high as 50 per cent over the legal price.

For the farmers who live with the daily uncertainty of losing their lands and herds, the risk of being caught selling to clandestine slaughterhouses at black-market prices often seems preferable to cooperation with the government distribution monopoly. In fact, farmers have become reluctant to invest any money in their property, even to the extent of planting crops.

Inflation: The same has been true of businessmen. "It's a great year," a businessman told me. "Profits have never been better. And you know what I'm going to do? I'm going to take the family to Europe for a month. Invest? Do you know of any Chilean who is about to invest his money in this country?" That, indeed, is one of Allende's major problems. Chileans, rich and poor, are spending their escudos as fast as they get them. And if the spending spree continues much longer, Allende is going to find it hard to convince many Chileans that

he has indeed beaten the old enemy of inflation. Every day now that the rise in the cost of living is much higher than the government claims it is.

Compounding Allende's economic problems is the fact that foreign businesses and banks have virtually cut off Chile's credit lines. And they are not likely to turn the tap back on until they get a sign from Allende that he will treat foreign business more responsibly than he has so far. As for direct private investment from overseas, the likelihood of Japanese or European investors sweeping in behind the retreating Americans is slim indeed. So with an estimated \$210 million deficit in this year's balance of payments, an expected drop in copper revenues of \$250 million and a 1972 foreign-debt bill of \$200 million, the Chilean economy is moving into what one economist described to me as a "crisis situation."

Dignity: The likelihood, according to diplomats in Santiago, is that Allende will try to finance his programs next year by either renegotiating his foreign-debt payment or simply calling a moratorium on it. But to declare a moratorium would seriously damage Chile's future borrowing power. And renegotiation has its problems, too. More than half of Chile's total \$2.2 billion in foreign debts is owed to the U.S. And there is serious doubt whether the U.S. will agree to renegotiation until Chile agrees to compensate the copper companies that it nationalized. Nonetheless, the betting is that Allende will ask for renegotiation. And if that provokes the U.S. into an angry refusal, Chile will stand on its anti-imperialist dignity and simply not pay the debts due to the U.S. next year.

So far, Allende has had little success in provoking Washington into any retaliatory action. And that must prove irksome to the President. Says a prominent Chilean journalist: "Despite his expressions of friendship for the American government and people, Allende desperately needs the Yankees as an enemy so that he can wrap himself in the flag and demand the support of all Chileans. Yankee-baiting is also a foil for attracting sympathy among our Latin American neighbors, who are always quick to take up the cause of fighting U.S. imperialism."

But, somehow, Allende's efforts to arouse anti-American jingoism in the Chilean people have made little headway. And without a convenient scapegoat, he is beginning to run into serious political trouble. Despite his Marxian razzmatazz, Allende has so far followed almost the same popularity graph as all of his Presidential predecessors during the past two generations. True to tradition, his slim plurality of 36.2 per cent of the vote expanded to nearly 50 per cent in his first electoral test, the municipal elec-

tions of last April. But since then, it has

Scared: In July, the Popular Unity coalition candidate in a by-election in the port town of Valparaiso was defeated by a common candidate of the two main opposition parties, the Christian Democratic and the National Party. And since then, the Unidad Popular has won surprisingly few of the small but significant union elections that take place each year. But the biggest upset occurred in Santiago's high schools, traditionally a hotbed of enthusiastic leftists, where the UP used to win the annual student elections with ease year after year. But when 40,000 out of 60,000 students voted a few weeks ago for next year's officers, the Christian Democrats took ten of the fifteen student-body posts. "That's a sign of how scared people have become," one professor suggested.

There are two more Congressional by-elections coming up in January. The government may well lose both of them. But the next big vote will be the Congressional elections of March 1973. The way government support appears to be eroding, Allende will suffer a heavy trouncing. And anything less than success for the UP in those elections will place Allende under tremendous pressure from his extreme left to do away with the "contradictions" between revolution and democracy by seizing total power. Any such attempt, however, would almost certainly bring Chile's staunchly democratic army out into the streets.

Apparently with that in mind, Allende has gone out of his way to woo the military. He has given them fat pay raises and numerous trips abroad. And he never misses an opportunity to review one of their many parades. But the flattery does not appear to have made any deep impact. A professor who lectures at the Chilean War College told me that the senior officers there have a single obsession—to defend the Constitution.

Experiment: Allende, of course, knows this perfectly well. And some Chileans contend that his sole intention is to go down in history as the world's first freely elected Marxist leader who played by the rules, served his term and handed the office over to his elected successor. That, at least, is the line taken by Chile's powerful Communist Party. "It's an experiment we are going to attempt," explained party tactician Volodia Teitelbaum. "It will be harder to construct a socialist society through the law, but we can do it. If the government fails we will blow out the candles and go home. But we will work very hard to see that that doesn't happen."

Ironically, the biggest threat to the government's efforts to achieve respectability comes from within the ranks of the Chilean left. Called the "leftist measles" by the Communist Party, the militants of

Approved For Release 1999/09/02 : CIA-RDP79-01194A000300020001-1

have clearly broken the truce they established with the government since after Allende's election. For the MIR, the "armed road" is the only road to socialism. Disorganized and somewhat shaken at first by the fact that a Marxist government had taken power by peaceful means, the Miristas devoted the past year to organizing the seizures of the farms in the Chilean south. At first, Allende tried to ignore their activities. But as the take-overs spread, the President was finally forced to act. Employing methods he had condemned the Frei government for using, Allende sent in carabinieri to rout the illegal squatters.

'Reactionary': Last week, after the arrest of eighteen *campesinos*, MIR Secretary-General Miguel Enriquez issued what seemed to be a declaration of war against Allende. Choosing a rally in the town of Temuco in honor of a campesino who had died in a farm take-over, Enriquez attacked the government's "lack of decision in forwarding the plan promised to the people."

The falling-out between Allende and the Miristas was expected sooner or later. In fact, even Allende's most bitter

ing respect at the way he has been able to bring antagonistic elements of his coalition in harness. "To get the Socialist hare to run at an even pace with the Communist tortoise is an accomplishment which puts Allende alongside the world's most agile leaders," said one Western diplomat. Both his friends and his enemies will be watching to see if he still has the "muñeca"—or "wrist"—to rein in the MIR.

They will also be watching to see who is running the Chilean revolution. For despite Allende's immense vanity, which alone should prevent him from becoming anyone's lackey, the disquieting fact remains that the President's gradualist game plan has all too often seemed to break down under extremist pressures. And with his own Socialist Party rent with quarrels, Allende may find himself becoming increasingly dependent on the well-organized, pragmatic Chilean Communists. All of which has caused many Chileans to speculate about the degree of Allende's control over his revolution. "Personally," a leading Christian Democrat said last week, "I think that Allende lets himself be carried along too much

spokesman Teitelboim vehemently decried the President. The major force in the government is Allende," Teitelboim asserts. "We Communists are going to disillusion those who expect us to devour our allies."

And, indeed, the Communists seem well aware that their success both in Chile and the rest of Latin America will depend heavily on their following Allende's gradualist path toward socialism. For both Argentina and Brazil, Chile's most powerful neighbors, are ruled by right-wing militarist regimes that would have little tolerance for the establishment of a militantly Marxist outpost in South America. Seen in this light, Allende's completion of his first year in power takes on new significance. For by his survival alone, he has strengthened the position of the political left in Latin America. As one U.S. official expressed it: "While the Chilean experiment has undoubtedly undercut left-wing terrorism in South and Central America, it has created a socialist axis running from Santiago to Havana—a fact that will have a profound effect on the future of the entire Western Hemisphere."

CHRISTIAN SCIENCE MONITOR
9 November 1971

CPYRGHT

CHILE AID-SEESAW SEEN:
RUSSIA UP, U.S. DOWN

As the United States conscience struggled with details of its diminishing foreign-aid program, the increasing scope of Communist aid to Chile was being disclosed here.

President Allende announced that the countries of Eastern Europe are prepared to extend Chile some \$380 million in credits "pay for our needs," among which he mentioned wheat, oil, and meat.

For weeks there have been numerous reports of large-scale credits from the Soviet Union. But the Allende disclosures were the first significant mention of the full scope of these credits.

What the Chilean President did not say in his first state-of-the-nation address could prove more important than what he actually did say.

This would certainly seem to be the case as regard to his comment on issues involving the United States. Although he defended Chile's nationalization of American copper companies and the decision to pay no direct compensation, he sidestepped any reference to serious disagreement with Washington on the issue.

Many problems skirted

At the same time Dr. Allende skirted many of the problems his government faces—the

illegal seizures of land by landless peasants particularly in Chile's south, the shortages of some consumer items, including meat, which are becoming more pronounced, and the large-scale printing of paper money to put more purchasing power into the hands of Chileans, seen here as a long-range inflationary factor.

Dr. Allende did, however, come to grips with some of the current problems facing this nation on South America's Pacific coast. For example, he spoke frankly of the wage demands being made by workers in the nationalized Chuquibambilla copper mine in northern Chile. Using the forum of nationwide address, he urged the miners to tone down their demands in line with the nation's economic needs.

One-house legislature pushed

There were several disclosures of importance in his speech.

• He said he would submit to Congress soon his long-promised proposal to set up a unicameral legislature in place of Chile's present two-house Legislature. This proposal has been expected.

• He again called for an increase in the

size of Chile's carabinieri, the national police, so they can more effectively cover every part of the country. There was some comment here following the speech that he almost sounded like a law-and-order candidate.

Much of his nearly two-hour address was a rehearsal of Chile's present economic position and what he regards as his government's successful economic performance to date. He ticked off one issue after another—increased industrial production, a major increase in the gross national product, lowered unemployment figures, a halving of the nation's inflationary spiral—to prove that conditions have improved in Chile during his first year in office.

Revolutionary theme

Dr. Allende did come back over and over again to the theme that his Marxist-oriented government is embarked on a real revolution "by the Chilean way" and that he is determined to push Chile along the "road to socialism."

He made two references to the impending visit of Cuban Premier Fidel Castro, but the references were short and generally noncommittal.

PULP-PAPER INDUSTRY FIGHTS FOR FREEDOM

Almost lost amid the din and uproar surrounding the visit of Cuban Premier Fidel Castro is a battle between the government and opposition here for control of Chile's pulp and paper industry.

In the long run, the issue could prove the most crucial encounter yet between supporters of Marxist President Allende and the coalescing opposition forces.

Moreover, Chile's tradition of pluralistic free press could be at stake.

The whole affair centers around government efforts to buy control of the Compañía Manufacturera de Papeles Cartones, the last remaining major pulp and paper manufacturer in private hands in Chile.

To opponents of the government, the bid by Dr. Allende's government to buy up enough shares to get control of the firm, amounts to a major threat to freedom of the press. The government denies that this is the case, but says that key industries in Chile would be under state control—and pulp and paper is one of those industries.

The concern among government opponents is that a free press will be difficult to maintain if it must rely on the government or newsprint supply.

Move meets resistance

The government bid to purchase shares in La Papalera, as the pulp and paper firm is called, has met resistance on the local stock market, although the government is offering a premium for the shares — paying up to 4.2 cents per share, while the stock in recent weeks has been trading at about seven-tenths of 1 cent per share.

It is estimated that the government now may hold about 15 percent of the total shares, having purchased some 5 percent in the first week of trading at the inflated price and acquiring another 10 percent or so by default when it recently purchased controlling interests in most major banks here.

Workers in La Papalera have voted to oppose the government and are buying up shares themselves to keep the firm from passing into government hands.

Moreover, the Christian Democrats have introduced a broad constitutional amendment into the Congress that, among other things, would have the effect of nullifying the government's purchase of shares in La Papalera. Christian Democratic Sen. Juan Hamilton said the amendment would require the government to return the shares already purchased if the amendment passes and becomes a part of the constitution.

Other activities noted

The government's action in La Papalera case becomes all the more critical because of other recent developments here.

This week, Chile's major news magazine, the respected *Ercilla*, announced that it would soon appear on newsprint rather than the special imported glossy stock it has used for years. The magazine has blamed the government-controlled firm which prints the magazine for not maintaining an adequate supply of the imported paper, despite a contract.

The opposition also points to the recent reassignment of radio frequencies which last week resulted in the shutting down of Radio Balmaceda for most of a day. The station belongs to the Christian Democratic Party. The Radio Balmaceda frequency was given a new station representing a Communist-controlled labor union, while Balmaceda was assigned a less desirable frequency.

There is some evidence that the shutting down of Radio Balmaceda for the day may have been a mixup on the part of the government. While some opposition forces are prepared to accept the government's comment on the situation, they point out that the incidents, however, came at a bad time not to arouse suspicion.

Approved For Release 1999/09/02 : CIA-RDP79-01194A000300020001-1

25X1C10b

Next 1 Page(s) In Document Exempt

Approved For Release 1999/09/02 : CIA-RDP79-01194A000300020001-1

December 1971

SOUTH VIETNAM AND THE QUESTION OF POWs

On 28 October the South Vietnamese government announced that it was honoring National Day and the start of President Thieu's second term in office by releasing 618 Viet Cong prisoners now and 2,284 more over the next few months. Mr. Thieu's gesture, although dramatic, may not inspire the North Vietnamese regime to anything beyond the polemics which have historically greeted any initiatives on prisoner exchanges. Even recently, when Saigon bettered its previous POW offers by promising to send badly injured prisoners back to North Vietnam without a quid pro quo, Hanoi showed very little interest.

It is hard to accept the possibility that this most recent Saigon POW initiative may meet the same fate as its predecessors. Hanoi is demonstrably sensitive to world opinion on the POW issue and surely realizes that the release of some 3,000 Viet Cong prisoners cannot be effectively answered by Communist denunciations of "fraud" and "a meaningless propaganda gesture." To be sure, Thieu coupled his humanitarian act with considerable tub-thumping -- and why not? As The Economist's correspondent pointed out in this connection, "a gesture doesn't have to be ingenuous to be effective." Regardless of the benefits to the Saigon regime, however, the importance of the prisoner release cannot be ignored, nor can the weak and waspish Communist reaction be justified.

Hanoi's waspishness, in fact, could be taken in some circles as an indication that her leadership recognizes the Thieu government's sense of security in carrying out such a prisoner release as well as the government's assurance in announcing a programmed succession of additional releases over the next few months. Saigon's demonstration of security and confidence is in the nature of a challenge and Hanoi's leaders, being no fools, may find it awkward to bypass the well-publicized release of Communist prisoners without a more closely equivalent response than polemics. What's more, each successive prisoner release by Saigon over the next few months could make Hanoi's position even stickier.

North Vietnamese leaders must also find it increasingly awkward to ignore the generous offers of neutral nations to serve as temporary interment areas for North Vietnamese and U.S. POWs. Austria, Cyprus, Norway, Sweden and Lebanon have all made such proposals recently and Lebanon then repeated its earlier proposal through the United Nations Political Committee. There are signs that other neutral nations are likely to come forward with similar proposals for POW sanctuary in the near future. Each time such a

proposal has been made by a neutral country the U.S. has been quick to respond positively. Hanoi has not yet responded. Both Vietnam and the U.S., incidentally, were signatories to the 1949 Geneva Convention on POWs which specifically permits third-country internment.

International accords aside, the Hanoi regime itself is remiss with regard to North Vietnamese troops fighting in South Vietnam. Despite its admonitions to the North Vietnamese people (Hoc Tap, July 1971) that "the policy towards the war invalids, demobilized servicemen, families of the war dead and families of troops consists of constantly insuring that they are materially secure and spiritually happy," the regime falls short of practicing what it preaches. Should it seriously examine its own shortcomings, it might stumble upon some way of helping North Vietnamese fighting men who have been captured on South Vietnamese battlefields. The regime could start, for instance, with a response to Saigon's October POW initiative honestly aimed at securing the release and repatriation of at least a few hundred of the 9,000 North Vietnamese troops now incarcerated in South Vietnam.

In this connection it might be profitable for North Vietnamese leaders to speculate on 66 of their North Vietnamese Army troopers who recently came to public attention in one of Saigon's six POW camps. It happened at the end of October when the South Vietnamese government permitted a group of foreign correspondents to tour Saigon's POW camp at Cantho in the Mekong Delta. When the visiting newsmen inquired about the makeup of the camp's 3,007 POW population, they learned that 66 of the prisoners were North Vietnamese Army troops who had been captured in South Vietnam. These 66 men, like the remainder of the NVA personnel in POW camps, can hope for release only by Presidential order, or through the type of POW exchange the North Vietnamese government seems unwilling to undertake. In discussions with newsmen on this possibility, members of the camp staff expressed the view that the North Vietnamese POWs would prefer the relatively comfortable existence of POWs in the South to the hazards and austerities of the North. Newsmen may well have taken this view with a grain of salt, but it is a factor that Hanoi's leaders must take into consideration if they ever weigh out seriously the possibility of POW exchanges.

The consensus of the foreign newsmen who visited Cantho was that although the camp had obviously been spruced up for their tour, it was generally well run and its 3,007 inmates better cared for and living better than they did as Viet Cong guerrillas. Regular inspections by the International Red Cross are, of course, a factor in ensuring proper facilities and treatment for the camp's POW population. Like other POW-related factors, International Red Cross scrutiny is one which Hanoi's leaders seem unwilling to risk.

THE ECONOMIST
30 October 1971

CPYRGHT

Vietnam

Some come out

A gesture doesn't have to be ingenuous to be effective. The South Vietnamese government announced on Thursday that it will celebrate the start of President Thieu's second term on Sunday by releasing 618 Vietcong prisoners now and 2,284 more over the next few months. The idea of an exchange of prisoners between Saigon and Hanoi was floated a long time ago, but the North Vietnamese showed very little interest even when Mr Thieu bettered his offer and promised to send badly injured prisoners back without a quid pro quo. Now he has made an even more dramatic unilateral gesture, and it is one of the few propaganda victories he has been able to pull off lately.

The sceptics will be quick to observe that the released men are a small proportion of the 40,000-odd prisoners that the South Vietnamese have in their hands; that 176 of the first batch are in very poor health; and that most of the others are now probably regarded as "rehabilitated." But this biggest release yet will help Mr Thieu. It could well make it a bit easier to get Congress in Washington to accept the Administration's aid programme. And it will strengthen President Nixon's position if he plans to announce something short of a programme for complete American withdrawal when he makes his next Vietnam statement.

WASHINGTON STAR
1 November 1971

The POW Release

CPYRGHT

It is hard to believe that the Communist characterization of the release of some 3,000 Viet Cong prisoners as an "impudent maneuver" is to be their only reaction to the South Vietnamese initiative. Despite the Paris negotiators' attempts to write off President Thieu's act as a meaningless propaganda gesture, the mass release could loosen the logjam and mark the first major move toward settlement of the POW problem.

The announcement from Saigon was followed immediately by rumors that some 200 American prisoners were on their way home from North Vietnamese camps. It's a possibility, but a remote one. For one thing, the rumor was promptly and vehemently denied by various interested parties in Washington. For another, any such large-scale release of Americans or South Vietnamese would be preceded by considerable beating of the propaganda drums.

It must be recognized, too, that President Thieu has coupled the humanitarian gesture with considerable political tub-thumping of his own. The release was timed to serve as a part of his second inaugural gala. The 618 prisoners who will be released outright are, in Saigon's word, "repentant." The remaining 2,320 are to be processed

through the "Open Arms" program, which means a brief period of ideological indoctrination and a promise to work for the Thieu government as propagandists and intelligence gatherers after their release.

So the prisoners are being handed over with a few strings attached. That does not, however, negate its importance or justify the weak and waspish Communist response. The move is a demonstration of confidence and security on the part of the Thieu government. And for that reason alone, it seems unlikely that the Communists can let it pass without some more closely equivalent response.

It is not impossible that Hanoi and the VC will decide that the only way to save face is a reciprocal release of prisoners—an "anything-you-can-do-I-can-do-better" maneuver. If so, a mutual exchange program could be established that would, sooner or later, involve the U.S. prisoners. Such a program would, it is true, be based more on bravado than on reason or humanitarian considerations. But regardless of motivations, President Thieu deserves gratitude and congratulations for making the first major move in a process that could remove the final obstacle to total American withdrawal.

NEW YORK TIMES
29 October 1971

U.S. Doubts Foe Will Free Captives in Reciprocal Act

CPYRGHT

By BERNARD GWERTZMAN
Special to The New York Times

WASHINGTON, Oct. 28 —

Administration officials said today that they had no reason to expect the release of any Americans by the enemy in return for the freeing this Sunday of nearly 3,000 Vietcong prisoners in South Vietnam.

Although the State Department issued a statement this morning welcoming the move by the Saigon Government and expressing hope that it would lead to reciprocity, officials in both the State and Defense departments said they were aware of no imminent release of any of the 400 Americans believed to be held prisoner in Southeast Asia.

Administration officials sought to quash speculation in some dispatches from Saigon suggesting that the release of the Vietcong to mark the inauguration of President Nguyen Van Thieu Sunday was possibly part of a secret deal.

This speculation was stirred by a report in The Chicago Tribune this morning that an Army hospital in Denver had

been alerted to handle up to 200 United States prisoners.

Tribune Dispatch Denied

But the White House, the State Department and the Pentagon all issued prompt statements asserting that The Tribune report was inaccurate.

Jerry W. Friedheim, Pentagon spokesman said:

"There is absolutely nothing to The Chicago Tribune story. The Department of Defense has no information at all concerning any imminent release of U.S. prisoners. Neither Fitzsimons General Hospital [in Denver] nor any other hospital has been alerted in any manner for any imminent return of U.S. prisoners."

A spokesman for the Denver hospital said: "We have no knowledge here of any mass release of P.O.W.'s in Vietnam. There is a contingency plan presently under way which is preparing general hospitals for such a thing if it comes to pass."

"This is a staff study, but I feel it is nothing but wishful thinking," he said. "We are not planning to receive anything more than the war

casualties, which we have been getting all along."

Officials involved in prisoner matters expressed anger over speculation that some American might be released soon.

'Very Cruel Thing'

"It is a very cruel thing, because of the hopes it gives rise to among families of the prisoners," one aide said.

The Pentagon said that the Army last night called every next-of-kin family to tell them that The Tribune report was inaccurate.

State Department specialists on Vietnam said that all signs at present suggest that the North Vietnamese have not changed their attitude on prisoners. The Hanoi position has been that no American prisoner will be released until the United States accepts the Vietcong peace plan, which calls for complete withdrawal of American forces.

In Saigon, officials said that 618 Vietcong prisoners would be released outright and 2,320 others turned over to the chieu hoi or "open arms" program for "political rehabilitation" before being released.

Unilaterally, the Vietcong have released 24 Americans since 1965 and the North Vietnamese have released 9.

A spokesman at Hickham Air Force Base in Honolulu denied that increased air activity there in the last two days had anything to do with a return of prisoners from Vietnam.

He said the activity at the airfield was due to the movement of a squadron of Phantom jets from the 389th Tactical Squadron, which was being withdrawn from Vietnam to the United States.

amount of helicopter activity There also was an unusual at the nearby Tripler Hospital. But a spokesman said this was partly a civil defense exercise and was not related to prisoner return.

'Farce,' Vietcong Charge

Special to The New York Times

PARIS, Oct. 28 — The Communist delegations to the Vietnam peace talks refused today to accept the liberation of prisoners by the Saigon Government as a gesture of goodwill, and instead condemned it as a "farce."

NEW YORK TIMES
29 October 1971

CPYRGHT

CPYRGHT

South Vietnam Lets Reporters Visit P.O.W. Camp

By FOX BUTTERFIELD

Special to The New York Times

CANTHO, South Vietnam, Oct. 28 — As part of its

stepped-up efforts to demonstrate what it terms a "humanitarian" policy on the prisoner-of-war issue, the South Vietnamese Government allowed a group of newsmen today to tour its prisoner-of-war camp here at Cantho in the Mekong Delta.

The visit, the first that the South Vietnamese have permitted to a prisoner camp in over a year, was timed to coincide with the Government announcement that 2,938 Vietcong prisoners of war would be released on Sunday in honor of President Nguyen Van Thieu's inauguration.

American officials in Saigon said today they welcomed the South Vietnamese announce-

ment, describing it as "a major humanitarian gesture."

The American officials pointed out that Saigon's action was the largest such release of the war and that it involved almost 10 per cent of the 37,000 prisoners of war in South Vietnam.

Hanoi's Reaction Awaited

The officials added that they certainly do not expect any immediate reciprocal action on the part of North Vietnam,

though they are "hopeful" that this gesture may encourage some flexibility in Hanoi on the prisoner issue.

The camp here at Cantho, 90 miles southeast of Saigon, is one of six run by the South Vietnamese. It holds 3,007 prisoners, including 66 North Vietnamese, in a complex of low, corrugated iron barracks on the flat and muddy delta plain.

Although there have been rumors in Saigon of killings and revolts inside the prison

camps, the Cantho commandant, Maj. Hoang Dinh Hoat, said there had been no major disturbances and no escapes at the camp since he took it over in 1969.

Major Hoat, a slender man with a narrow face and large, sad-looking eyes, said: "The prisoners sometimes complain about having to work too long outside the camp, but we have set up channels for them to express their grievances and there has been no trouble."

The 30 newsmen who toured the camp were not allowed to talk to the prisoners, but were permitted to walk freely among them and photograph

them. At one point some of the visitors, unaccompanied by guards, entered the barracks occupied by North Vietnamese officers.

The prisoners, dressed in maroon pajamas, stared at the newsmen, but they neither spoke nor made any gestures. Their simple belongings, issued by the South Vietnamese Government, lay piled neatly on their wooden sleeping racks.

They included a mosquito net, a blanket, a sleeping mat, a canteen, spoon, toothpaste and a brush, a towel and soap.

According to Major Hoat, who was trained as a military

policeman in the United States, the prisoners are allowed weekly visits by their families and are permitted to send and receive mail. The camp's statistics showed that 1,250 men had visitors last month.

62 Died in 4 Years

A small, whitewashed building, one of the camp's few buildings afforded the luxury of tree shade against the blistering delta sun, serves as a dispensary. A group of 20 prisoners squatted on their heels, waiting to see the doctor.

Major Hoat said that 62 prisoners had died in the camp since it was built in 1967,

most of them from wounds they had suffered before they came to Cantho. He denied that his guards used any form of violence to discipline the prisoners.

Three hundred and ten of the prisoners have decided to become hoi chanh, or "returnees" to the Government. They wear black pajamas and have certain privileges and duties like those of trusties in American prisons.

If, after a screening process, the returnees are accepted by the Government, they will be sent to a chieu hoi or "open arms" center for six to eight weeks' indoctrination and will be freed.

BALTIMORE SUN
29 October 1971

Captive Reds do needlepoint, play volleyball

Can Tho, Vietnam (AP)—Hands that once held an AK-47 rifle now do needlepoint. Last year's guerrilla is this year's volleyball champion.

He may have lost his freedom when he donned the maroon pajamas of a prisoner of war, but he gained privileges and a full belly. He's encircled by barbed wire and no one is shooting at him.

If he's lucky he will be freed next week to mark President Nguyen Van Thieu's inauguration and South Vietnam's National Day. If not, it's back to the volleyball court.

The government has announced 618 Viet Cong will be freed and 2,300 others will be accepted into its "Open Arms" program.

The POW camp here obviously had been spruced up for a government-sponsored tour by foreign newsmen yesterday, but in any case its 2,994 inmates live better than they did as Viet Cong guerrillas.

New arrivals are given haircuts, sprayed with insecticide and issued two pairs of pajamas, a mosquito net, a blanket, a straw sleeping mat, cooking utensils, a spoon, toothpaste, towel comb and soap.

They sleep on rough wooden platforms in tin barracks, 80 men to a building. The accom-

modations are crude by Western standards, but luxurious compared to the swampy sanctuaries they once inhabited in the Mekong Delta.

The daily food allowance for each is equivalent to 13 cents, enough to buy rice, fish and a little meat. Vegetables grown in the prison garden and fish raised in two prison ponds supplement the diet.

Prisoners who behave are allowed to work on road gangs and construction projects outside the camp for a daily wage of 8 piasters, or 3 cents. They can spend this in a small post exchange that stocks soy sauce, condensed milk and canned mackerel.

Recreation facilities include volleyball and shuttlecock courts, a drama theater and a reading room. POW's can learn reading and arithmetic in the camp school, they can do carpentry in the workshop and they can purchase needle-point kits to while away the monotony of imprisonment.

A communal television set is switched on every evening. Occasionally there are movies.

The camp commandant, Maj. Hoang Dinh Hoat, claims there is no political indoctrination.

"We have no mission to change their Communist convictions," he insisted. "Of course, they are evaluated and this is considered before they can be released."

POW's at the Can Tho facility, one of six in the country, were all captured in the Mekong Delta. Most are Viet Cong local-force guerrillas with homes and relatives in the surrounding 16 provinces. Technically they are eligible for release after one year if they guarantee loyalty to the Saigon regime.

The selection process is stiff, however. Only 233 prisoners have been freed since the Can Tho camp was established four years ago. More than 10,000 have been transferred to Phu Quoc prison island.

The 66 North Vietnamese prisoners at Can Tho can hope for release only through a rare POW exchange or by presidential order. But the government claims most of them prefer the comfortable existence as a POW in the South to the hazards and austerity of the North.

Viet Cong prisoners are allowed to correspond with their families, have visitors for 30 minutes once a week and accept food parcels.

Isolation cell

Those who misbehave receive one warning without punishment. Second offenders lose visiting rights, parcel and PX privileges for varying periods. Repeaters are put in an isolation cell for up to 30 days.

"It is not a bad room, 10 square

meters, and it is not really isolation since it sometimes holds four or five men.

"It is rarely used. We have had a few minor disturbances but nothing serious. The men are allowed to make complaints through their supervisors. Sometimes they complain when supplies are delayed. I don't mean food; supplies, they are never late, but personal things like tooth brushes and soap."

The camp is divided into two sections for "docile" and "stubborn" POW's. There is more barbed wire around the stubborn barracks block, but rations and activities there appear to be the same as in the docile area. The oldest inmate is 69, the youngest 13. Thirteen women live in a separate section.

The camp has a small dispensary and hospital staffed by one doctor and 10 assistants. Major Hoat said 62 prisoners have died in four years, "mostly from malaria and heart attacks."

The camp commandant has one United States adviser, SFC Jerry E. Kaufman, 33, from Augusta, Ga. He admits to 16 years' experience in running POW camps.

"I can only tell you this is one of the best damn POW camps I've ever seen," he said. "It's certainly the most comfortable."

Only five prisoners have escaped since 1967.

THE PHILIPPINES HERALD
17 October 1971

North Vietnam's 'Great Problem'

Hanoi's Apathy Toward War Victims

By GEORGE ESPER
Associated Press

SAIGON — (AP) — In a surprising revelation, Hanoi has taken its people to task for not caring enough for North Vietnamese war victims and their families. It calls this "a great problem."

Apparently acknowledging heavy casualties in the Indochina war, Hanoi called for quick repair of North Vietnam's "many cemeteries" for the battlefield dead. It urged increased production of artificial limbs for the wounded.

Hoc Tap (Studies), the official journal of North Vietnamese Workers' Party, said the country's policy toward war victims and their families is "still replete with shortcomings and weaknesses."

The self-criticism appeared in the July issue of the official party journal, just translated here. It was made public by the Joint United States Public Affairs Office, which noted: "The problem of the proper care of wounded veterans and their families has been covered extensively in the Hanoi press, but this article is the broadest and most definitive treatment to appear to date."

Hoc Tap said: "One of the most important shortcomings and weaknesses is that many organs, industrial enterprises, cooperatives, cadres and party members do not understand how to properly carry out this policy."

"Many places have not been thoroughly imbued with the viewpoints of the party and the state on the task specified in the policy."

Hoc Tap said that at present "the majority of war invalids are classified as slightly and moderately disabled. Most of them are young, have acquired adequate cultural knowledge and special

ly have a high political and ideological level as a result of their being trained in combat."

"The combat requirement of the implementation of the policy toward the war invalids, demobilized servicemen, servicemen transferred to the production sector, families of the war dead, and families of troops consists of constantly insuring that they are materially secure and spiritually happy and a chance to participate in activities to benefit society."

"... It is necessary to see to it that the livelihood of the war invalids, of the families of the war dead, and of the families of troops is stabilized. The level of their livelihood must be either equal to or above that of the persons and families that have average labor output."

The party journal said it is imperative to give financial assistance to war victims and their families and that the state has promulgated a system of payments.

Hoc Tap said the greatest efforts must be made to meet the cultural and spiritual needs of war victims, "to grant them political rights, and to wholeheartedly care for them in other fields including marriage and the bringing up of children so that they can be constantly spiritually happy."

Of the battlefield dead, the party journal said: "To show gratitude to those who have sacrificed their lives, many veterans cemeteries have been built. Many cemeteries are large and beautiful and are landscaped with flower gardens and trees. However, many cemeteries have not been properly built. They must be quickly repaired. We must strive to grow flowers in the cemeteries in order to turn them into gardens."

December 1971

DATES WORTH NOTING

December 6	Poland	The Polish Party Congress is to meet, and must deal with Poland's serious economic and social problems.
December 10	Worldwide USSR	Human Rights Day, commemorating the adoption of the Universal Declaration of Human Rights by the UN General Assembly in 1948. In 1970 the unofficial Soviet Human Rights Committee was formed by Sakharov and other Soviets who said their independent organization would be guided by the principles of the Universal Declaration of Human Rights.
December 14	Poland	1st anniversary of the December Workers riots following the Gomulka regime's sudden increase in consumer prices. The riots brought about Gomulka's fall from power and his replacement by Gierek.
December 19	Indochina	25th anniversary of the beginning of the French Indochina War.
December 21	USSR	Anniversary of Stalin's birth, 1879. The way the Brezhnev regime handles this day will be watched for signs of renewed Stalinization in the USSR.
December 26	China	Mao Tse-tung's 78th birthday.
December 31	New York	Expiration of U Thant's term as UN Secretary General. U Thant has announced he is retiring.

January 2	Chile	50th anniversary of the Chilean Communist Party, founded 1922.
February 14	USSR/CPR	Anniversary of the Sino-Soviet Friendship Pact, signed in 1950.

SHORT SUBJECTS

Soviet Contempt for Yugoslavia. Soviet contempt for Yugoslavia manifested itself almost before the ink was dry on the joint statement issued after the Brezhnev-Tito summit meeting 22-25 September. Pravda's 4 October editorial comment on the meeting gave a grossly distorted interpretation of the significance of the encounter. Pravda portrayed Yugoslavia as no more, nor less a Satellite than Bulgaria and Hungary, ignoring all references in the joint statement to the importance of mutual respect for independence and sovereignty among "socialist" nations. (See Pravda editorial attached.)

When it suits the Soviets' purposes, they are willing to describe Yugoslavia as a "socialist" country, but it must be clear to all that this is little more than a verbal game. The Yugoslav newspaper Vjesnik (30 October) pointed out that Soviet Premier Alexei Kosygin omitted Yugoslavia from a list of countries he described as "having gained socialism." Whether Kosygin's omission was inadvertent or deliberate, it indicates how lightly the Soviets regard Yugoslav claims.

* * * * *

Brezhnev's Paris Debut. The recent visit of Soviet Party Secretary Leonid Brezhnev to France (25-30 October), though surrounded by an atmosphere of good will and accomplishment, produced few changes of position on either side. However, as a high-level public relations exercise, it was useful politically to both parties. Since General de Gaulle's trip to Moscow (1966), the French have claimed a special relationship with the USSR and East Europe. This concept has fit in well with France's desire for a more independent role in Europe and, in turn, has been used by the USSR in an effort to drive a wedge in the Western alliance. Emphasizing his close relations with Paris at this time also suits Comrade Brezhnev's current efforts to portray the Soviet Union as the protagonist of pan-European detente.

Brezhnev did not get French agreement for the friendship treaty he sought and was obliged to settle for a joint statement known as "Principles of Cooperation." The document produced no surprises. Also signed was a ten-year agreement providing for each country to help build industrial plants in the other. In this case, too, the document added little to an agreement on the same subject which has been in effect for five years. Even if the meeting was short on substantive accomplishment, it did provide

Brezhnev with a forum from which to hawk Moscow's latest wares, particularly the Soviet program for a general European detente. The French public was largely indifferent to Brezhnev -- in contrast to the welcome given Khrushchev in 1960 -- but Soviet media praised his initiative and exaggerated his accomplishments. Meanwhile, the French Communist Party, which was unable to produce any mass turnout for their distinguished visitor, was generally ignored by the Soviet leader.

For Pompidou, the visit provided an opportunity to exploit the special French-Soviet relationship in an effort to balance Bonn's Ostpolitik. While conceding little of substance, the French President, by his cordial reception of the Soviet leader, also made it more difficult henceforth for the French Communists to criticize his government. President Pompidou, despite his accommodating attitude, made it clear -- as he did during his visit to Moscow a year ago -- that France remains firmly in the Western alliance.

* * * * *

Where is the Dedicated Communist Warrior of Yesteryear? A series of articles in the official North Vietnamese Army newspaper, Quan Doi Nhan Dan offers an interesting counterpoint for the usual paeans to the tireless dedication of Communist warriors. On July 7th the newspaper described the leaders of the North Vietnamese Army (PAVN) as "often lax in disciplining subordinates and failing to set a proper example." The troops were described, in turn, as "unwilling to carry out orders or accept criticism." Later that month Quan Doi Nhan Dan criticized "poor relations between leaders and men which led to inefficiency and discord."

Lack of enthusiasm was the theme of an article on August 5th and two days later the army newspaper complained that "PAVN troops are not training or studying hard enough, and are not showing enough resilience in the face of the difficulties and hardships of war." Party members "have a duty to instill fervor and patriotism into the men and help them overcome erroneous and passive thoughts." By the 12th of August the newspaper had concluded that "worse than the lack of discipline itself is the fact that it is tolerated by the leaders." Some men, even when they volunteered for certain duties, "fail to carry them out efficiently or even to understand fully the nature of the duties." On September 17th the newspaper suggested that increased attention to the soldiers' physical and mental welfare might help to solve some of the problems for "if the men were physically fitter, morale might be better."

In October Quan Doi Nhan Dan's theme was the misuse of weapons. Rules had been broken, men were using their weapons for hunting and fishing or lending them out without authorization. The newspaper urged that "equipment inspections be carried out regularly and thoroughly in order to avoid more accidents where

Approved For Release 1999/09/02 : CIA-RDP79-01194A000300020001-1

weapons had not been properly maintained" and "to eliminate situations where weapons needed urgently could not be found." Either an unusually cantankerous staff is manning the editorial desks of Hanoi's army newspaper or the stories circulating in Vietnam are true about the concern among the North Vietnamese leadership regarding the lack of discipline and low morale among PAVN troops.

Approved For Release 1999/09/02 : CIA-RDP79-01194A000300020001-1

PRAVDA, Moscow
2 October 1971

BROTHERHOOD AND UNITY

The socialist world is gathering new forces and developing with optimism and confidence in its historical prospects. The socialist countries are united by community of the sociopolitical system, coincidence of fundamental interests and aims, and loyalty to the principles of Marxism-Leninism and proletarian internationalism. By coordinating their actions and agreeing on positions on the main foreign policy questions the fraternal countries are exerting an increasingly active and decisive influence on the international situation and on the course of the modern revolutionary forces' common struggle against imperialism and for peace, democracy and socialism. Cooperation allows them, by enriching each other's experience, jointly to solve the fundamental problems of socialist and communist building, to find the most rational forms of economic ties and collectively to determine a common line in foreign policy activity.

The recently concluded friendly visits which Comrade L.I. Brezhnev, CPSU Central Committee general secretary, made to Yugoslavia, Hungary and Bulgaria were a weighty contribution to the cause of further strengthening the unity of the socialist countries. The talks in Belgrade, Budapest and Sofia were an important step on the path of the increasingly close coordination of the fraternal parties' and countries' foreign policy activity and of their extensive and multifaceted cooperation. Speaking to Yugoslav workers in Zemun, Comrade L.I. Brezhnev said: "The Soviet Union has believed and believes that under modern conditions, when the antagonism between the forces of reaction and progress and the forces of capitalism and socialism is not ceasing in the world arena, the socialist states' active and coordinated policy must be counterposed to the actions of imperialism and reaction."

The line of further strengthening the unity of the socialist community countries found its specific embodiment in the results of L.I. Brezhnev's visit to Yugoslavia. New prospects for developing mutually advantageous and truly fraternal cooperation were revealed as a result of the fruitful talks. As is noted in the joint statement adopted at the talks, cooperation between the USSR and Yugoslavia is based on community of the bases of the social system and adherence to the principles of socialist internationalism. The results of the visit showed that the peoples of the Soviet Union and Yugoslavia are united by common class interests and by unity of ultimate aims. In the worldwide historic struggle against imperialist aggression and for the consolidation of peace and the triumph of freedom and progress the peoples of our countries stand on the same side of the barricade as comrades and brothers in arms. The viewpoints of Yugoslavia and the Soviet Union proceed from common vital interests in creating a reliable system of European security, holding a pan-European conference and strengthening stable peace and security in the Balkans.

The USSR and Yugoslavia support the heroic struggle of the peoples of Indochina, insisting firmly on the immediate withdrawal of U.S. troops and those of their allies from this region, they confirm their decisive support for the Arab peoples' struggle to liquidate the consequences of Israeli aggression, and they support the implementation of practical measures in the field of disarmament and demand the liquidation of all vestiges of colonialism.

An important and comradely exchange of opinions took place in Budapest and in Sofia. The meetings and talks, conducted in a cordial atmosphere, showed the strength and inviolability of the fraternal, friendly ties and the unity of views. Soviet people are profoundly satisfied with the results of L.I. Brezhnev's visit to Hungary and Bulgaria.

Soviet people want to see every fraternal country a prosperous state, harmoniously combining rapid economic and scientific and technical growth with the flourishing of socialist culture and an upsurge in the people's well-being. With warm sympathy they follow the successful development of fraternal Hungary and Bulgaria, the fulfillment by the communists and all working people of these countries of the tasks set by the recently held party congresses, and the struggle to implement the Leninist ideas on building the new society. They are truly gladdened by any success and any achievement on the part of the fraternal peoples. The numerous instances of constantly developing economic ties are making them aware of the creative enthusiasm with which the working peoples of these countries have entered into the fulfillment of the comprehensive program adopted at the 25th CEMA session.

The community of socialist states is the reliable stronghold of the peoples in the struggle against imperialism and for socialism, peace and social progress. Its role in preserving and strengthening peace in Europe is particularly great. The pan-European conference, the ratification of the treaties between the USSR and the FRG and between Poland and the FRG and the reduction of armaments and armed forces in Europe must become important landmarks on the path of consolidating a stable peace on our continent. The meetings in Budapest and Sofia demonstrated once more the unity of views on urgent problems of the international situation, and above all on problems of European security.

For people's Bulgaria these fall days will remain memorable also because its loyal son Todor Zhivkov was awarded the Order of Lenin. Todor Zhivkov was given this high award for outstanding services in the development of friendship and cooperation between the peoples of our countries and in the consolidation of peace and socialism, and for many years of active participation in the world communist movement.

By creatively applying the teaching of Marx, Engels and Lenin, and by interacting in an extensive and comprehensive manner and strengthening their political and economic unity still further, the socialist countries are moving forward. Our party and state and the entire Soviet people are doing everything to insure that they walk side by side as a united friendly family, helping each other, that the edifice of fraternal cooperation is bright and stable, and that an atmosphere of sincerity, cordiality, and mutual and profound trust reign in it.

Unity and cohesion multiply the forces of socialism. The firmer this unity and the stronger and deeper the alliance and interaction of the world socialist system with the working class of the capitalist countries and the national liberation movement, the more effective its influence on the development of world history.

L'énoncé des principes

Un exemple de coopération entre états à systèmes sociaux différents

Voici le texte intégral de « l'énoncé des principes de la coopération entre la France et l'Union des républiques socialistes soviétiques » signé par MM. Pompidou et Brejnev qui a été publié le 30 octobre à Paris, à l'issue des entretiens franco-soviétiques :

M. Georges Pompidou, président de la République française, et M. Leonid Brejnev, secrétaire général du comité central du parti communiste de l'Union soviétique, membre du présidium du Soviet suprême de l'U.R.S.S. S'appuyant sur la longue tradition d'amitié qui existe entre les deux pays,

Résolus à donner un nouvel élan à la coopération fructueuse qui s'est établie entre la France et l'Union soviétique depuis la visite faite en U.R.S.S. par le général de Gaulle en 1966,

Animés du désir de renforcer la contribution des deux pays à la cause de la paix en Europe et dans le monde, et de concourir au développement de la coopération entre tous les Etats, adopte les principes suivants sur lesquels repose la coopération politique entre les deux pays :

1) La coopération entre la France et l'U.R.S.S. répond aux aspirations communes et à l'intérêt mutuel des deux peuples et doit être fondée sur la réciprocité des avantages et des obligations de chacun des deux pays.

Un facteur permanent de la vie internationale

2) Cette coopération n'est dirigée contre les intérêts d'aucun peuple et n'affecte en rien les engagements assumés par les deux pays à l'égard d'Etats tiers.

3) La politique d'entente et de coopération entre la France et l'U.R.S.S. sera poursuivie, elle est appelée à devenir une constante dans leurs relations et un facteur permanent de la vie internationale :

4) La coopération politique entre les deux pays restera fondée sur le respect des principes et des stipulations de la charte des Nations unies. Elle a pour objectif de contribuer au retour à la paix dans les zones de conflit, à la réduction de la tension internationale, au règlement des différends par des moyens pacifiques, ainsi qu'au développement économique et à l'amélioration des conditions de vie dans le monde.

5) En vue de collaborer activement au renforcement de la sécurité en Europe et dans le monde et au développement de la coopération pacifique des Etats indépendamment de leurs systèmes sociaux, les consultations politiques entre les deux gouvernements seront développées aussi bien par les canaux diplomatiques habituels que par les rencontres spéciales de leurs représentants, sur la base du protocole franco-soviétique du 13 octobre 1970, qui a marqué une étape importante dans l'organisation de cette coopération. De telles consultations devront notamment permettre de rechercher la possibilité d'actions concertées, y compris au

sein des organisations ou conférences internationales, dans les cas où, de l'avis commun des deux parties, la cause de la paix pourrait y gagner.

Les responsabilités des deux pays au Conseil de sécurité

6) Cette coopération politique trouvera en particulier son application, compte dûment tenu des droits et prérogatives des autres puissances intéressées, dans l'exercice des responsabilités que les deux pays assument dans le monde, en tant que membres permanents du Conseil de sécurité des Nations unies et en Europe à la suite de la seconde guerre mondiale.

Au cas où surgiraient des situations créant, de l'avis des deux parties, une menace pour la paix, une violation de la paix, ou provoquant une tension internationale, la France et l'Union soviétique agiront conformément au protocole du 13 octobre 1970.

7) Une grande importance s'attache à ce que la France et l'U.R.S.S. coopèrent étroitement en Europe, de concert avec les Etats intéressés, au maintien de la paix et à la poursuite de la détente, à l'amélioration de la sécurité, ainsi qu'au renforcement des relations pacifiques et de la coopération entre tous les Etats européens, dans le respect rigoureux des principes suivants :

- Inviolabilité des frontières actuelles ;
- Non-ingérence dans les affaires intérieures ;
- Egalité ;
- Indépendance ;
- Non-recours à la force ou à la menace.

8) La France et l'U.R.S.S. sont convaincues que la coopération de tous les peuples européens, en ce qui concerne le développement de leur potentiel industriel, l'échange d'expériences et de connaissances et la protection de l'environnement, peut permettre à l'Europe d'accroître le rythme du progrès économique, scientifique et technique.

9) La France et l'U.R.S.S. s'emploieront, dans les régions où la paix est troublée, à ce que soit obtenu au plus vite un règlement politique dans l'intérêt de la paix générale.

10) Les deux parties contribueront dans toute la mesure du possible à résoudre les problèmes du désarmement général et complet, et avant tout du désarmement nucléaire, à surmonter la division du monde en blocs, à accroître le rôle de l'Organisation des Nations unies, conformément aux dispositions de sa charte.

L'élargissement continu des échanges culturels

11) La France et l'U.R.S.S. édifient leurs relations bilatérales dans tous les domaines, de façon qu'elles servent de bon exemple de coopération d'égal à égal entre Etats à systèmes sociaux différents.

12) Le développement des échanges économiques et commerciaux sur la base des accords en vigueur complétés par l'accord du 27 octobre 1971, la coopération pour la mise en valeur des ressources naturelles, l'échange d'expériences dans le domaine industriel et technique revêtent un intérêt essentiel pour resserrer les liens qui existent entre les deux pays.

13) Tout ce qui peut contribuer à l'enrichissement mutuel dans le domaine intellectuel et au développement des moyens d'améliorer constamment la connaissance, par les peuples français et soviétique, de leurs cultures et activités respectives sera encouragé, compte tenu de leurs anciennes relations en ce domaine, de leurs traditions et de leur amitié. L'élargissement continu des échanges universitaires, scientifiques et artistiques, de la diffusion de l'information, des contacts entre les organisations des deux pays, et notamment des organisations de jeunesse, servira à atteindre ces objectifs. Cela s'appliquera également aux contacts entre les hommes, y compris les rencontres de jeunes, à titre collectif ou individuel, et à l'initiative des initiatives prises dans ce sens recevront le soutien des autorités compétentes.

LE TEXTE DE LA DÉCLARATION**La France et l'U. R. S. S.
espèrent que la conférence
sur la sécurité européenne
pourrait se réunir en 1972**

Voici le texte intégral de la
déclaration franco-soviétique

Ont participé aux conversations :

— DU COTE FRANÇAIS :
M. Chaban-Delmas, premier ministre ; M. Schumann, ministre des affaires étrangères ; M. Giscard d'Estaing, ministre de l'économie et des finances ; M. Ortoli, ministre du développement industriel et scientifique ; M. Jobert, secrétaire général de la présidence de la République ; M. Alphan, secrétaire général du ministère des affaires étrangères ; M. Seydoux, ambassadeur de France en U.R.S.S. ; M. de Beaumarchais, directeur des affaires politiques du ministre des affaires étrangères, et M. Raymond, conseiller technique auprès du secrétariat général de la présidence de la République ;

— DU COTE SOVIÉTIQUE :
(en plus des personnalités déjà mentionnées, N.D.L.R.) : M. Abramimov, ambassadeur de l'U.R.S.S. en France ; M. Tschukanov, assistant du secrétaire général du Comité central du P.C.U.S. ; M. Alexandrov, assistant du secrétaire général du Comité central du P.C.U.S. ; M. Kovalev, vice-ministre des affaires étrangères ; M. Zagladine, directeur adjoint de la section internationale du comité central du P.C.U.S., et Doublinine, directeur de la première section européenne du ministère des affaires étrangères.

Importance de ce document pour les rapports franco-soviétiques et leur souci commun de lui conférer une efficacité croissante.

Estimant que les résultats obtenus ces dernières années dans le développement des relations franco-soviétiques permettent de les porter à un niveau plus élevé, M. Pompidou et M. Brejnev ont décidé de donner à la coopération entre la France et l'U.R.S.S., et particulièrement à leur coopération politique, qui est exclusivement au service de buts pacifiques, une base encore plus large et plus solide. A cette fin, ils ont signé un « énoncé des principes de la coopération entre la France et l'Union des républiques socialistes soviétiques ».

Passant en revue les grands

volonté de faire disparaître les sources de tension au centre de l'Europe et constitue un pas vers la détente en Europe et dans le monde. M. Pompidou et M. Brejnev ont exprimé le souhait que cet accord soit complété par les arrangements prévus et par le protocole final.

Les progrès ainsi réalisés et les résultats que l'on peut attendre des efforts entrepris pour une normalisation générale des rapports entre la R.F.A. et la R.D.A., l'admission, par voie de conséquence, de ces deux Etats à l'Organisation des Nations unies, ouvriront de nouvelles perspectives pour le renforcement de la sécurité, le développement des échanges et l'élargissement de la coopération entre tous les Etats en Europe.

La conférence sur la sécurité européenne

M. Pompidou et M. Brejnev ont réaffirmé l'importance qu'ils attachent à la réunion d'une conférence sur la sécurité et la coopération en Europe. La réalisation dans un avenir proche de ce projet, que favorise l'évolution récente de la situation, doit, à leurs yeux, contribuer à transformer progressivement les relations entre Etats européens de telle sorte que puisse être surmontée la division du continent en blocs. L'une de ses principales tâches doit être un renforcement de la sécurité européenne par la création d'un système d'engagements qui exclue tout recours à la menace ou à l'usage de la force dans les relations mutuelles entre Etats et qui assure le respect des principes de l'intégrité territoriale des Etats, de la non-ingérence dans leurs affaires intérieures, de l'égalité et de l'indépendance de tous les Etats.

Une telle conférence doit également avoir pour effet le développement entre tous les pays qui y participeront des échanges économiques et commerciaux, de la coopération sur le plan industriel et technique, des échan-

ges culturels et scientifiques, des contacts entre les hommes. Les peuples pourront ainsi, en se connaissant mieux et en bénéficiant mutuellement des fruits de leur travail, de leur art et de leur pensée, prendre davantage conscience de la solidarité qui les unit, en vue du renforcement de la paix, de l'amitié et de la coopération.

En rappelant leur vœu de voir s'ouvrir dès que possible à Helsinki, en accord avec les Etats intéressés, la préparation multilatérale de la conférence, M. Pompidou et M. Brejnev ont marqué qu'à leur avis cette réunion préliminaire multilatérale doit permettre de s'entendre sur le contenu de l'ordre du jour de la conférence, la procédure de ses travaux, les modalités et la date de sa convocation.

Les deux parties sont conscientes de l'importance qui s'attache à ce que cette conférence réponde pleinement aux espoirs éveillés dans l'opinion publique et qu'elle se traduise, dans les domaines dont elle aura à traiter, par des résultats concrets. Elles expriment l'espoir que la préparation de la conférence se déroulera de telle manière que celle-ci puisse se réunir en 1972.

A l'invitation de M. Georges Pompidou, président de la république française et du gouvernement français, M. L. I. Brejnev, secrétaire général du comité central du parti communiste de l'Union soviétique, membre du présidium du Soviet suprême de l'U.R.S.S., a été l'hôte de la France du 25 au 30 octobre 1971. M. Brejnev était accompagné de M. V. A. Kirilline, vice-président du conseil des ministres de l'U.R.S.S., président du comité d'Etat du conseil des ministres de l'U.R.S.S. pour la science et la technique ; de M. A. A. Gromyko, ministre des affaires étrangères de l'U.R.S.S., et de M. N. S. Patolichev, ministre du commerce extérieur de l'U.R.S.S.

M. Brejnev et les personnalités de sa suite ont visité Paris et Marseille. Ils ont pu prendre connaissance de la vie du peuple français dans ses divers aspects. Un accueil particulièrement amical et chaleureux leur a été réservé.

M. Brejnev a eu des entretiens avec le président de la République et a également rencontré le premier ministre et plusieurs membres du gouvernement français.

**« Une atmosphère de confiance
et de cordialité »**

Les entretiens se sont déroulés dans une atmosphère de confiance et de cordialité conforme aux relations amicales qui existent entre les deux pays. Ils ont été marqués par une volonté commune de faire progresser la cause de la détente et de renforcer les rapports entre la France et l'U.R.S.S.

M. Pompidou et M. Brejnev se sont félicités du développement de la coopération franco-soviétique dans tous les domaines, et notamment dans le domaine politique. En application du protocole franco-soviétique du 13 octobre 1970, les deux pays ont des consultations politiques sur l'ensemble des grands problèmes qui se posent dans le monde. Les deux parties ont réaffirmé la grande

problèmes de l'actualité internationale. M. Pompidou et M. Brejnev ont examiné avec une particulière attention la situation en Europe. Ils ont noté avec satisfaction, après la signature, en 1970, des traités entre l'U.R.S.S. et la R.F.A., et la Pologne et la R.F.A., de nouveaux signes encourageants d'une évolution dans le sens de la détente, et se sont déclarés convaincus que l'entrée en vigueur de ces traités aura une grande importance pour le renforcement de la paix en Europe. Les deux partis ont souligné l'accord tripartite conclu le 3 septembre dernier entre la France, l'U.R.S.S., les Etats-Unis et la Grande-Bretagne, en vertu des responsabilités qu'elles partagent, marque leur commune

Approved For Release 1999/09/02 : CIA-RDP79-01194A000300020001-4

M. Pompidou et M. Brejnev ont évoqué la question du désarmement. Ils ont constaté que la France et l'U.R.S.S. se prononcent en faveur d'un désarmement général et complet sous un contrôle international efficace. Ils ont réaffirmé leur conviction qu'une conférence des cinq puissances nucléaires constituerait une mesure appropriée à cette fin.

Les deux parties considèrent, en effet, que l'étude du désarmement nucléaire doit être entreprise en priorité. Elles entendent continuer à ne négliger aucun

Soutien à la mission Jarring et à l'ONU

Exprimant leur inquiétude devant le maintien de la tension au Proche-Orient, les deux parties constatent qu'aucun progrès n'a encore été accompli pour arriver

à un règlement politique du conflit. Elles jugent nécessaire que M. Jarring, représentant spécial du secrétaire général des Nations unies, soit mis à même de relancer des accords de Genève de 1954 et de 1962, la possibilité de décider eux-mêmes de leur sort, sans aucune ingérence étrangère.

M. Pompidou et M. Brejnev ont examiné les divers aspects de la dangereuse situation qui s'est créée dans le sous-continent indien, à la suite des événements du Pakistan-Orient, et affirme leur volonté de poursuivre leurs efforts en vue du maintien de la paix dans la région. Ils ont exprimé leur compréhension des difficultés auxquelles se heurte le gouvernement indien en raison de l'afflux massif de réfugiés. Les deux parties ont exprimé l'espoir que sera rapidement réalisé un règlement politique des problèmes qui ont surgi au Pakistan-Orient, de façon à permettre, notamment, le retour des réfugiés.

La France et l'Union soviétique continueront avec énergie, en utilisant toutes les possibilités politiques dont elles disposent, notamment la concertation à quatre, à rechercher le moyen d'aboutir sans retard à un règlement au Proche-Orient.

Confirmant leur fidélité aux buts et principes de la charte des Nations unies, dont les possibilités concernant le maintien de la paix et le règlement des différends leur paraissent devoir être utilisées pleinement, les deux parties proclament leur désir commun de poursuivre et d'approfondir leurs consultations en vue d'un fonctionnement plus efficace de l'Organisation des Nations unies. Elles soulignent le rôle utile que jouent aux Nations unies la compréhension mutuelle et les consultations entre les deux pays.

Au cours de ces consultations, les principes mutuellement acceptables d'un système de garanties de ce règlement devront, en particulier, être examinés avec attention.

La France et l'U.R.S.S. se prononcent pour la cessation de l'intervention étrangère, qui se poursuit encore en Indochine, et pour un règlement politique dans cette région, qui réponde aux intérêts des peuples qui y vivent.

Elles continueront à déployer leurs efforts en vue de contribuer à un tel règlement par des négociations qui assureraient aux peuples de cette région, sur la base

Les relations bilatérales

M. Pompidou et M. Brejnev ont examiné les différents aspects des relations bilatérales. Ils se sont félicités du développement de ces relations depuis le voyage du

président de la République en U.R.S.S., en octobre 1970.

Les deux parties ont marqué leur satisfaction des progrès accomplis dans le domaine de la coopération économique et industrielle.

Les deux parties ont constaté qu'elles poursuivaient le même objectif en matière d'armes chimiques et bactériologiques (biologiques). Elles ont formulé le souhait qu'il soit possible d'aboutir à l'interdiction de la fabrication et à la destruction de ces deux catégories d'armes dans des conditions satisfaisantes pour la communauté internationale tout entière.

Les deux parties ont réaffirmé qu'elles avaient pour but de doubler le volume du commerce franco-soviétique de 1970 à 1974, comme prévu par l'accord sur la coopération économique et commerciale.

La science et la technique

Les deux parties ont réaffirmé également l'intérêt que présente la participation d'entreprises françaises à la réalisation de projets de moyenne importance pouvant être menés à bien dans de brefs délais.

Les deux parties ont réaffirmé la grande importance que revêt, à leurs yeux, la coopération franco-soviétique dans le domaine de la science et de la technique. Elles ont noté avec satisfaction les succès obtenus dans ce domaine depuis la signature de l'accord du 30 juin 1966 et ont apprécié favorablement, en particulier, les résultats des travaux de la sixième session de la commission mixte permanente franco-soviétique qui a eu lieu à Moscou du 22 au 24 juillet 1971.

A cette occasion, on a constaté les succès importants de la coopération dans le domaine de l'exploration de l'espace, de l'utilisation de l'énergie atomique à des fins pacifiques et aussi de la physique des hautes énergies, en particulier : l'installation sur la Lune d'un réflecteur laser français, la mise en service de la chambre à bulles française « Mirabelle » sur l'accélérateur de protons soviétique de Serpoukhov, le contrat franco-soviétique sur l'enrichissement en Uranium soviétique d'uranium naturel français.

La coopération a donné également des résultats fructueux dans le domaine de l'agriculture, de la construction et de l'architecture, des problèmes de l'eau, de la recherche médicale, des transports ferroviaires, de la météorologie et de l'océanographie.

Les deux parties ont réaffirmé leur volonté de poursuivre et d'approfondir leurs consultations en vue d'un fonctionnement plus efficace de l'Organisation des Nations unies. Elles soulignent le rôle utile que jouent aux Nations unies la compréhension mutuelle et les consultations entre les deux pays.

Les deux parties ont réaffirmé qu'elles avaient pour but de doubler le volume du commerce franco-soviétique de 1970 à 1974, comme prévu par l'accord sur la coopération économique et commerciale.

Dans ce but, elles ont décidé de donner une nouvelle impulsion au développement du commerce entre les deux pays. Elles s'efforceront, en particulier, d'accroître les fournitures de matières premières par l'Union soviétique et d'augmenter la part de matériel industriel soviétique dans les importations françaises. Les deux

parties ont réaffirmé leur volonté de poursuivre et d'approfondir leurs consultations en vue d'un fonctionnement plus efficace de l'Organisation des Nations unies. Elles soulignent le rôle utile que jouent aux Nations unies la compréhension mutuelle et les consultations entre les deux pays.

La science et la technique

Les deux parties ont réaffirmé également l'intérêt que présente la participation d'entreprises françaises à la réalisation de projets de moyenne importance pouvant être menés à bien dans de brefs délais.

Les deux parties ont réaffirmé la grande importance que revêt, à leurs yeux, la coopération franco-soviétique dans le domaine de la science et de la technique. Elles ont noté avec satisfaction les succès obtenus dans ce domaine depuis la signature de l'accord du 30 juin 1966 et ont apprécié favorablement, en particulier, les résultats des travaux de la sixième session de la commission mixte permanente franco-soviétique qui a eu lieu à Moscou du 22 au 24 juillet 1971.

A cette occasion, on a constaté les succès importants de la coopération dans le domaine de l'exploration de l'espace, de l'utilisation de l'énergie atomique à des fins pacifiques et aussi de la physique des hautes énergies, en particulier : l'installation sur la Lune d'un réflecteur laser français, la mise en service de la chambre à bulles française « Mirabelle » sur l'accélérateur de protons soviétique de Serpoukhov, le contrat franco-soviétique sur l'enrichissement en Uranium soviétique d'uranium naturel français.

La coopération a donné également des résultats fructueux dans le domaine de l'agriculture, de la construction et de l'architecture, des problèmes de l'eau, de la recherche médicale, des transports ferroviaires, de la météorologie et de l'océanographie.

Les deux parties ont réaffirmé leur volonté de poursuivre et d'approfondir leurs consultations en vue d'un fonctionnement plus efficace de l'Organisation des Nations unies. Elles soulignent le rôle utile que jouent aux Nations unies la compréhension mutuelle et les consultations entre les deux pays.

Le cours à l'heure actuelle. A cette occasion, les deux parties ont noté avec satisfaction les importants résultats obtenus, notamment en ce qui concerne la construction en Union soviétique d'un puissant complexe d'industrie forestière et le rôle considérable que doit jouer l'industrie automobile française par sa participation à la construction d'une usine de camions en U.R.S.S.

Le gouvernement français continuera, de son côté, à encourager la participation d'organismes soviétiques à la construction en France de certains complexes industriels. Les deux parties sont tombées d'accord sur l'intérêt mutuel que présentent la vente du gaz naturel soviétique à la France et l'achat à la France d'équipements et de matériels destinés à l'industrie du gaz de l'Union soviétique. Elles se concerteront sur les moyens de donner à l'accord qui s'est dégagé sur ce point une suite pratique dans les délais les plus rapprochés.

coopération dans le domaine des recherches tant fondamentales qu'appliquées, et à encourager leur extension à d'autres problèmes actuels, en particulier l'environnement, la biochimie et la biophysique, et la construction de grands appareils scientifiques.

Afin de donner à la coopération économique, technique et industrielle un caractère plus stable et durable, les deux parties ont conclu un accord sur le développement de la coopération économique, technique et industrielle d'une durée de dix ans, appelé à favoriser la mise en œuvre d'un vaste programme de coopération profitable aux deux pays.

Les deux parties ont décidé de poursuivre les échanges de visites entre éléments des forces armées des deux pays.

Les deux parties ont réaffirmé leur résolution d'approfondir les relations culturelles entre la France et l'U.R.S.S. Elles ont constaté avec satisfaction les progrès réalisés, en particulier en ce qui concerne l'enseignement de la langue russe en France et de la langue française en U.R.S.S., et sont convenues d'intensifier l'effort entrepris.

Elles déclarent qu'elles continueront à encourager les échanges dans tous les autres domaines culturels, tels que ceux de la radio, de la télévision, de l'art, du cinéma, de l'éducation, de l'enseignement, du sport et de l'information, ainsi que les contacts entre personnes et, en particulier, les échanges entre organisations de jeunes. Elles sont tombées d'accord pour reconnaître qu'en dépit des progrès accomplis il restait, dans ces divers domaines, des possibilités considérables d'élargir encore davantage la coopération

Approved For Release 1999/09/02 : CIA-RDP79-01194A000300020001-1

Les deux parties constatent avec satisfaction que la visite de M. Brejnev a permis de confirmer l'extension continue et l'approfondissement de la coopération entre les deux pays, de même que le caractère particulier des liens d'estime et d'amitié qui existent entre les peuples de France et d'U.R.S.S. Cette visite

donnera de nouvelles dimensions à l'entente et à la coopération franco-soviétiques, placées au service de la paix. »

• ERRATUM. — Dans notre édition datée dimanche 31 octobre-lundi 1^{er} novembre, deux lignes sautées en première page ont rendu illisible le premier

alinéa du commentaire sur le séjour de M. Brejnev à Paris. Il fallait lire : « La dernière manifestation mondaine du séjour de M. Brejnev avait été, vendredi soir, la réception à l'ambassade d'U.R.S.S., où l'on avait noté la présence du corps diplomatique au grand complet, mais sans le moindre représentant chinois ou albanais. »

LE MONDE, Paris
28 October 1971

Le compte rendu commun

CPYRIGHT

Les conversations se sont développées dans un climat d'amitié

Voici le texte du compte rendu commun qui a été publié mardi soir par les services de presse de l'Élysée et ceux de la délégation soviétique, à l'issue de l'entretien en tête à tête de MM. Brejnev et Pompidou :

« Les 25 et 26 octobre, des entretiens prolongés ont eu lieu entre M. Georges Pompidou, président de la République française, et M. Leonid Brejnev, secrétaire général du parti communiste de l'U.R.S.S.

« Ils ont porté sur un large domaine de questions d'intérêt commun.

« Durant ces deux jours, il a été procédé à un échange d'informations de la part de M. Brejnev sur la situation intérieure

de l'U.R.S.S., son développement économique et les objectifs de sa politique extérieure.

« De son côté, le président de la République, M. Georges Pompidou, a informé M. Brejnev du développement de la France et de certains aspects de sa politique étrangère.

« La grande importance de la

coopération économique, scientifique, technique et culturelle entre les deux pays a été constatée dans l'intérêt de leur progrès.

« Des mesures pour approfondir et développer cette coopération ont été envisagées. Dans le domaine de leurs relations mutuelles, les principes au développement de celles-ci ont été discutés.

« En matière de politique extérieure, les deux hommes d'État ont parlé des effets du protocole, signé en 1970, sur la consultation politique, l'Europe et certaines questions de sécurité européenne.

« A propos de ces problèmes, leurs points de vue communs se sont dégagés, reflétant les intérêts du peuple français et du peuple soviétique.

« Ces conversations se sont déroulées dans un climat de franchise, de compréhension, de cordialité et dans un esprit d'amitié. Les entretiens portant sur ces thèmes, sur d'autres questions de politique étrangère et sur la coopération économique se poursuivront dans les jours à venir. »

LE MONDE, Paris
28 October 1971

CPYRIGHT

Le texte de l'accord

Voici le texte de l'accord sur le développement de la coopération économique, technique et industrielle entre les gouvernements français et soviétique, signé le 27 octobre par MM. Giscard d'Estaing et Patolitchev :

ARTICLE PREMIER. — Les deux gouvernements continueront à déployer leurs efforts pour contribuer au développement et au renforcement de la coopération économique, scientifique et technique qui constitue un facteur de progrès pour les deux pays.

ART. 2. — Ils ont décidé, à cet effet, d'encourager les organisations et les entreprises de chaque pays à participer à la réalisation des plans quinquennaux en vigueur, ainsi que des plans ultérieurs de l'autre pays.

ART. 3. — Les deux gouvernements définiront d'un commun accord les différents secteurs dans lesquels l'élargissement de

la coopération est souhaitable, notamment en considération des besoins et des ressources de chacun des deux pays en matières premières, équipements et techniques, ces besoins et ces ressources étant appréciés sur une longue période.

Tous les secteurs présentant des perspectives de développement favorables au regard des ressources et des possibilités de chacune des deux parties feront l'objet d'une attention particulière.

ART. 4. — les deux gouvernements favoriseront la coopération entre les organisations et les entreprises intéressées des deux pays, ainsi que la conclusion, conformément à la législation en vigueur dans les deux pays, d'accords et de contrats, en particulier à long terme, entre les personnes physiques et morales françaises et les organisations soviétiques correspondantes, notamment en vue d'assurer la participation d'entreprises sovié-

ques à la réalisation de grands ensembles industriels en France et la coopération de l'industrie française à la construction en U.R.S.S. de complexes industriels, ainsi qu'à la modernisation et à l'extension des industries légères productrices de biens de grande consommation.

Les deux parties faciliteront la conclusion de contrats à long terme portant en particulier sur la livraison des matières premières dont la France a besoin pour son approvisionnement.

ART. 5. — Les deux gouvernements ont en outre décidé de rechercher de manière coordonnée dans les pays tiers, les points d'application de cette coopération.

ART. 6. — La commission mixte permanente de coopération franco-soviétique est chargée d'organiser la mise en œuvre de articles précédents...

ART. 7. — Le présent accord est conclu pour une durée de dix ans. Il entrera en vigueur dès le jour de sa signature.

Approved For Release 1999/09/02 : CIA-RDP79-01194A000300020001-1

LE MONDE, Paris
28 October 1971

La France et l'U.R.S.S. signent un accord de coopération économique pour dix ans

M. Valéry Giscard d'Estaing a signé mercredi matin avec M. Nicolas Patolitchev, ministre soviétique du commerce extérieur, un accord de coopération économique à long terme (dix ans). Cet accord doit être un des trois principaux documents signés entre les deux pays à l'occasion de la visite de M. Brejnev à Paris, les deux autres étant le communiqué commun et le texte politique. En outre, MM. Giscard d'Estaing et Patolitchev ont assisté dans la même matinée à la signature de l'accord sur la participation de la régie Renault à la construction de la gigantesque usine de camions de la Kama (*le Monde* du 27 octobre). L'accord porte sur l'ingénierie de cette usine; c'est le premier à être signé par les Soviétiques avec une firme étrangère pour cette affaire. L'accord de coopération à long terme porte sur une période de

cennale et il marque la volonté des deux pays d'associer leurs grandes entreprises respectives

au développement économique du pays partenaire. L'exemple de la participation de Renault à la construction de l'usine de la Kama montre que la mise au point de projets aussi gigantesques exige une longue préparation et qu'en conséquence, il est tout simplement réaliste de porter jusqu'à l'année 1981 l'examen en commun des possibilités offertes dans le domaine de la coopération industrielle. L'U.R.S.S. est déjà actuellement le plus important client de la France pour les équipements lourds et les usines livrées « clef en main ».

Les difficultés que soulève la participation soviétique à l'ensemble industriel de Fos ne découragent nullement les deux gouvernements. Les Soviétiques ont déjà fait part de l'intérêt qu'ils portent à plusieurs autres

grands projets français et, notamment, à la construction du métro de Marseille, pour laquelle ils pourraient offrir des solutions techniques appropriées.

Dans l'autre sens, l'accord de coopération à long terme devrait faciliter la bonne fin des projets associant des firmes françaises à l'essor industriel de l'U.R.S.S. La France, comme on le sait, a le souci de s'assurer des sources de matières premières (cuivre, nickel...) en participant éventuellement à la mise en valeur des énormes richesses minérales de l'Oural et de la Sibérie. Mais d'autres projets sont en cours d'examen. C'est ainsi que Pechiney envisage la construction d'un atelier d'anodes (industrie de l'alumine) et d'usines de transformation de l'aluminium. Chacun de ces deux projets porte sur une valeur de 250 millions de francs.

— P. F.

LONDON OBSERVER, London
31 October 1971

CPYRGHT

Brezhnev fails to get treaty from French

from BORIS KIDEL: Paris, 30 October

THE OUTCOME of the talks here between Mr Brezhnev, the Soviet leader, and President Pompidou seems distinctly an anticlimax. Neither the joint declaration nor the statement of principles governing Franco-Soviet relations, signed today, broke new ground.

Mr Brezhnev had originally hoped to extract a friendship treaty from the French. But M. Pompidou, far more concerned than General de Gaulle about preserving France's commitments to NATO, firmly resisted these Soviet suggestions.

The holding of a European security conference, which the Soviets have been seeking for a long time, depends in the West on the holding of a Berlin

agreement. The governments of the two Germanys are still quarrelling over details, but a final solution is expected before Christmas.

As Mr Brezhnev flew from Paris to East Berlin this afternoon Soviet officials firmly denied that he would be exerting pressure on the East German leaders to hasten agreement on Berlin. East Germany, these officials said, was 'a sovereign nation' and the master of its own decisions.

An additional difficulty has now emerged. As Mr Brezhnev indicated here, the Russians will not sign the Berlin agreement until West Germany has formally notified the ratification of the Soviet-German treaty signed last year. The two actions must be simultaneous. Mr Brezhnev is reported to have told the French.

The key passages of their joint declaration are in the same ground as the Franco-Soviet proto-

col signed by President Pompidou in Moscow last year. Again the two leaders agreed that their Governments should intensify their consultations.

So far, at least until the very eve of Mr Brezhnev's visit here, the Russians hardly ever bothered to inform or consult the French Government about their diplomatic moves. Today the two leaders affirmed that the policy of friendship and co-operation between their two countries was destined to become 'a constant feature of their relations and a permanent factor in international relations.'

For Chancellor Brandt, with his slim parliamentary majority, this Soviet demand creates a major problem. Until now he has always said that the signing of the Berlin agreement must precede ratification. He has also said that he will want the actual instruments of ratification deposited at the same time

as they sign the treaty. Soviet officials asserted that M. Pompidou had accepted their view. If this is confirmed, the West Germans are certain to regard it as an unfriendly gesture.

On his first visit to the West Mr Brezhnev managed to arouse no more than tepid public interest.

It was very different when Mr Khrushchev came to France in 1960. Then thousands turned out to cheer or to catch a glimpse of the Soviet leader. This time, presumably expecting a meagre response, the leaders of the French Communist Party made no determined effort to mobilise their supporters.

Leonid Brezhnev has none of Mr Khrushchev's boisterous flamboyance. To the French public he came across as a humdrum party bureaucrat who lapses into banalities whenever he departs from the safety of his prepared speeches.

Clearly at first he was somewhat daunted by his venture into the Western world. During the wel-

come to the Kremlin Palace, he nervously wiped his mouth with a handkerchief as he listened to President Pompidou's address. Unused to speaking without notes at public functions, Mr Brezhnev forgot the key sentence of his speech urging the French to raise their relations with the Soviet Union to a still higher level. His interpreter inserted the missing sentence into his translation.

Still, Mr Brezhnev evidently attached great importance to the visit. For him it meant the formal consecration of his role as the master of Soviet foreign policy. Originally M. Pompidou had invited all the Moscow 'troika,' Mr Brezhnev, President Podgorny and Premier Kosygin, to visit France. By coming alone Mr Brezhnev confirmed his dominant position in the Soviet leadership.

Very distinctly Mr Brezhnev had set out to strike here the pose of a sober statesman preoccupied by peace and by friendship with France. He carefully avoided Mr Khrushchev's verbal excesses. In a public relations drive designed to

rec. Soviet officials tried to portray him as far more open minded than his public attitudes would suggest. Although he wants the party in the Soviet Union to remain ideologically strong and united, they said he was in fact willing to accept less conformism and more experiment, particularly in the cultural fields.

But he could not always execute his own wishes. Mr Brezhnev was not the sort of leader who imposed his will. Rather than become involved in showdowns with his colleagues, he preferred to rule by consensus.

He was pictured as a modest man who had lived with his family in the same apartment block since his arrival in Moscow 19 years ago. The only difference, it was said, was that nowadays he had five rooms instead of three. The Soviet leader came to Paris accompanied by his wife, Victoria, a former gynaecologist, who appeared to be overwhelmed by her first journey to the West and all the pomp laid on by the French.

NEW YORK TIMES
31 October 1971

Put Out More Red Flags

CPYRGHT

CPYRGHT

By C. L. SULZBERGER

FOREIGN AFFAIRS

"France appears to feel that Russia is now satisfied with the extent of its territorial domain and is no longer expansionist; that . . . it strives to have the status quo accepted everywhere."

PARIS—One must keep certain underlying truths in mind when assessing the importance of Mr. Brezhnev's visit here, during which red flags were as notable in Paris as in the days of the 1870 commune.

The Russian policy of the Fifth French Republic has always been mixed up with France's internal political situation, and there has been a tendency to give the appearance of diplomatic concessions to Moscow and thus outflank from the left the powerful Communist party here.

Likewise, the Kremlin, when addressing France in recent years, has sought to obscure the fact that it hoped to use French influence as a card to be played in two different

games: That which the Soviet Union has been slowly elaborating in Germany and the even more important maneuver of trying to diminish United States influence in Europe.

By displaying Russia's traditional friendship for France, Mr. Brezhnev evidently sought to stimulate reaction and alarm in Bonn. If consequently he can prod Willy Brandt, who got a Nobel Peace Prize for warming up relations with the East, into a still more amiable attitude, Brezhnev clearly hopes the disenchanting United States will show less faith and confidence in Europe and place even more emphasis on its expanding dialogue with the Kremlin.

The Pompidou-Brezhnev dialogue represented, at least in part, an effort by the French President to cement his political position at home whereas for the Soviet boss it represented an effort to strengthen Russia's diplomatic position abroad.

But aside from the domestic aspect, the French viewpoint on the strategic negotiations of the meeting is of great interest since Paris' interpretations of Soviet intentions have value and importance to the entire Western world.

France appears to feel that Russia is now satisfied with the extent of its territorial domain and is no longer expansionist; that therefore it strives to have the status quo accepted everywhere, Moscow thus favors signature

by Bonn of agreements delimiting East-West borders (as are now being worked out) and it hopes that eventually pending will accept the basis of existing frontiers with the U.S.S.R. in Asia.

The French nevertheless perceive that Soviet policy encompasses potentially unstable situations: China does not yet recognize its Soviet border *de jure*, and German recognition of the Oder Neisse line is due only to the existing balance of forces in Europe. Although highly unlikely, were Germany ever again to become great and powerful, it might once more feel attracted territorially eastward.

Russia, aware of these possible dangers, favors coexistence, *détente* and status quo—and France agrees. The Soviet Union is also aware of its strength as a world power—as relatively new an experience for Moscow as it is for Washington.

As Russia expands its global influ-

ence, primarily through its fleet and air force, it penetrates everywhere and this creates frictions. But whenever such frictions seem capable of producing trouble, Moscow is inclined to halt its penetration.

As far as the United States is concerned, France feels the Russians want a kind of equality with America, a partition of power in the contemporary sense. While the Russians are not prepared to retreat on the ideological front and there are many contradictions in these various impulses, the French believe that in the end Moscow, eager to avoid conflict, will restrain or accommodate abrasive situations.

With respect to his own policy, President Pompidou apparently seems to think France becomes closer to the United States as U.S. superiority over the U.S.S.R. diminishes. As a logical consequence, the expression of French policy today is less anti-American than it was under de Gaulle because Ameri-

can superiority has perceptibly declined.

Furthermore, it is felt here that Paris and Washington are now less far apart on the Middle East, are approaching harmony on Vietnam as the U.S.A. withdraws, and that they have reached a position where de Gaulle's intervention in North American affairs, via French Quebec, has ended.

It is improbable that any real diplomatic developments materialized from Brezhnev's interesting if rather staid trip. Pompidou, a clever politician, subtly used it to stress the isolation of the Communist party here and, as a statesman, to avoid new and definitive entangling engagements.

Brezhnev, for his part, established his role as the number one Soviet leader abroad, as well as at home, and did his best to stir up new doubts and responses in Bonn and Washington. Time will demonstrate how successful the latter action is.

Approved For Release 1999/09/02 : CIA-RDP79-01194A000300020001-1

25X1C10b

Next 1 Page(s) In Document Exempt

Approved For Release 1999/09/02 : CIA-RDP79-01194A000300020001-1

December 1971

KGB/GRU OPERATIONS ABROAD

The Soviets' flagrant and clumsy abuse of their diplomatic privileges in England left the British authorities late last September no alternative to expelling 105 Soviets from the country. The Soviets were expelled for engaging in espionage and subversion as officers of the Soviet intelligence organizations known as the KGB and its military intelligence counterpart, the GRU. The 105 expellees represent about 20% of all Soviets posted to Britain. Although the British had twice warned the Soviet government to put an end to the activities of the KGB and GRU in England, the expulsions seem to have been precipitated by the revelations of Oleg Lyalin, a KGB officer in London who had defected a short time before.

In mid-October, a similar case came to public attention in Belgium. This, too, seems to have been precipitated by the defection and subsequent revelations of Anatoli Chebotarev, a high level officer in the GRU stationed in Belgium. Chebotarev sought and found asylum in the United States. Unlike the British, the Belgian authorities have revealed little of the case, but the Belgian press has ferreted out information which is proving reliable. Out of some 120 Soviets stationed in Belgium under one cover another, Belgian newspapers confidently assert that from 30-40 KGB or GRU officers, or more than 25% of the Soviet community there, have been implicated and will be expelled. (As of this writing, ten have been identified; see list attached).

The Belgian case is only the most recent in a growing number of instances where free world governments have exposed Soviet subversion and espionage in their countries. Still fresh in memory are the cases in the single year of 1971, which include subversion attempts in Mexico last March, in the Sudan and Ecuador in July, and espionage in the Congo, Ghana, and Italy. The recent British and Belgian cases are especially instructive in that they illustrate the massive scale of Soviet intelligence operations in the free world. The two cases are instructive in a number of other ways as well, offering many insights into the real functions of the Soviet official representation in foreign countries, most particularly how this representation is used as a mechanism for hiding its primary mission of espionage and subversion. Below are recounted some of the issues raised by the British and Belgian cases.

The Soviet "Official" Representation in a Foreign Country

Every Soviet abroad for a tour of duty or for an extended period is part of the official Soviet government representation, regardless of the organization or activity he purports to

represent. There is no such thing as a private Soviet citizen living abroad for personal reasons (as is the case with tens of thousands of Westerners who reside abroad for private business reasons, for purposes of study, or merely for pleasure). Every Soviet citizen is abroad to accomplish a mission for the Soviet government. These officials work for innumerable organizations, some of the more common of which are the Embassy, Consulates, Trade Missions, Aeroflot (the Soviet airline), press representatives, Inturist (tourist organization), various specialized Soviet export-import and other commercial organizations, and local "Friendship" societies.

The Size of the Soviet Official Community Abroad

Many, if not most, Soviet missions abroad are disproportionately large in comparison to the amount of legitimate diplomatic, trade, commercial, cultural etc. activity with which they are tasked. The disproportion is accounted for by the large number of KGB and GRU personnel assigned to Soviet Embassies. It is instructive, for example, to note that the total of 105 Soviet intelligence officers expelled from Britain exceeds the entire British official representation in Moscow.

The Proportion of KGB/GRU in Official Missions

In Britain, the 105 KGB/GRU officers expelled represented about 20% of the official Soviet mission, in Belgium, about 25%. But it should be remembered that there remain in each of the two countries a number of additional officers known to the authorities in the host countries as members of Soviet intelligence. These officers will not be expelled for the time being. Thus, the 20-25% figure is merely a fraction of the total Soviet KGB/GRU personnel in each of the countries. In addition to those members of the Soviet mission who are genuine officers of the KGB or GRU, an indefinite number of the Embassy personnel work for the KGB or GRU in addition to or instead of their nominal or real assignments. Such persons are "co-opted" to work on intelligence tasks, determined by and under the control of the KGB or GRU. The famous Soviet GRU officer, Oleg Penkovsky, who was tried and shot in the Soviet Union in 1963 for smuggling secret information to the West, described this facet of Soviet intelligence operations as follows:

"The proportion of KGB staff officers to the rest of Soviet embassy personnel is usually two men out of five. GRU staff officers number one man in five. There are generally fewer GRU men, but we must be counted separately because our 'neighbors' and we rarely work together. In most embassies it can be stated without error that 60 per cent of the embassy personnel are serving officers in intelligence, either KGB or GRU. Obviously most of the other

embassy employees are regularly co-opted for intelligence purposes."*

Types of KGB/GRU Cover

Soviet intelligence officers conceal their real missions by making a show of working in (i.e. under cover of) some legitimate capacity in the official Soviet community. Oleg Penkovsky gave a rather formidable list of cover organizations under which the KGB and GRU operated during his time. The list will serve as an example of the variety and diversity of Soviet cover organizations used all over the world:

Ministry of Foreign Affairs
Byurobin (now the UPDK)--the office providing services for the Diplomatic Corps in Moscow
Ministry of Foreign Trade
Inturist (almost 100 per cent KGB, only a few GRU officers)
All-Union "International Book" Association (almost 100 per cent KGB)
All-Union Chamber of Commerce
State Committee for the Co-ordination of Scientific Research Work
State Committee for Foreign Economic Relations
State Committee for Cultural Relations with Foreign Countries
Council for the Affairs of Religious Sects, under the Council of Ministries, U.S.S.R.
Council for the Affairs of the Russian Orthodox Church
TASS (The Soviet Union Telegraph Agency)
Union of the Red Cross and the Red Crescent Societies
Committee of Soviet Women
Ministry of Culture, U.S.S.R.
Soviet Committee for the Defense of Peace
Committee of Youth Organizations, U.S.S.R.
The Patrice Lumumba Peoples' Friendship University
Union of Soviet Societies of Friendship and Cultural Relations with Foreign Countries (Ango-Soviet Friendship, Soviet-Indian Friendship, etc. Over forty such societies.)
Soviet Committee of the World Federation of Trade Unions
Soveksportfilm
Sovimportfilm
The Moscow Post Office, 26 Kirov Street
Central Telegraph, 7 Goriy Street
The Academy of Sciences, U.S.S.R.
Lomonosov State University

He goes on to say:

"This list is not complete - it could be made much longer.

*The Penkovsky Papers, by Oleg Penkovsky, Doubleday & Co. Garden City, New York, 1965, p. 67

In short, there is no institution in the U.S.S.R. that does not have in it an intelligence officer or agent of either the GRU or KGB. Furthermore, the majority of the personnel in Soviet embassies abroad are KGB and GRU employees."*

In light of the above, it would be well (as British businessmen are now doing) to act on the assumption that every member of the Soviet official community is a KGB/GRU officer (or co-optee) until convincing evidence to the contrary is forthcoming.

Repercussions of Soviet Subversion Activity

Soviet embassies and trade missions do have legitimate and non-intelligence functions, though their importance is apt to be small in comparison with the intelligence mission.

One of the unfortunate consequences of these recent examples of Soviet abuse of the functions of official missions abroad is that it damages and undermines the necessary and useful interchange that is conducted between two nations via their foreign representatives. Thus, Soviets abroad who actually have as their real missions the promotion of trade and exchange of goods, promoting cultural exchange, representing their government's political views, etc. etc, are understandably viewed with suspicion by foreign governments and by the population at large. People who have dealings with Soviet diplomats and other officials are justified in questioning these same individuals' real work in the country. And although the KGB and GRU exercise such power in Soviet embassies that little takes precedence over their espionage and subversion missions, the legitimate employees of the Soviet Ministry of Foreign Affairs (MFA) and of the Ministry of Foreign Trade (MFT) are understandably annoyed that they should be tarred with the KGB/GRU brush. It is an open question whether MFA and MFT complaints will now or ultimately result in reducing the priority of the KGB's mission abroad.

An even more unfortunate consequence of the London and Belgian spy exposures, for the Soviets at least, is that the KGB/GRU's indiscreet operations carry the danger of vitiating the current Soviet detente campaign being pursued so assiduously in the worldwide travels of the top Soviet leaders. (The spy scandals may indeed have contributed to French President Pompidou's firm refusal to consider a friendship treaty with the USSR, a treaty that Brezhnev was working very hard to achieve during his recent visit to France). If the Brezhnev-Kosygin-Podgorny triumvirate of travelling salesmen either will not or cannot curb the subversive programs of their fellow Politburo member and KGB Chief, Yuri Andropov, there is good reason for the free world to question the good faith of Soviet detente policies.

*Ibid, p. 67

Approved For Release 1999/09/02 : CIA-RDP79-01194A000300020001-1

(Attached is a selection of the more comprehensive and reliable press accounts of the British and the more recent Belgian case which can be compared with the observations made above and which also can be used as some sort of measure of what may well be going on in various other countries).

Approved For Release 1999/09/02 : CIA-RDP79-01194A000300020001-1

24 November 1971

SOVIET OFFICIALS PUBLICLY IDENTIFIED
IN THE PRESS AS BEING EXPELLED FROM BELGIUM

<u>Country of Origin (USSR) and Name</u>	<u>Type of Assignment</u>	<u>Country From Which Expelled</u>	<u>Month</u>
LEONTYEV, Konstantin Ivanovich	Commerical	Belgium	Oct
GLUSHENKO, Oleg Ivanovich	Commercial (Aeroflot)	Belgium	Oct
PARFENOV, Yuri Yefimovich	Commercial (Aeroflot)	Belgium	Oct
KRUGLYAKOV, Vladimir Borisovich	Commercial (Sovflot)	Belgium	Oct-Nov
MASHIN, Anatoliy Georgyevich	Attache Commercial Mission	Belgium	Oct-Nov
SEREDA, Aleksey Milovich	Diplomatic	Belgium	Oct-Nov
TRISHIN, Boris Ivanovich	Attache Commercial	Belgium	Oct-Nov
ZAYTSEV, Valentin Aleksandrovich	Diplomatic	Belgium	Oct-Nov
FEKLENKO, Vladimir Nikolayevich	Military Attache	Belgium	Oct-Nov
KORINFSKIY, Georgiy Mikhaylovich	Diplomatic	Belgium	Oct-Nov

Soviet Spooks' Fun Costly to Kremlin

By Thomas A. Donovan

The writer was chief of the political section of the American embassy in Warsaw and chief of the Eastern affairs section of the U.S. mission in Berlin before retiring from the Foreign Service in 1969. He is now doing research for a history of the Soviet foreign service.

THE SOVIET diplomatic service is living through uncomfortable times. More than a hundred Soviet embassy and trade mission personnel in London have lately been sent home in an unprecedented display of vigor by a generally easy-going British Foreign Office. This miniature diplomatic Bay of Pigs was no "deliberately planned provocation" by a reactionary British government, as a Pravda commentator charged. Rather it was the result of the carelessness of the Soviet leadership in letting its undercover operatives run their shady affairs without outside supervision.

This state of affairs goes back to 1938, when the bulk of the old Soviet diplomatic corps which Maxim Litvinov had trained and directed was disposed of and their places taken by party and security service careerists—men sufficiently in the manner of V.M. Molotov to have prospered while everyone around them was being packed off to Siberia. The reconstituted Ministry of Foreign Affairs continued to recruit its own staff for diplomatic busy-work but little else. The ministry in its present shape, an unhappy amalgam of low-prestige professional diplomats, and of high-powered secret police operatives and political proteges, is thus one of the more enduring institution-building achievements of Stalin and Molotov.

Andrei Gromyko, the present foreign minister, is a product of the Stalin-Molotov era. His first foreign assignment was as deputy chief of mission in Washington in 1939. The circumstances under which Litvinov first met Gromyko are suggestive of the changed situation in the Soviet foreign service after the onset of the purges. When Litvinov and Ambassador Kon-

stantin Umanski called on Stalin before Umanski's departure for Washington, they found in the room a 30-year-old man whom neither had ever seen. As the brief meeting with Stalin came to an end, the director motioned the young man forward and told Litvinov and Umanski that this was Andrei Gromyko, who would accompany Umanski to Washington as his deputy and would later take his place as ambassador. Actually Litvinov, who was soon to be dismissed as foreign commissar, was sent to Washington as ambassador in 1941, and Gromyko had to wait for his embassy until 1943.

How Many Spies?

THE SOVIET foreign service over which Gromyko now presides, like the foreign services of many other countries, includes many bearers of diplomatic passports and diplomatic titles whose actual responsibilities are not to the foreign ministry but to the Committee on State Security, the KGB and, to a lesser extent, the intelligence directorate of the armed forces. Some have spent their entire careers in the employment of the intelligence agencies. Others began in the regular diplomatic service, only later to be co-opted into intelligence work.

Precise figures are hard to come by, for even knowledgeable Soviet defectors have often not known how many of their colleagues have had organizational loyalties different from their nominal ones. It seems certain, nevertheless, that rather more than half of the employees of Soviet diplomatic missions are now primarily responsible to the secret police rather than to the foreign ministry. Aleksander Kaznacheev, who was second secretary of the Soviet embassy in Rangoon in 1959, has written that two-thirds of the 36 employees at the mission were members of Soviet intelligence, responsible directly to intelligence headquarters in Moscow.

Col. Penkovsky, from observation of his colleagues in Ankara where he was a military attache and from his experience in the Moscow military intelli-

gence hierarchy, concluded that 3,000 of the approximately 5,200 Soviet representatives stationed abroad in 1961 were professional intelligence officers. This figure did not include employees of the regular foreign service or of other non-intelligence agencies who were co-opted for intelligence work after having been recruited and sent abroad. Kaznacheev was such a regular diplomatic officer. He did not begin to work for Soviet intelligence until after he had already taken up a regular overseas assignment under the foreign ministry. In his case and in others like it, the co-opted officer remained on the regular foreign service payroll and received his promotions in the regular foreign service hierarchy, with appropriate assistance from intelligence service headquarters in Moscow when needed.

The general accuracy of these estimates of the size of the secret police presence in the regular diplomatic establishment can scarcely be doubted. Nothing else could explain how numerous and how varied have been the diplomatic titles of Soviet embassy personnel apprehended in the course of clandestine intelligence work by Western counter-espionage services. With dreary regularity, Soviet embassy functionaries whose formal positions have been in cultural, trade, press, economic, or consular work have been shown to be busy servicing dead letter drops, surreptitiously passing money in public toilets to various kinds of friends of the Soviet Union, or otherwise engaged in the costly and exciting but politically unimportant game of testing the vigilance of the security services of other countries.

The Lowly Ambassador

THE WHOLESALe subtraction of foreign service personnel from regular diplomatic work has damaged the standing of the Soviet ambassador, by leaving him ill-equipped to compete with the intelligence organizations for the ears of the authorities in Moscow. His foreign service subordinates are hindered by security restrictions from

associating freely with foreigners, and so are cut off from access to essential non-secret information about conditions in their country of assignment. The employees of the security services, on the other hand, are encouraged to roam about reasonably widely as a part of their intelligence mission. Inevitably, therefore, security service personnel tend to be better informed than their regular diplomatic colleagues.

The great lead which the collectors of clandestine intelligence have in providing Moscow with foreign policy information has this important consequence: It makes the Soviet leadership depend for policy guidance on reports from the security services rather than from the regular diplomatic hierarchy. The typical Soviet ambassador, therefore, unless he be a man with the exceptional professional expertise of Ambassador Ivan Maiski in wartime London, is in no position to win the ear of his superiors, even were he inclined to look at foreign matters differently from his nominal subordinates in the secret police. His political reporting, accordingly, can seldom be more than a pale reworking of such intelligence material as his surly intelligence agency associates have allowed him to see.

The regular Soviet diplomat is also handicapped by his constant need, if he is to protect his career, to avoid incurring the disapproval of the security hierarchy. Diplomats of all countries must occasionally guard against being thought excessively tolerant of foreign viewpoints, and Soviet diplomats more than most have reason to worry about such suspicions. In Soviet society, they can best protect themselves by espousing policy positions congenial to the institutional interests of the secret police.

Such careerist considerations would be quite sufficient, for example, to account for the notorious haste with which Ambassador Stepan Chervonenko in Prague began to urge military intervention in Czechoslovakia when it became evident that the Czechoslovak party's reformers were beginning to move against Czechoslovak agents of the Soviet secret police. In Chervonenko's case, an elementary careerist need to take up a hostile attitude toward the Czechoslovak deviation must have been particularly pressing, for Chervonenko could hardly have wished to have his Prague tour end as unsatisfactorily for the Soviet Union as had his previous assignment, as ambassador in Peking.

The readiness of ambassadors, acting out of weak-minded regard for their own careers, to look to outside agencies for support and advancement is, of course, no new thing in the Soviet service, as elsewhere. In the Soviet diplomatic service, however, this process has been taken one step further, by rewarding with ambassadorial assignments men who have had service in the intelligence apparatus. The new-style Soviet ambassador is not just a man who can be counted on to perform as the secret police hierarchy would wish; he may well be a career intelligence officer. For there is strong reason to believe that a considerable minority of Soviet ambassadors are in fact up-graded employees of the intelligence services rather than representatives of the Ministry of Foreign Affairs.

The best known example is Aleksandr Paniushkin, who was Soviet ambassador to Nationalist China from 1947 to 1952, and to Communist China from 1952 to 1953. Paniushkin's police connections were brought to light by Nikolai Khokhlov, an MVD agent sent out to assassinate a Russian emigre in West Germany in 1954. Khokhlov received the detailed instructions for his mission from Paniushkin at the secret police headquarters in Moscow. Sergei Kudryavtsev, who was Soviet ambassador in Havana in 1960, is another whose career, while nominally a succession of regular diplomatic and foreign ministry assignments, was probably always with the intelligence services. Kudryavtsev helped set up one of the early spy rings uncovered in Canada with the defection of Igor Gouzenko from the Soviet embassy in Ottawa.

For Little Gain

IT IS COMMONLY argued in non-Communist countries that the intensive intelligence effort carried on by personnel assigned to Soviet diplomatic missions, though here and there overdone or done clumsily, has at any rate permitted the Soviet leadership to foresee the political future with more confidence than their Western counterparts. In fact, however, this is far from being the case. The historical record suggests rather that Soviet intelligence can have been little more successful than Western in providing advance information on developments of political importance.

For all their massive investment of men and money in intelligence

by surprise quite as often as their Western rivals. They did not expect that Nkrumah would be overthrown in Ghana or that Sukarno would fall from power so quickly in Indonesia. They did not believe that Syria would break away from the United Arab Republic or that Israel would defeat Egypt. They did not foresee that the United States would learn of the missiles in Cuba or would react to them as it did. They did not anticipate the June, 1953, uprising in East Berlin—Khokhlov reported that the Central Committee ordered a high-level, CIA-style post-mortem to find out why the MVD had known so little of what was going on in East Germany—and they have been no better informed about important developments elsewhere in Eastern Europe. Yet in all of these countries the Soviets had large and expensive intelligence collection programs and in some of them they even controlled the local intelligence apparatuses.

Spectacular instances of Soviet successes in the recruitment of well-informed officials of other countries—of Alger Hiss from the State Department, of Burgess and MacLean from the British Foreign Office, or of Philby from the British Secret Service—seems not to have saved the Soviets from political surprises. The use which the Soviets have been able to make of information from such informants appears most likely to have been limited to scoring points over Western intelligence agencies.

Philby is said to have given away an Anglo-American intelligence operation against Albania. This was no doubt an inconvenience for the Western intelligence organizations involved, and worse still for the operatives sent to Albania, but the Soviet coup in uncovering the operation was not very profitable for the Soviet Union. Nor was its failure any national hardship for Britain and the United States. Albania has gone its own way, as it would have anyway, and this is pretty much what can be said of all of the causes and controversies in which knowledgeable officials turn out to have worked for the other side. As for the recruitment of Alger Hiss, the most that can be said for it from the Soviet side is that this particular espionage effort perhaps helped put the Democrats out of office in 1952 and, in the end, made Richard Nixon President in 1968.

There were great achievements, of course, but whether a foreign policy

Approved For Release 1999/09/02 : CIA-RDP79-01194A000300020001-1

based on such foundations is ultimately satisfactory is less certain. For in the evaluation of political probabilities, a bureaucratically organized intelligence organization, with even the best-placed agents, is still an unsatisfactory substitute for the judgment of the shrewd individual observer who is intellectually independent of the institution or organization he serves. And it has been the misfortune of the Soviet diplomatic service that its upside-down internal organization almost guarantees that there will be a lack of such indispensable, disinterested and objective observers.

The present generation of Soviet leaders presumably does not consider the absence of such observers to be a weakness of the Soviet diplomatic service. In their operational conceptions of the nature of the diplomatic profession, the prosperity of the intelligence organizations has priority over the uncomfortable and unflattering kind of reports they might receive from old-fashioned kinds of diplomats. Khrushchev, it may be, saw the conventional and orthodox servility of his foreign affairs apparatus as a deficiency, for he made no secret of his scorn for Gromyko: If he were to ask his foreign minister to take off his trousers and sit on a block of ice, Gromyko would have to comply, Khrushchev remarked to Prime Minister Macmillan in Moscow in 1959. But Khrushchev's successors are more comfortable with the foreign affairs apparatus they inherited from their predecessor. For them, the claims of the or-

ganizational arena of the Soviet foreign affairs establishment and of the intelligence cadres who constitute the priesthood of this state church are accepted without challenge.

To compare Soviet intelligence with the priesthood of a secret religious cult, a new kind of voodooism, is not at all far-fetched, for ritualized behavior of the professional intelligence officer has much in common with jungle magic. The intelligence officer uses another name than his own, has a peculiar and stylized manner of communication with his fellows, and generally is obligated to conduct himself in accord with a set of formal rules having little relation to the actual needs of the larger society which supports him.

When the MVD *resident* at Rangoon decided that he needed to have Kaznacheev translate stolen Burmese documents for him, Kaznacheev was not told of the new assignment until he'd been called to come to a Moscow hotel room for an interview. And when he returned to Rangoon, it was explained, he was not to mention the matter to anyone, but to wait until some unnamed person (who of course was the *resident* whom he'd known all along) addressed him with the words, "Greetings from Peter." Kaznacheev was to answer, "Do you know him?", after which he could go to work making his translations. The hocus pocus of professional intelligence has thus added a new dimension of absurdity to the practice of foreign affairs, much surpassing the innocuous silliness of the calling card ceremonial of old-fashioned diplo-

The damage done to the effective operation of the Soviet diplomatic mission by this childish internal rigamole is trivial enough, however, when compared with the harm done to Soviet interests by Russian preoccupation with the game of intelligence. Alienation of foreigners who might be friends of the Soviet Union by the clumsy and crude methods of Soviet intelligence is perhaps not counted as a loss in the Soviet calculus of costs, but an immense loss it nonetheless surely is. For any observer with experience in these matters who is not professionally committed to the aggrandizement of the intelligence profession knows very well that authentic information about other countries—or, what is more important than detailed information, an accurate insight into the dynamics of the foreign government and society—is far more easily come by in frank and open exchanges of opinion with foreigners than in the furtive meetings favored by Soviet intelligence professionals. And it is just this Soviet preference for secret police methods which makes it so difficult for the bearers of Soviet diplomatic passports to acquire this essential understanding of the ways of other countries.

It is unlikely that the present Soviet leadership will learn anything from the mischief done by its operatives in London. It is not too late, on the other hand, for the managers of U.S. foreign policy to put a brake on the empire-building ambitions of our own professional collectors of clandestine intelligence.

U.S. NEWS & WORLD REPORT
11 October 1971

CPYRGHT

BEYOND BRITAIN: WHAT RED SPIES ARE DOING ALL OVER WORLD

Latest disclosures in London underscore this fact: Kremlin "diplomats"—by the thousands—are out stealing secrets in every corner of the globe.

Reported from
WORLD CAPITALS

Britain's crackdown on 105 Russian spies in late September was the biggest single strike ever made against Soviet espionage agents—but it exposed only the tip of a massive iceberg.

Western intelligence authorities report that thousands of other Soviet "diplomats"—possibly 1 out of every 2 Russians sent abroad—are still at work on spy missions.

Top French security officers believe that 50 per cent of all 1,000 Communist-

bloc representatives in Paris are espionage agents. Over the past eight years, France has tried 58 spy cases, 45 involving Red nations.

Officials of West Germany estimate that 10,000 Communist informants are operating in that country alone, channeling their wares to the Russians, primarily. They say this is a "rock bottom" figure.

Publicly cited: 140 Reds. A world-wide survey by "U. S. News & World

Approved For Release 1999/09/02 : CIA-RDP79-01194A000300020001-1

Report" discloses that since the beginning of 1969 alone, more than 140 Communists, all but a handful of them Russians, have been publicly accused of spying.

Some specific cases:

• Aleksandr Tikhomirov, a translator at the United Nations since 1965, was expelled in February, 1970, after being arrested in Seattle on charges of attempting to bribe a U.S. Air Force sergeant to get information on anti-aircraft and missile defenses in the Pacific Northwest.

• A "Pravda" correspondent in New York, Boris Orekhov, was told to leave for engaging in what the U.S. termed "nonjournalist activities hostile to the interest of the U. S."

• Igor Andreyev, Soviet counselor at the U. N., was kicked out by the U. S. in July, 1969, accused of espionage.

• Last July, the Congo expelled 20 Soviet and East-European officials on charges of being involved in student riots. In August, the Sudan expelled the Bulgarian Ambassador and the Soviet Embassy counselor for allegedly helping Communist plotters who tried and failed to take over the Government.

• An Intourist official and a Soviet trade-delegation member were caught in Argentina last November with microfilm of military and industrial installations.

• Two Soviet Embassy officers and a Russian member of the U. N. International Telecommunications Union in Switzerland were expelled for collecting Swiss identity papers for use by spies in Switzerland and out.

• Lebanon declared two Soviet Embassy officials *persona non grata* in October, 1969, for attempting to persuade an Air Force pilot to steal a French-made Mirage fighter plane and fly it to the Soviet Union.

• Ecuador sent home two top Soviet Embassy officials and the chief economist of the Russian trade mission in July

on charges of financing labor-union elements who wanted to overthrow the Government.

• Moscow had to replace Aleksey Belyakov, Ambassador to Finland, last February because he allegedly helped to plot a general strike.

Many more than 140 Russian agents have been caught—but expelled quietly because host countries believed it was in the national interest to avoid worsening relations with the Soviet Union through public spats.

Deliberate exposure. Some nations deliberately allow Soviet spies to know they have been discovered in hopes they will leave the country without forcing the Government to make a diplomatic issue of the case.

For all Moscow's experience in espionage, Russian tactics are often described as crude. Time after time, a Soviet agent exposed as a spy in one country will surface in another as a diplomat—even as ambassador. Sometimes Russia tries to return agents to a country that has once thrown them out.

British Foreign Secretary Sir Alec Douglas-Home cited an example of this in a letter to Soviet Foreign Minister Andrei Gromyko complaining of Russian spy activities.

According to Sir Alec, Moscow nominated as First Secretary of the Russian Embassy in London a man who, while a member of the Soviet trade delegation years before, had attempted to bribe a British businessman to obtain military equipment. Britain refused him re-entry.

The switch game. The Russians have few qualms about switching their foreign representatives from one role to another. Take the case of Aleksandr Ivanovich Alexeev, onetime Ambassador to Fidel Castro's Cuba. He now is correspondent for Russia's Novosti news service in Chile and Peru. Western experts on Russia say this is not a demotion.

According to Western authorities, Soviet agents sent abroad operate under a variety of "cover" jobs—embassy chauffeur as well as ambassador, trade-union official, interpreter, newsman, airline official, military attaché, the Intourist man who arranges vacations in Russia, the labor specialist at an international trade-union conference, or the "international civil servant" at the U. N.

Dual targets. Targets of Russian agents are as varied as their covers and include anyone who can give them military or political information. Moscow gives top priority to industrial espionage in an effort to keep advised of new Western weapons and to catch up in computer and other industrial technology.

Some authorities cite the case of the British-French Concorde supersonic transport as an example of Soviet industrial espionage. Several Russian officials were expelled from Western Europe for attempting to learn the Concorde's secrets.

European newspapers have maintained for years that the Russians actually succeeded in stealing data on the Concorde, enabling them to beat Britain and France into the air with the TU-144 SST.

The TU-144 looks so much like the Concorde that some major West European publications call it the "Concordevich" or the "Concordski."

Dozens upon dozens of separate cases of Soviet espionage brought to light since early 1969 make it clear that Britain is not the only target of Soviet agents. Russian spies are busy everywhere—from Canada to Argentina, from Japan to the Ivory Coast—gathering information to serve the Kremlin. (AP)

CPYRGHT

DAILY TELEGRAPH, London
27 September 1971

CPYRGHT

MISSIONS FROM MOSCOW

In FRANCE there are 350 Soviet officials. Seventy-nine are diplomats, enjoying full diplomatic immunity.

Most of the Russians work at the Soviet Embassy, in the Rue de Grenelle, on the Left Bank. Others are employed at UNESCO in the Place de Fontenoy, the Russian Consulate, the offices of Aeroflot, the Soviet airline, at Le Bourget, and Orly, the international airport. There are also Soviet Trade Mission and Information Office.

CPYRGHT GERMANY Russia Details of Russians stationed in

maintains an embassy in Bonn, a trade mission in Cologne, a Black Sea and Baltic Sea transport insurance establishment in Hamburg, newspaper offices and an Intourist office in West Berlin.

These institutions are estimated to employ altogether 200 people, 13 of them journalists. Eighty-six diplomats and wives are listed officially in Bonn as members of the Russian embassy staff.

In BELGIUM there are 50 Russian diplomats and 51 officials with the status of privilege holders of the trade delegation and the heads of Aeroflot and Tass News Agency.

LUXEMBOURG could not be verified exactly yesterday, but the embassy staff is understood to be similar to that in Brussels — about 50.

In ITALY there are 44 Russians with diplomatic status attached to the embassy in Rome. There are thought to be over 40 Russians working for other missions in Italy.

There are 36 accredited Russian diplomats in SWEDEN. Russians at other missions are estimated to number 70.

In NORWAY there are 25 Russian diplomats while the Norwegian diplomats in Moscow are 11. In Denmark there are 30 Russian diplomats, against six Danes in Moscow.

THE ECONOMIST
2 October 1971

Those other embassies

East European diplomatic numbers in London can be divided into three categories. The first includes trade officials as well as diplomats. The second includes each country's nationals who do general administrative work within its embassy, radio operators, cipher clerks, engineers, mechanics, security guards, cooks, housekeepers, waiters and chauffeurs. Wives are listed as a third group because many of them have jobs outside the normal social functions that are performed by wives at British embassies abroad.

Non-diplomatic members of British missions include wives as well as clerks and typists. For chauffeuring and the general upkeep of the embassy, the British usually employ nationals from the country concerned—largely because it is cheaper than employing British citizens. Most embassies in communist countries, and especially in Moscow, accept the fact that the presence of these employees may facilitate the bug-

ging of embassy premises, and must also inhibit the diplomats' private conversation.

It is a generally accepted view that 40 per cent or more of Warsaw Pact diplomats in the west are engaged in spying; that the most active of them, after the Russians, are the Poles and the Czechs; and that the Rumanians, largely because of their now rather detached status within the Warsaw Pact, do less than the others. To an extent which is impossible to define, some espionage by the Warsaw Pact coun-

tries, notably Bulgaria, is certainly done at Russia's direct behest.

Neither east Germany nor Jugoslavia is included in the chart. Britain has no diplomatic relations with east Germany, which nevertheless maintains a trade mission in London with a staff numbering about 60. Their espionage activities would be limited by their anxiety not to prejudice chances of Britain recognising the GDR. Jugoslavia is not a member of the Warsaw Pact. It has an embassy in London with a diplomatic staff of 11, and Britain manages with just 16 in Belgrade.

	East European representatives in London			British representatives in east Europe	
	Diplomatic	Administrative and other services	Wives	Diplomatic	Non-diplomatic
Bulgaria	9	23	29	8	15
Czechoslovakia	22	51	55	15	20
Hungary	14	27	22	14	14
Poland	17	38	38	22	29
Rumania	15	31	37	11	12

THE GUARDIAN, Manchester
25 September 1971

BRITAIN EXPELS 90 RUSSIAN DIPLOMAT SPIES

By PETER HARVEY and PATRICK KEATLEY

Britain is to expel 90 Soviet diplomats who have been engaged in active espionage, the Foreign Office announced last night. Another 15 Soviet officials, at present overseas, will not be allowed to return to this country. Many of these men are suspected of involvement in planning acts of sabotage.

The expulsion order—affecting nearly 20 per cent of the 550 Soviet diplomats in Britain—is unprecedented in size and scope. It follows months of intensive investigation by the intelligence services, and the defection of a top KGB officer from the Soviet Embassy in London.

The KGB man, who had the rank of major, proved the catalyst for the "clearing" operation against Soviet espionage. He gave the security services a

comprehensive breakdown of his country's espionage apparatus in Britain—and also supplied details "... of plans for infiltration of agents for the purposes of sabotage," the Foreign Office said.

In the opinion of Mr Heath and Sir Alec Douglas-Home, this crisis over diplomatic espionage by Soviet officials

is so serious that the British Government cannot, and will not, enter into preparations for the European Security Conference proposed by the Soviet Union until the crisis is resolved.

They have so informed Mr Gromyko in a curt message sent to him in Moscow last night.

The Prime Minister and the Foreign Secretary have been

appalled by the revelation that so many of the Soviet diplomats stationed here are actually fully fledged professional spies, the products of elaborate training schools in the USSR. They have told the Soviet Foreign Minister that this, more than any other factor, imposes the greatest strain on good relations between Britain and the Soviet Union.

Mr Heath has been particularly angered to learn that two

personal letters from Sir Alec to the Soviet Foreign Minister, couched in the most restrained, courteous terms, have remained unanswered, although the first went on December 3, 1970, and the second on August 4.

The Foreign Secretary, Sir Alec Douglas-Home meets the Soviet Foreign Minister in New York next week. Preparations are still going forward in Whitehall for the visit to Moscow by Sir Alec, planned

Approved For Release 1999/09/02 : CIA RDP79-01194A000300020001-1

for early in the new year, on the basis that this visit could perhaps inaugurate a new era of better Anglo-Soviet relations, provided the spy situation is dealt with now, once and for all. At the same time, the Foreign Office here is braced for the possibility of reprisal expulsions against the staff of the British Embassy in Moscow. There are 78 altogether, of whom 40 are accredited as diplomats.

Files for Britain

The terms of the expulsion of the Soviet diplomats in London were spelt out in a terse, toughly worded Aide Mémoire, which was handed to the Soviet Chargé here, Mr Ippolitov, when he was summoned to the Foreign Office yesterday by Sir Denis Greenhill, head of the diplomatic service.

The 90 diplomats—most from the embassy, but some working for the trade delegation and other organisations in London—have been given two weeks to leave Britain. From now on, the Aide Mémoire said, "the numbers of Soviet officials in the various categories . . . will be limited to the level at which they will stand after the withdrawal of the persons referred to (and) if a Soviet official is required to leave the country in future, as a result of his having been detected in intelligence activities, the ceiling on that category will be reduced by one." (Among the Soviet organisations with sizeable staffs in Britain are Aeroflot; the government wood delegation; the Moscow Narodny

Bank; Intourist; and AMO Plant. Last night the Foreign Office would not comment on how many employees of these firms were affected by either the expulsion orders or the warnings.

The Aide Mémoire also stressed that, as part of the clearing operation, the re-entry visas of certain Soviet officials now overseas were no longer valid. Other major points made during yesterday's meeting between the Soviet Chargé and Sir Denis Greenhill were:

Whitehall has refused visas to a number of officials nominated to posts in Britain during the past year by the Soviet Government "on account of their previous activities."

The number of Soviet officials already in Britain—"and the proportion of them engaged in intelligence work"—has been causing "grave concern" for some time.

A lengthy — and equally strong-worded — Foreign Office statement recalled that the size of the Soviet Embassy was limited in November, 1968, "but the numbers in other categories continued to grow.

550 officials

"The total is now over 550, which is higher than the comparable figure for Soviet officials appointed to any other Western country, including the United States." The statement said that in the last 12 months, several Soviet officials have

been withdrawn at the request of the Foreign Office, "after having been detected in intelligence activities; others have left the country of their own accord, after being so detected, before their withdrawal could be requested.

"In addition," the Foreign Office said, "a number of Soviet officials have applied to come to Britain in various capacities, but have been refused visas because they are known to be intelligence officers."

Much of the statement was devoted to the rôle of the KGB agent who defected a few weeks ago: "Further evidence of the scale and nature of Soviet espionage in Britain, conducted under the auspices of the Soviet Embassy, the trade delegation, and other organisations, has been provided by a Soviet official who recently applied for, and was given, permission to remain in this country.

"This man, an officer of the KGB, brought with him certain information and documents, including plans for infiltration of agents for the purpose of sabotage."

Agents of all British security services—MI5, MI6, MI7 and the Special Branch—have taken part in the operation against the Soviet spy rings. Spread over the past nine months, the counter-espionage campaign was unique for this country in peacetime.

It was discovered that Soviet agents were attempting to establish cells in a number of naval and army establishments in the South of England, but

these were "rendered harmless" by swift action by the British agents who infiltrated the rings.

It is believed that the defecting KGB man proved of crucial importance to the operation. He was able not only to provide details of the networks of espionage agents, their cover identities, and areas of operation, but he was also able to provide counter-intelligence with a precise "league table" of KGB operatives in this country.

The Foreign Office refused to reveal any details about the man last night, but it is believed he was, initially, encouraged to defect early this year. He made a final decision about seven weeks ago, and since then has been under close guard at a Secret Service "bolt-hole" in the Home Counties.

From there, working with British agents, he helped in piecing together the complete picture of Soviet espionage in Britain. When he defected, he also took with him two satchels crammed with files, instruction sheets, and papers detailing his country's spying operation here.

But even before he left the service of the Soviet Government, he is believed to have supplied British agents with information described phlegmatically last night as "invaluable."

The British Government is now cracking down on a scale unprecedented in all the diplomatic history of the two countries, stretching back to the times of Peter the Great.

NEW YORK TIMES
25 September 1971

CPYRGHT

CPYRGHT

BRITISH EXPEL 90 RUSSIANS FOR ESPIONAGE ACTIVITIES; DENY RE-ENTRY TO 15 MORE

LONDON IS BLUNT

K.G.B. Defector Gave Data That Became Basis for Action

By ANTHONY LEWIS
Special to The New York Times
LONDON, Sept. 24—Britain

today ordered 90 Soviet representatives to leave because of espionage activities and barred the return of 15 more who are temporarily away.

Moscow will not be allowed to replace those expelled or excluded, and if anyone is similarly expelled in future, his place must remain unfilled.

It was the most drastic diplomatic action in memory, here or elsewhere, against intelligence agents in Soviet missions, which have 550 officials in Britain. It was taken on the basis of information supplied by a defector who had been a member of the Soviet secret police.

Along with the extraordinary scale of the action, there were public comments of unusual bluntness. The Foreign Office

published the texts of a note and two letters to Moscow and of a Foreign Office statement. Link to European Talks

The note, an icy document, called on the Soviet Union to end "operations against the security of this country." It said that the halt should come before preparations for the European security conference desired by the Russians.

Soviet espionage has worried British officials for years. The Foreign Secretary, Sir Alec Douglas-Home, said two months ago that there had been a "marked increase" in the Government was pressing

the matter with Moscow.

The decision to take sweeping action followed a dramatic coup for British counterintelligence early this month, when the defector, a high official of the K.G.B., the Soviet secret police, got in touch with British agents outside this country and arranged to come to London. He brought with him a list of Soviet espionage personnel in Britain.

The formal Foreign Office statement said this about the defector:

"Further evidence of the scale and nature of Soviet espionage in Britain conducted under the auspices of

Approved For Release 1999/09/02 : CIA RDP79-01194A000300020001-1

the Soviet Embassy, trade delegation and other organizations has been provided by a Soviet official who recently applied for and was given permission to remain in this country.

"This man, an officer of the K.G.B., brought with him certain information and documents, including plans for infiltration of agents for the purpose of sabotage."

The suggestion of sabotage, with its ring of wartime activity, was especially surprising. British sources would say nothing more on this point, or on the whereabouts, name or history of the defector.

One piece of information brought by the defector is said to be a Soviet plan for infiltration of the Navy. A particular target was the secret research establishment at Portland, on the south coast, from which secrets were stolen between 1955 and 1961 by a spy ring headed by a Soviet agent.

The letters published by the Foreign Office, to which no reply has been received, were from Sir Alec to the Soviet Foreign Minister, Andrei A. Gromyko. The first, dated, Dec. 3, 1970, was written, Sir Alec said, at Mr. Gromyko's request, after the matter was raised privately with him during a visit to London. The second was dated Aug. 4.

Direct and Sarcastic

The letters contained language that would have to be called undiplomatic in its directness and even sarcasm.

"I take it," Sir Alec wrote Mr. Gromyko last month, "that you yourself are fully informed of the scale of Soviet intelligence activities in this country."

"You are no doubt aware that the total number of Soviet officials on the staff of Soviet diplomatic, commercial and

other organizations has now risen to more than 1,000 and you are presumably able to ascertain what proportion of these are intelligence officers."

Sir Alec mentioned a recent attempt to send an intelligence operative here. He said a visa had been sought for B. G. Glushchenko as First Secretary in the embassy though he was caught here years ago trying to bribe a businessman to obtain details of secret military equipment.

"This is the man whom some Soviet organization has nominated to serve as First Secretary at your embassy," Sir Alec said scornfully. His reference to "some organization" evidently meant the K.G.B., which is understood to have large numbers of places in all embassies.

Mr. Gromyko's failure to answer was taken badly in the Foreign Office — doubtless worse than the Russians expected. It was as if the Soviet Government had claimed a natural right to spy, one man said today, and thought it no one else's business.

But the matter might still have been handled discreetly, in more usual diplomatic ways. The Soviet officials here could have left gradually, and certainly without the Foreign Office's publishing all the documents except lists of names.

The decision to act bluntly and publicly was viewed here as a reflection of the style of Prime Minister Heath, who believes in confronting issues rather than avoiding them. He likes to "grasp the nettle," a colleague said.

The timing was accidental, however. The London Evening News had a leak on the defector, which it displayed prominently in early editions today. The Foreign Office then decided that it must rush every-

thing out before the Russians reacted to the defection. Reprisal seems likely.

A reprisal could be expected now, but it need not come in equivalent terms and in fact could not because there are so many fewer Britons in Moscow. What might happen is a Soviet move on some other front, such as British tourism.

The view here is that the possibilities of Soviet retaliation are limited by one diplomatic fact: The Russians need British agreement to get the European security conference they have wanted for so long.

The embassy staff consists of 40 diplomats and 38 secretaries and aides. There are said to be 20 other British nationals in Moscow, including half a dozen businessmen and some dozen journalists—a total of about 110.

Of the 550 Russians here, 146 are in the embassy. The others are attached to the large trade delegation, to Intourist, the travel agency, to the airline Aeroflot and to other commercial enterprises.

The embassy has been limited to 150 in staff since a Royal Air Force technician, Douglas Britten, pleaded guilty in 1963 to having passed security data to the Russians for six years. He said he had been blackmailed and threatened.

There has been no ceiling on the trade and commercial offices and they have mushroomed; the total was 138 in 1950 and 249 as recently as 1960. There are more Soviet officials in Britain than in the United States, if the United Nations delegation is excluded, and more than in any other country.

Since trade has been stagnant, the British Government has no doubt that many of the supposed commercial employes

are intelligence agents. Rejections

Since 1960 Britain has demanded the immediate recall of 27 Soviet officials reliably reported to have been found in active espionage. In the same period 12 British subjects have been convicted of spying for the Soviet Union.

More than 40 visa applications by Soviet officials for posting in London have also been rejected since 1960 on the ground that the applicants were intelligence agents. The Soviet Union has withdrawn some of its representatives without being asked because it knew they were compromised.

The Soviet Ambassador in London, Mikhail N. Smirnovsky, is on leave in Moscow. In his absence the charge d'affaires, Ivan Ippolitov, was called to the Foreign Office to receive the note from the permanent Under Secretary, Sir Denis Greenhill.

The note said that "inadmissible activities" by Soviet officials here were "a matter of serious concern to Her Majesty's Government." The recurring need to expel officials or deny them visas, it said, put a strain on relations.

The lists of the 105 Russians said to be engaged in intelligence activities were attached. The embassy was requested to have those still here leave within two weeks.

Sir Alec will depart tomorrow for the United Nations General Assembly session in New York, where he expects to meet Mr. Gromyko.

Sir Alec is also due to pay a visit to the Soviet Union early in the new year. He would still like to go but it is an open question whether the invitation will stand.

Approved For Release 1999/08/07 : CIA-RDP79-01194A000300020001-1

NEW YORK TIMES
CPYRGHT1 October 1971

CPYRGHT

Soviet Agent Who Defected Identified by London

By ANTHONY LEWIS
Special to The New York Times

LONDON, Sept. 30 — The Foreign Office today identified the Soviet agent who defected to Britain early in September as Oleg Lyalin.

Mr. Lyalin, who is 34 years old, was an obscure member of the Soviet trade delegation here. He gave the British evidence of Soviet espionage and sabotage plans that brought last week's decision to expel 90 Soviet officials and ban the return of 15

The order has brought angry protests from Moscow and hints of early retaliation. It has also begun to come under some criticism here, as having been handled in so sensational a manner that it might harm East-West relations.

But Prime Minister Heath's Government has ruled out any retreat, whatever the consequences. It can be said categorically that the Soviet officials on the expulsion list will

deadline, one week from tomorrow.

Plans for Sabotage

The Government was moved to early action by the information brought by Mr. Lyalin. Especially shocking, among the papers he took with him, were highly detailed plans for sabotage.

Early warning systems for detection of approaching ballistic missiles were among the targets for this projected sabotage.

For example, the United States has recently completed a massive installation at Orford Ness, on the east coast of Britain, to detect missiles.

Informed quarters say the decision to act on such a large scale was not intended to damage the progress of détente in Europe. Any damage now, it is argued, would be the result of a deliberate Soviet policy decision to retaliate.

The wide publicity for the spy story has evidently caused some

Approved For Release 1999/09/02 : CIA-RDP79-01194A000300020001-1

Approved For Release 1999/09/02 : CIA-RDP79-01194A000300020001-4

embarrassment here. But it is insisted that the mass expulsion was ordered only when quiet diplomacy had obviously failed.

One factor in the Government's decision to act without further diplomatic approaches to the Soviet was Mr. Lyalin's defection.

There had long been knowledge of Soviet attempts at espionage. But the extent of the activities shocked Prime Minister Heath and his colleagues, and so—especially—did some evidence of efforts to prepare future sabotage.

Mr. Lyalin's name was confirmed officially today after it had been carefully leaked by

the Soviet Embassy to The Daily Express. The leak to that right-wing paper was managed in a curiously stately manner.

Two Express reporters were talking yesterday at the embassy with a diplomat just arrived from Moscow, Vladimir Pavlinov. For a long time Mr. Pavlinov parried their questions about the mysterious defector with a smile.

Name 'In Your Newspaper'

Then, as The Express story described it, Mr. Pavlinov let it drop that the missing Soviet official had been in the trade mission. He added that the gentleman had recently been involved in a traffic accident.

"His name, gentlemen, was in your newspaper," Mr. Pav-

linov said. Then, according to the express, he held his thumb and forefinger about an inch apart to indicate a small story.

On Aug. 31, The Express carried a 10-line item to the effect that Oleg Lyalin, a "Russian trade delegate," had been arrested on a drunken driving charge. He was released on bail of \$120, to appear in court Sept. 30—today.

Reporters jammed the magistrates' court at Marlborough Street this morning to await Mr. Lyalin, but he never came. Then, at mid-day, the Foreign Office confirmed his name. It did so with what seems to some reluctance or annoyance.

British counterintelligence was believed to feel that while Mr. Lyalin's name remained secret. Any local contacts of So-

could not be sure who had defected. Thus many might have feared that their names had been turned over to the British.

The publication of Mr. Lyalin's name and picture thus could set some persons' minds at rest. That is thought to have been one reason for the Soviet move in leaking the name.

Another motive might have been to begin painting the source of so much British information as a drunk. The Russians have also described him as a lady's man.

But whatever Mr. Lyalin's personal characteristics, his information is regarded as extremely weighty. The British Government has already acted on it to move against domestic contacts of Soviet agents.

NEW YORK TIMES
17 October 1971

CPYRGHT

**42 Soviet Agents
Reported Exposed
In Spying on NATO**

CPYRGHT

Special to The New York Times

BRUSSELS, Oct. 16—Belgian press reports said today that Anatoly Tchibotarev, a 38-year-old member of the Soviet trade mission here who disappeared from his home two weeks ago, had exposed a Soviet spy network that had been eavesdropping on telephone conversations at headquarters of the North

Atlantic Treaty organization here and at Supreme Headquarters Allied Powers Europe in nearby Mons.

Forty-two Soviet agents, members of the K.G.B. or its military equivalent, the G.R.U., are reported to have been made known to United States intelligence officials.

Belgian Government sources refused to comment on the reports.

The Soviet spies are alleged to have smuggled phone-tapping equipment into the country in diplomatic bags. Some reports say that the spy ring spreads beyond Belgium and into West Germany and the Netherlands.

According to reports, Mr. Tchibotarev has gone into hiding with United States intelli-

gence officials in Western Europe.

There was speculation that he had fled to Britain earlier this month when his car was found near the port of Zeebrugge, from which boats run to Britain. It is believed this was a ruse intended to mislead Soviet agents.

No one was available at the Soviet Embassy here tonight for comment.

SPECIAL, Brussels
6 October 1971

THEY SPY ON US, TOO

When 105 Soviet nationals, all of them with more or less official status, are publicly expelled from British territory for the crime of espionage, is this an isolated event, an accident, or a specific phenomenon? One begins to wonder on reading, 10 days later in the true-blue France-Soir, that there are 10,000 agents actively working for the East inside France right now. Ten thousand is a very large number. The article explains that this is a rough guess at the size of the informer network operated more or less directly by about 1,000 or so Eastern agents from one end of France to the other. What about here at home? Is this something we ought to worry about, too? Are our streets crawling with Soviet spies? Just to get our sights straight, on condition you accept a kind of arithmetic that is logical, though debatable,

Approved For Release 1999/09/02 : CIA-RDP79-01194A000300020001-1

Approved For Release 1999/09/02 : CIA-RDP79-01194A000300020001-1
we might say that the spy operations completed by the English secret services would briskly banish from Brussels to their alma maters in the KGB or GRU barracks a score or so of Soviet citizens.

Oleg Lyanin Speaks

We did not just grab this figure out of the air. To get it, we simply recalled the fact that the spectacular roundup in Great Britain brought swift repatriation to a little less than 20 percent of all Soviet citizens accredited by Her Gracious Majesty's government as diplomats, journalists, tourist agents or import-export experts. These are the traditional covers preferred by Moscow's honorable informants. In Belgium, as in England and in France, they work behind the facades of the embassies, the military and economic missions, the press offices, the tourist agencies, and the so-called mixed corporations -- so-called because they consist of Soviet trade specialists and local businessmen -- quite openly and visibly. Excellencies, military attaches, newspapermen, tourist delegations, businessmen and trade representatives -- there were still 550 of them a few days ago, moving about in the fogs of London. Since then, one out of every five of them has been branded "undesirable" on information from one Oleg Lyanin.

25X1C10b

[N
to
a
any
an
boy
on

Lyanin is a defector from the KGB, a former member of the Soviet trade delegation in London. What he has to tell the British services may well trigger quite a bit of agitation across the Western European espionage chessboard for some time to come. In the view of the experts, though, the coverage of the British Isles by spies coming in from the cold is a long way from being disturbed by this super-sweep. First, because there is every reason to believe that Moscow had more than twice that many agents on the job, and second, because in addition to the Russian spies proper, you have to reckon -- and very seriously -- with their Czechoslovak, Romanian, Polish, Hungarian, and Bulgarian colleagues.

Two out of Five Are Spies

The generally held opinion in Western counter-espionage circles is that one of every two Soviet citizens strolling the streets of our capitals is an intelligence agent on a mission. But this does not in any way mean that a Soviet national who is not officially a spy would hesitate to inform the USSR of whatever he learns, discovers, and sees in those Western European circles where spies find it easier to gain admittance if they belong to the sacrosanct ranks of the press, or tourism, or business. The rules of reciprocity require that Soviet diplomats request

Approved For Release 1999/09/02 : CIA-RDP79-01194A000300020001-1
prior clearance for any travel within the country to which they
are posted in the West; but these rules do not apply to spies
whose cover is the press, tourism, or business.

In Belgium right now, there are 113 Soviet officials, 45
of them working in the privileged area of the embassy and 33 in
the commercial representation. It is not a very daring guess to
say that a good 50 of these are full-time spies. The others oc-
casionaly come up with some useful information. 25X1C10b 25X1C10b

[REDACTED]

Turning-Point in History

Whenever you meet two Russians, you are talking with at least
one spy: this axiom holds for the 45 comrades who live in the em-
bassy and the Avenue de Fre, the 33 who serve on the trade delega-
tion, the 11 attached to press offices, tourist bureaux, and air-
lines, and the 24 experts in the ways of mixed-economy corpora-
tions. This, in terms of numbers, is the official Soviet delega-
tion on the job here in Belgium, side by side with another 172 of-
ficials from the other Eastern countries. This representation has
greatly expanded since 1967, when, although the staffs of the em-
bassy and the economic mission were just about the same as they
are today (42 and 30, respectively), the number of journalists,
Intourist and Aeroflot agents was a great deal smaller (4 in 1967
as compared with 11 today). In those days there was a lot less
Russian spoken in the mixed-economy companies (10 as against 24
Russian-speaking personnel). So 1967 was a turning-point in the
history of the Soviet representation in Belgium. The proof: in
1960, the staff strength at the embassy, the commercial offices,
and the press office was 16, 25, and 2, respectively. At that
time there were no mixed corporations, and it is interesting to
note that the official USSR delegation to Britain in those days
amounted to 249 souls.

Like Icebergs

In the course of the last 10 years, a number of espionage
cases involving Soviet residents have come to public attention.
This of course does not mean that the official published statis-
tics account for all the spies our counter-espionage services
have unmasked. From 1960 to 1971, London expelled 27 Soviet
nationals on charges of spying. Here in Belgium, seven spies met
the same fate. They were: Vladimir Cheretuni (of Aeroflot) who
took too keen an interest in the Belgian army's affairs; Anatoli
Trifonovich Oborodnikov, a newsman with Tass; Vitali Dimitriyevich
Balachov, second secretary at the embassy; Oleg Alekseyevich
Semikov, a film expert who was caught red-handed on SHAPE grounds;
Aleksandr Selikh, and Anatoli Kassolapov, who were deeply involved
in a ring of "illegals" (agents who had no legitimate cover), all
of whom were arrested and expelled in 1967. They left
hurriedly for "indefinite leave in the Soviet Union."

The seventh correspondent Jaeger in Prague in 1970 was a commercial engineer with the Scaldia-Volga corporation. His sales area had a little tiny bit to do with trucks and a whole lot to do with SHAPE and our national defense. The fact that no expulsion action was taken against Russian officials prior to 1967 in no way indicates that the counter-espionage services had been indifferent to Soviet espionage activities in the years before NATO and SHAPE. We might say that, at that time, these agencies were just keeping a close and quiet eye on the [Russian] networks, and carefully refraining from anything that might upset them, pending a broader sweep with far more important results.

Besides, in the battle of the special services, the visible part -- like the tips of icebergs -- is the least; the main part is underwater, invisible.

Ahead of Paris and Bonn

As you can well imagine, the way these intelligence people go about their business bears no resemblance -- in style or in resources -- to the doings of James Bond and his thriller peers. Intelligence of a military nature, if indeed it still interests their government, is no longer in the top rank of their concerns and quests. It is still the exclusive domain of the GRU, which is the intelligence arm of the Red Army. But intelligence and information relating to industry or economics or politics are the choice tidbits that bring the big money to the KGB agents. Before NATO moved into our country, estimates placed the number of men these two agencies had on mission at a round thirty or so officers among the 80 or so Soviet officials installed in Belgium. It is a fair estimate today that there are at least twice as many. Their missions have to do primarily, of course, with the "areas" of SHAPE, NATO, and the Common Market. This three-fold top-rank target explains why the post of ambassador to Brussels is considered in Moscow as the most important in Western Europe, even ahead of Paris and Bonn.

The fact is that the kind of espionage that marked the '40s is practically a thing of the past. The whole concept has set, along with that of the cold war itself. Since the planning now is for total war, espionage has grown and adapted to the new requirements. Becoming an intensive, everyday operation, it looks into everything that might, in case of a conflict, ensure a people's survival, and from there into whatever enables that same people to live in time of peace. This explains why espionage has been taken out of the hands of the military little by little, as its objectives gradually broadened into the areas of politics, economics, industry, science, and sociology.

Lie Low Till Time to Re-Surface

For the same reasons, its area of activity is no longer confined to plumbing the heart and soul of the potential adversary.

It is just as important now to build up a construct of chaos, bit by bit, which will make it possible to wipe the enemy out in a hidden, underground, but irreversible way. This is psychological warfare in all its intensity and all its refinement. The idea, to take just one of a hundred possible examples, is to infiltrate demonstrations and protest marches and, if need be, to provoke them in order to manipulate them more neatly in the desired direction. This is why the facets of current-day espionage are almost innumerable. It has become a subtle art, in which those great chess-players, the Russians, have had two generations to become past masters. Their basic resources are the greed or vulnerability of their partners, the informers whose number the experts put at 10,000 in France. On that basis, there ought to be between 1,500 and 2,000 of them here in Belgium. They are generally in it because spying pays, or because they are being blackmailed. In the hands of the "legal" agents -- the diplomats, newsmen, officials, or export-import advisers -- they constitute an invisible network, but one which is both sturdy and effective. But we should have no illusions about these people: agents are almost never recruited from the gutter or from the disinherited classes of the society. The spymasters bar no class or stratum, so long as the would-be agent has access to information. They are among us right now. They are pleasant company, good listeners. They are eager to tap their business and personal relationships for information to be sent off to Moscow through their handler, whose only professional risk consists in perhaps having to pack his bags in a great hurry some fine morning, like his comrades Yuri Khozhayev, the film exporter, and Victor Karyagin, the cultural attache, both of whom were swept out of England with the other 103 undesirables. After that, he will simply have to lie low till the time comes to pop up to the surface again, somewhere else in the world.

1967 - Vladimir Cheretuni - 35, deputy head of the Brussels office of Aeroflot (the Soviet airline), was arrested 25 January 1967 at Hever just after he had taken delivery of documents containing military matter. The Soviet agent's special assignment was a double one: to get into the military control tower at Melsbroek, and to open a cafe near the NATO installation at Evere designed to attract the patronage of personnel from NATO. Cheretuni was neutralized before he could complete this assignment, and left Belgium on 3 February 1967.

1967 - Aleksandr Selikh, Anatoli Kossolapov Selikh was the representative of SOVFLLOT in Belgium, and Kossolapov the Baltic Line delegate here. On two occasions, they received the "illegal" Soviet agent Yuri Nikolayevich Loginov, 35, alias Edmund Trinkka, alias Paul Serson), who was paying occasional visits to the UAR and to South Africa so as to build up a background for himself in both places that would stand up against any US intelligence check.

Approved For Release 1999/09/02 : CIA-RDP79-01194A000300020001-1
Loginov top spy. Had he not been taught by the great Russian master spy, Rudolf Abel? Loginov's first trip occurred in 1964. He landed from the Soviet ship Ryazin at Antwerp, posing as an ordinary seaman, and took rooms at the Hotel Metropole in Brussels. The second time, in December 1966, he landed again at Antwerp from the Soviet cargo ship Kamensk. Selikh and Kossolapov put him up in Brussels in a quiet, out-of-the-way room. When Loginov was neutralized in September 1967, Selikh and Kossolapov, their covers burnt, had to leave Belgium.

1967 - Ogorodnikov - Balachov, Semikov Anatoli Trifonovich Ogorodnikov headed the Tass news agency's Brussels bureau, and was known to the Belgian press corps as a very fine, very polite fellow. Neutralized on 18 April 1967, near his residence at 85 Rue General Lodz in Uccle. While he was being held in Saint Gille prison pending expulsion, the USSR embassy in Brussels denounced his arrest as "an illegal provocation." Two other Soviet nationals were taken with Ogorodnikov: Vitali Dimitriyevich Balachov (whose come-over agent, Madame X, said of him: "He looks like a pig, he eats like a pig, and he behaves like a pig,"), third secretary in the Soviet embassy at Brussels, and Oleg Alekseyevich Semikov, commercial attache for the Soveksportfilm Company, the same that imported the Russian version of War and Peace to Belgium. Balachov left Belgium 2 May 1967 for a "vacation" from which he has yet to return. The three Soviet agents were to work on "madame X," an embassy employee upon whom they hung that sobriquet, and who had been posted first to Turkey (where they had recruited her) and then to Brussels. Ogorodnikov was the only one arrested, but the other two felt the heat of burning covers and quickly left Belgium. The Soviet target in this particular affair was SHAPE.

1970 - Savich Boris Savich, married and father of two sons, was born in Zhitomir (Ukraine) in 1934, and came to Belgium in October 1967. He lived at 56-68 Avenue de la Woluwe in Diegem. Officially he was a specialized engineer, in charge of sales for the Scaldia-Volga truck firm. His real job was espionage, and his interests centered on Belgian military bases (including Florennes) and on SHAPE-NATO (including its base at Baronville). More specifically, he was after detailed information about the Mirage fighter plane, its deployment, and its manufacturing components.

He was arrested on 25 March 1970 in a little inn at Linkebeek, and shipped home on Friday 3 April 1970 aboard Aeroflot's Tupolev registry number cccc 42397.

SPECIAL, Brussels
6 October 1971

ILS NOUS ESPIONNENT AUSSI

Cent et cinq sujets soviétiques au statut plus ou moins officiel publiquement expulsés du territoire britannique pour crime d'espionnage, est-ce là un événement isolé, un accident, un phénomène spécifique ? On est tenté d'en douter quand on apprend en lisant, quelques jours plus tard, dans le féal « France-Soir » que dix mille agents travaillant pour l'Est opèrent en France à l'heure qu'il est. Dix mille, c'est un chiffre énorme. En fait dans le contexte, il est censé dénombrer la masse indéterminable des informateurs manipulés plus ou moins directement, d'un bout à l'autre de l'Hexagone, par les agents de l'Est au nombre d'un millier. Et chez nous, faut-il prendre le problème au sérieux ? Les espions soviétiques courent-ils nos rues ? Pour fixer les idées, au prix d'une mathématique logique mais discutable, disons qu'un coup de filet comparable à celui que viennent de réussir les services secrets anglais renverrait brutalement de Bruxelles une vingtaine de citoyens soviétiques dans les casernes du KGB et du GRU où ils ont fait leurs classes.

OLEG LYANIN PARLE

Le quotient n'est pas mentionné au hasard. Pour le déterminer, il s'agit de tenir compte du fait que la razzia spectaculaire opérée en Grande-Bretagne condamne à un rapatriement brusqué un peu de moins de 20 p.c. de l'effectif des résidents soviétiques accrédités par le gouvernement de sa Gracieuse Majesté aux titres de diplomate, de journaliste, de promoteur touristique ou d'expert en import-export. Ce sont là en effet, classiquement, les « couvertures » préférées des honorables correspondants de Moscou. En Belgique, comme en Angleterre et en France, ils opèrent, au vu et au su des spécialistes, derrière la façade des ambassades, des missions militaires et économiques, des agences de presse, des offices de tourisme et des sociétés dites mixtes parce qu'elles groupent, en leur sein, des spécialistes commerciaux soviétiques et des hommes d'affaires nationaux. Excellences, attachés militaires, journalistes, délégués touristiques, hommes d'affaires et représentants commerciaux, ils se comptaient cinq cent cinquante, il y a quelques jours encore, dans les brouillards de Lon-

dres. Depuis lors, un sur cinq d'entre eux a été jugé indésirable sur les indications d'Oleg Lyanin (*), transfuge du KGB, ex-membre de la représentation commerciale soviétique à Londres dont les confidences risquent fort de jeter, pendant un certain temps, un certain trouble sur l'échiquier de l'espionnage ouest-européen. Or, de l'avis des experts, le quadrillage des Iles Britanniques par les espions venus du froid est loin d'avoir été déséquilibré par cette rafle considérable. D'abord, parce qu'on a tout lieu de croire que Moscou avait plus du double d'agents à pied d'œuvre. Ensuite, parce que, à côté des espions russes, il faut compter, et sérieusement, avec leurs homologues tchèques, roumains, polonais, hongrois et bulgares.

DEUX SUR CINQ SONT DES ESPIONS

L'opinion généralement professée dans les milieux du contre-espionnage occidental est qu'un sur deux des Soviétiques qui déambulent dans les rues de nos capitales est un officier de renseignement en mission. Ce qui ne signifie aucunement que celui qui n'a pas officiellement cette qualité répugne à informer l'URSS de ce qu'il apprend, découvre et voit dans les milieux ouest-européens où les spécialistes du renseignement ont plus librement accès s'ils appartiennent au monde sacro-saint de la presse, du tourisme ou des affaires. Les règles de réciprocité veulent que les diplomates soviétiques demandent des autorisations préalables à leurs déplacements à l'intérieur du pays occidental où ils sont en poste, règles auxquelles ne sont pas soumis ceux qui utilisent comme couverture la presse, le tourisme ou les affaires.

(*) On pense actuellement à Londres que les Soviétiques vont essayer de minimiser l'importance d'Oleg Lyanin en le faisant passer pour un play-boy, chose aimable quand on sait que la tradition veut qu'en URSS tout transfuge est automatiquement qualifié de déséquilibré mental ou voleur de fonds secrets soviétiques. Quoi qu'il en soit, si play-boy il y a, Lyanin n'en reste pas moins avoir mérité d'être particulièrement bien informé sur le réseau soviétique (KGB et GRU).

En Belgique pour l'instant, on compte cent treize officiels soviétiques dont quarante-cinq relèvent du domaine privilégié de l'ambassade et trente-trois de celui de la représentation commerciale. On ne risque guère de se tromper en affirmant qu'une bonne cinquantaine d'entre eux pratiquent expressément l'espionnage. Les autres donnent à l'occasion des renseignements utiles.

Avant que l'OTAN vienne planter sa tente à Bruxelles, on considèrerait raisonnablement que deux sur cinq des Soviétiques officiellement à l'œuvre à Bruxelles étaient des espions en bonne et due forme. Depuis lors, le quotient a bondi à 50 p.c. Un Soviétique sur deux est donc opérationnel.

UN TOURNANT DANS L'HISTOIRE

Chaque fois que vous rencontrez deux Soviétiques, c'est au moins à un espion que vous parlez : cet axiome prévaut pour les quarante-cinq tovaritchs qui vivent à l'ambassade, avenue De Fré; les trente-trois autres qui appartiennent à la mission commerciale; les onze camarades attachés à des missions de presse, de tourisme, d'aviation commerciale et les vingt-quatre personnages versés dans des firmes mixtes. Telle est en effet, unitairement parlant, la délégation soviétique officielle qu'on trouve à pied d'œuvre chez nous, côte à côte avec cent septante-deux officiels des autres pays de l'Est. Cette représentation a sérieusement proliféré depuis 1967, époque à laquelle, si le potentiel de l'ambassade et de la mission économique était à peu de chose près le même qu'aujourd'hui (respectivement 42 et 30 têtes), le nombre des journalistes, des fonctionnaires d'Intourist et d'Aéroflot était singulièrement plus réduit (4 en 1967 au lieu de 11 aujourd'hui). On s'exprimait, alors, beaucoup moins en russe dans le milieu des firmes mixtes (10 contre 24 unités). Or, 1967 a marqué un tournant dans l'histoire de la représentation soviétique en Belgique. On en aura une preuve en apprenant que, en 1960, les effectifs de l'ambassade, des représentations commerciales et de la presse étaient respectivement de 36, 25 et 2 sujets. A cette époque,

les sociétés mixtes n'existaient pas. Il est intéressant de noter que la délégation officielle d'URSS en Grande-Bretagne comprenait, alors, 249 unités.

COMME LES ICEBERGS

Au cours des dix dernières années, un certain nombre d'affaires d'espionnage où des résidents soviétiques ont été impliqués se sont vues porter à l'attention publique. Ce qui ne signifie nullement qu'on doive limiter à la statistique officielle le nombre d'espions démasqués par les services de contre-espionnage. Entre 1960 et 1971, Londres a expulsé, pour motif d'espionnage, vingt-sept citoyens soviétiques. Du côté belge, sept espions ont subi le même sort. Il s'agit de Cheretoune (de l'Aéroflot) qui s'intéressait de trop près aux activités de l'armée belge, d'Ogorodnikov, journaliste de l'agence Tass, de Balachow, deuxième secrétaire d'ambassade, de Semikov, spécialiste en films pris la main dans le sac dans les alentours du Shape, de Selikh et de Kossolapov, intimement mêlés à un réseau d'illégaux tous identifiés et chassés du pays en 1967 ou partis précipitamment « pour un congé très prolongé en URSS ».

Le septième « correspondant » pris en flagrant délit en 1970 était un ingénieur commercial de la firme Scaldia-Volga : son champ d'ébats concernait à peine la vente de camions et beaucoup, le Shape et notre Défense nationale. Le fait qu'aucune mesure d'expulsion n'ait été prise à l'endroit de fonctionnaires russes avant 1967 ne signifie aucunement que les services de contre-espionnage aient été indifférents aux activités de l'espionnage soviétique en ces années d'avant l'Otan et le Shape. Disons que, à

Surnombre ?

285 nationaux des pays de l'Est œuvrent en Belgique sous le couvert des ambassades, des représentations commerciales, d'agences de tourisme, de presse et de navigation aérienne ainsi que de firmes mixtes. Les Soviétiques à eux seuls sont 113 pour 63 Tchécoslovaques, 44 Polonais, 24 Hongrois, 23 Roumains et 18 Bulgares.

l'époque, ces services se contentaient

de constater et de contrôler les réseaux en les faisant soigneusement en place en vue d'une action plus vaste aux résultats plus importants.

D'ailleurs, dans la lutte des services spéciaux, la partie visible est — comme pour les icebergs — la moins importante; l'essentiel est immergé.

AVANT PARIS ET BONN

Comme on s'en doute, la manière de procéder de ces fonctionnaires du renseignement ne ressemble en rien, ni quant au style, ni quant aux ressources, aux activités de James Bond et de ses homologues romanesques. Aujourd'hui, les informations d'ordre militaire, si elles intéressent encore leur gouvernement, ne figurent plus au premier rang de leurs préoccupations et de leurs recherches. Elles restent le domaine exclusif du GRU qui émane et dépend de l'armée rouge. Par contre, les renseignements de caractère industriel, économique et politique font les choux gras des agents du KGB. Avant l'implantation de l'Otan sur notre sol, on estimait que ces deux services comptaient une bonne trentaine d'officiers en mission parmi les quelque quatre-vingts officiels installés en Belgique. On est en droit de considérer que, aujourd'hui, leur nombre a certainement doublé. Leurs consignes concernent, évidemment, en premier lieu les « environnements » du Shape, de l'Otan et du Marché commun. Ce triple objectif de premier plan explique pourquoi le poste d'ambassadeur à Bruxelles est tenu, à Moscou, pour le plus important d'Europe occidentale, avant Paris et Bonn.

En réalité, l'espionnage des années 40 est maintenant largement dépassé. Sa notion a évolué conjointement avec celle de la guerre elle-même. Comme à présent on prépare la guerre totale, l'espionnage s'est développé et adapté et, en devenant quotidien et intensif, s'est intéressé à tout ce qui serait propre, en cas de conflit, à assurer la survie d'un peuple et de là partant à tout ce qui lui permet de vivre en temps de paix. C'est ce qui explique qu'il ait été retiré des mains des militaires au fur et à mesure que ses objectifs s'étendaient aux domaines politique, économique, industriel, scientifique et social.

LE TEMPS DE REFAIRE SURFACE...

Du même coup, sa sphère d'activité ne s'est plus limitée au souci de sonder le cœur et les reins de l'adversaire potentiel. Il lui importe également, maintenant, d'établir, élément par élément, un chaos qui doit permettre de l'anéantir d'une manière souterraine mais irréversible. C'est la guerre psychologique dans toute son intensité et tout son raffinement. Il s'agit, pour prendre un exemple parmi cent, de noyauter des manifestations ou des démonstrations et, au besoin, de les provoquer pour mieux les manipuler dans le sens désiré. C'est pourquoi les aspects de l'espionnage moderne sont à tel point innombrables. Il est devenu un art subtil où les Russes, grands joueurs d'échecs, sont passés maîtres le temps de deux générations. Leurs ressources de base sont la cupidité ou la vulnérabilité du partenaire, ces informateurs qui, selon les experts seraient dix mille à œuvrer en France, ce qui, par comparaison, permet de penser qu'ils doivent être à peu près, de quinze cents à deux mille chez nous. Ils participent généralement parce que le renseignement rapporte ou sous la pression d'un chantage. Entre les mains des agents légaux diplomates, journalistes, fonctionnaires ou conseillers en import-export, ils composent un réseau invisible mais robuste et efficace. Qu'on ne s'illusionne pas : leurs agents ne sont presque jamais recrutés dans la pègre ou les classes les plus déshéritées de la société. Les recruteurs visent tous les échelons de la société pourvu que l'agent ait accès à des informations. Ils sont parmi nous. Rassurants et attentifs. Empressés à soutirer le « tuyau » à leurs relations d'affaires et d'amitié pour l'acheminer à Moscou par les soins de leur manipulateur pour qui les seuls risques du métier consistent à devoir un beau matin plier bagages comme les camarades Youri Khojaev, exportateur de films et Victor Karyagin, attaché culturel chassés d'Angleterre avec cent trois autres indésirables et d'attendre le moment de refaire surface en un autre point du globe.

Serge MONIER. ■

Approved For Release 1999/09/02 : CIA-RDP79-01194A000300020001-1

1967 - Cheretoune

Wladimir Cheretoune, 35 ans, chef-adjoint de l'agence bruxelloise de l'Aéroflot (compagnie aérienne soviétique), est interpellé le 25 janvier 1967 — à Hever (17 km de Louvain) — alors qu'il vient prendre livraison de documents d'intérêt militaire. Le Soviétique avait pour objectifs particuliers la pénétration de la tour de contrôle militaire de Melsbroek et l'ouverture d'un café à proximité du lieu d'implantation de l'OTAN à Evere, café qui aurait été conçu pour attirer le personnel de cette organisation. Cheretoune est neutralisé avant d'avoir pu mener à bien ce travail et quitte la Belgique le 3 février suivant.

1967 - Selikh - Kossolapov

Alexandre Selikh, représentant de la SOVFLOT en Belgique, et Anatoli Kossolapov, délégué de la Baltic Line dans notre pays, accueillent à deux reprises l'espion « illégal » soviétique Youri Nikolayévitch Loginov (35 ans, alias Edmund Trinkka et Paul Serson) se rendant tantôt en RAU tantôt en Afrique du Sud pour s'y créer une personnalité devant pouvoir résister aux investigations des services de sécurité américains. Loginov est en effet destiné à aller vivre aux USA. C'est un espion de classe. N'avait-il pas eu comme professeur l'espion soviétique Rudolf Abel ? Le premier passage de Loginov a lieu en 1964.

Il débarque à Anvers du navire soviétique Ryazin sous la personnalité d'un paisible marin (il loge à l'hôtel Métropole à Bruxelles). La seconde fois, en décembre 1966, à Anvers toujours il débarque du cargo soviétique Kamensk. Selikh et Kossolapov le logent à Bruxelles dans une chambre tranquille et isolée. Lorsque Loginov est neutralisé — en septembre 1967 — Selikh et Kossolapov « brûlés » ont à quitter la Belgique.

1967 - Ogorodnikov-Balachov-Semikov

Anatoli Trifonovitch Ogorodnikov, représentant de l'agence Tass en Belgique et connu au sein de la presse belge comme un garçon d'une gentillesse extrême et d'une éducation parfaite, est neutralisé le 18 avril 1967 à proximité de sa résidence, 85, rue Général Lodz à Uccle. Alors qu'il attend à la prison de Saint-Gilles d'être expulsé, l'ambassade d'URSS à Bruxelles qualifie son arrestation d'« illégale » et « à caractère provocateur ». Avec Ogorodnikov deux autres Soviétiques sont compris : Vitali Dimitriévitch Balachov (dont Mme X, son agent « retourné », dit : « Il ressemble à un cochon, il mange comme un cochon et il agit comme un cochon »), troisième secrétaire de l'ambassade d'URSS à Bruxelles, et Oleg Alekséievitch Semikov, attaché commercial de la firme Soveksport-

film, firme qui importa en Belgique la version russe de « guerre et paix ». Balachov quitte la Belgique le 2 mai 1967 pour des « vacances » dont il ne revient pas. Les trois Soviétiques devaient faire « chanter » Mme X — pseudonyme dont est affublée une employée d'ambassade qui a été successivement en poste à Tunis (lieu où elle a été recrutée) et à Bruxelles. Seul Ogorodnikov est interpellé, les deux autres quittent la Belgique se sentant manifestement brûlés. Dans cette affaire, les Soviétiques s'intéressaient au Shape.

1970 - Savitch

Boris Savitch, marié, deux garçons, né à Jitomir (Ukraine) en 1934, arrive en Belgique en octobre 1967. Il réside 56-58 avenue de la Woluwe à Diegem. Officiellement il est ingénieur-spécialiste, chargé de la vente de camions de la firme Scaldia-Volga. Ses activités réelles sont l'espionnage et dans le cadre de celui-ci il s'intéresse aux bases militaires belges (dont Florennes) et au Shape-Otan (dont la base de Baronville). Plus particulièrement, il cherche à rassembler des informations sur l'avion « Mirage », sur l'utilisation de cet avion et sur ses éléments de fabrication.

Le 25 mars 1970 il est arrêté dans une petite auberge de Linkebeek et est expulsé le vendredi 3 avril 1970 à bord du Tupolev Aéroflot cccp 42397.

SPECIAL, Brussels
3 November 1971

Import - Export
Espionage in Lace

When two Soviets, comrades Oleg Ivanovich Gluchenko (34 years old, with an 11-year-old daughter) and Yuri Yefimovich Parfenov (40 years old, with a 17-year-old daughter), who were employed by the Brussels office of Aeroflot (Soviet air transportation company), left Belgium at the beginning of last week - having been made the subject of expulsion measures because of the revelations made by Thebotarev - a third Soviet, Konstantin I. Leontiev, was forbidden to reside in this country. Officially, Leontiev was the commercial director of the Belgo-Soviet import-export firm of Belso. Leontiev, by the way, is not an ordinary person. Like Thebotarev, he too is a high-ranking GRU officer, with one difference: he was superior to the defector Thebotarev.

The cover which Leontiev had chosen - that of a businessman, the manager of Belso - made his work as an intelligence officer easy. In that way he benefited from complete freedom of movement, which is useful for any operational spy. Such covers are becoming more and more commonplace. It is worth mentioning that there are four companies of this "mixed" type in Belgium at present, including Belso and Scaldia Volga. For the latter two, the mask has been ripped away.

A Belgian executive in a Belgo-Soviet company recently protested to his Soviet colleague over certain commercial policies which had been employed, and received the following answer:

"We don't establish ourselves in Belgium in order to make a profit."

Does this attitude also apply to Belso? The statement of profit and loss for that company's 1970 operations reveals a net profit of 135,621 francs (1969: 159,209 francs) for general expenditures of 29,711,753 francs (1969: 22,903,621 francs), does it not?

Since the disappearance, on 3 October 1971, of Anatolij Tchebotarev from the Soviet trade representation offices in Brussels, some people have seen a similarity between that affair and that in London, where Oleg Lyalin was the principal actor. Oleg Lyalin, whose ostensible job consisted of selling feminine clothing - "babydolls", articles made of nylon and assorted negliges - for the Rasno firm, an Anglo-Soviet import-export company, was - secretly - the brain of the Soviet sabotage network in Great Britain.

Konstantin Doesn't Answer Any More

We now know that Anatolij Tchebotarev was not the equivalent in the hierarchy of the GRU in Belgium, of Oleg Lyalin, but that in reality that position was occupied by Konstantin I. Leontiev, the commercial director of the Belgo-Soviet import-export company Belso, the Belgian equivalent of Rasno. We also know that, in addition to his official position, Leontiev was a colonel in the GRU (Soviet military intelligence service) and that he also worked under the cover of a buyer of textiles destined to be sold eventually in the Soviet Union.

Leontiev was born on 19 December 1921 - so he is 50 years old - and he previously held a position in Belgium from July 1957 to December 1963 as an engineer with the Soviet trade representation. He returned to this country in late 1969, and he and his wife - his two children (Olga, 14 years old, and Vladimir, 18 years old) remained in Moscow - occupied a luxurious apartment in the Pacific apartment building on rue Scalquin, at Saint-Josse-Ten-Noode.

When the gendarmes went to Belso last week to inform him of the expulsion order to which he was being made subject, Leontiev had already left Belgium. He had left for Moscow. However, he is forbidden to reside in this country, nevertheless.

In the official portion of the work he did here, the Soviet colonel organized exhibitions and style shows on a number of occasions which were for the purpose of familiarizing the Belgian public with the Soviet products which are sold, more particularly, in the "Maison de Russie" (House of Russia), whose salesrooms are located on the ground floor of the Tour Madou (Madou Tower) in Brussels. The "Maison de Russie" is also the retail outlet for products imported into Belgium by Belso. This import-export company, with a capital of 10 million

Belgian francs, is a Belgo-Soviet commercial firm founded on 4 May 1966, with central offices at 31 chaussee de Gand, Molenbeek-Saint-Jean, which location it then left, moving to 1-2, avenue des Arts, Brussels.

Le Charme Slave (Slavic Charm)

The business interest of the firm is principally the import-export business and the sale of Soviet products at retail. Among the products it offers are samovars, porcelain from Leningrad, watches, radios, cameras, folk costumes, typically Soviet food and drink (vodka) specialities and fur coats made of furs of Soviet origin but styled by Italian and French specialists in order to make them more competitive with the products of the Belgian furriers. The colonel, incidentally, was very proud of these fur coats, and he recently had four good-looking Soviet mannequins make the trip from Moscow to Brussels to present the winter collection. A Brussels newspaper did not hesitate to entitle that occasion "Le Charme Slave" [Slavic Charm]. The four girls were natives of Riga, or at least that is what was said at the time. Did the man who was responsible for "Slavic Charm" - like Lyalin in England - run a sabotage network in Belgium? This is a question which may well be asked.

In addition to the "Maison de Russie" in Brussels, Belso also operates a similar establishment in Anvers [Antwerp] which is called "Kalinka". This branch was opened this year.

Soviet government organizations hold 50% of the stock of Belso. They are the following:

Vneshposyltorg, which sells a considerable range of manufactured products and Soviet food products at wholesale in small amounts, and it also sells orders for admission to nursing homes and rest homes in the USSR to foreigners on behalf of their relatives living in the USSR (address: 32/34 Smolenskaya-Sennaya, Moscow).

Prodintorg, which, more particularly, exports food products (address: 32/34 Smolenskaya-Sennaya, Moscow).

Vostokintorg, which normally is an organization specializing in import-export trade with the People's Republic of Mongolia, Afghanistan, Iran, Aden, Turkey and Yemen (address: 32/34 Smolenskaya-Sennaya, Moscow).

It should be mentioned that a former engineer with the trade representation in Brussels, Mr. Yuri Straborovski, and the former director of Scaldia Volga, Mr. Vladimir Cherkasov, each own a share.

The remaining 50% are owned by Belgians. When the company was founded, the part of the capital in the hands of Belgians was represented by two Greeks and three Belgians (two of whom have since died). The administrative council of the company at present is made up of five people: Anatoli Bobrik, Youri Kostrov, Vladimir Kovalchuk and Konstantin Leontiev, all four of whom are Soviets, and one Belgian, Louis Loncin, former director

Approved For Release 1999/09/02 : CIA-RDP79-01194A000300020001-1
Commerce extérieur - OBCE]. The committee members [commissaires] of the firm are Dimitri Muratov, a Soviet from Moscow, and Henry Pirlet, a Belgian.

As for Rasno, that company, the English equivalent of Belso, was established in 1969, with its creation being announced at a cocktail party given by the Embassy of the USSR in London. The firm comes under the Soviet Department of Trade and Industry, which provides it with a capital of 5,000 pounds. Thus, Rasno in London is entirely in the hands of Rasno, Moscow, a governmental commercial agency. The last reports on the company presented in July 1971 reveal that three of the four directors are Soviets, that its capital reached 40,000 pounds in 1970 with a profit of 8,326 pounds, taxes not deducted. Oleg Lyalin was said to be one of the directors of the company. One of the three Soviet directors of Rasno - he received 4,000 pounds per year - left the United Kingdom when the Lyalin affair was made public, and he did so in spite of the work which had been done very recently in his house on Makepeace Avenue in Highgate...Serge MONIER

SPECIAL, Brussels
3 November 1971

IMPORT-EXPORT

CPYRGHT

L'ESPIONNAGE EN DENTELLES

Alors que deux Soviétiques, les camarades Oleg Ivanovich Gluchenko (34 ans, une fille de 11 ans) et Yuri Yefimovich Parfenov (40 ans, une fille de 17 ans), membres du bureau bruxellois de l'Aéroflot (compagnie aérienne soviétique) quittaient la Belgique en début de semaine dernière — ayant été l'objet d'une mesure de renvoi due aux révélations faites par Tchebotarev — un troisième Soviétique, Konstantin I. Leontiev, était déclaré interdit de séjour dans notre pays. Leontiev était officiellement directeur commercial de la firme d'import-export belgo-soviétique Belso. Leontiev n'est d'ailleurs pas un personnage banal. Comme Tchebotarev, il est aussi officier supérieur du GRU, à une différence près : il était supérieur au transfuge Tchebotarev.

La couverture que Leontiev avait choisie — celle d'un homme d'affaires, dirigeant de la Belso — lui facilitait son travail d'officier de renseignement. Il bénéficiait ainsi d'une entière liberté de mouvement, utile à tout espion opérationnel. De telles couvertures sont de plus en plus courantes. Il faut savoir qu'il existe actuellement en Belgique quatre sociétés de ce type « mixte »

dont Belso et Scaldia Volga. Pour ces deux derniers, le masque est tombé.

Un administrateur belge d'une société belgo-soviétique protestant récemment auprès de son collègue soviétique de la manière dont certaines politiques commerciales avaient été choisies, s'entendit répondre :

« Nous ne nous installons pas en Belgique pour faire du bénéfice ».

Cette réflexion s'adressait-elle aussi à Belso? Le compte de pertes et profits de l'exercice 1970 de cette société ne révèle-t-il pas un bénéfice net de 135.621 F (1969 : 159.209 F) pour des frais généraux de 29.711.753 F (1969 : 22.903.621 F).

Depuis la disparition, le 3 octobre dernier, d'Anatolij Tchebotarev de la représentation commerciale soviétique à Bruxelles, certains ont vu un rapprochement entre cette affaire et celle de Londres où Oleg Lyalin tint la vedette. Cet Oleg Lyalin dont le travail officiel consistait à acheter des vêtements féminins — babydolls, articles en nylon et négligés divers — pour la firme Rasno, société anglo-soviétique d'import-export, et qui, clandestinement, était le cerveau des réseaux de sabotage soviétique en Grande-Bretagne.

KONSTANTIN NE REpond PLUS

Nous savons maintenant qu'Anatolij Tchebotarev n'était pas, dans la hiérarchie du GRU en Belgique, l'équivalent d'Oleg Lyalin mais qu'en réalité ce poste était occupé par Konstantin I. Leontiev, directeur commercial de la société belgo-soviétique d'import-export Belso, consœur belge de Rasno. Outre sa fonction officielle, Leontiev était colonel du GRU (service de renseignement militaire soviétique) et que lui aussi œuvrait sous la couverture d'acheteur de textiles destinés à être revendus ensuite en Union Soviétique.

Leontiev est né le 19 décembre 1921 — il a donc 50 ans — et avait déjà été en poste en Belgique de juillet 1957 à décembre 1963 comme ingénieur à la représentation commerciale soviétique. De retour en fin 1969 dans notre pays, il habitait depuis avec son épouse — ses deux enfants (Olga, 14 ans, et Vladimir, 18 ans) étant restés à Moscou — un luxueux appartement de la résidence Pacific, rue Scalquin à Saint-Josse-Ten-Noode.

Lorsque, dans le courant de la semaine dernière, les gendarmes se sont présentés à Belso afin de lui signifier

Approved For Release 1999/09/02 : CIA-RDP79-01194A000300020001-1

l'arrêté de renvoi dont il avait été l'objet, Leontiev avait déjà quitté la Belgique. Direction : Moscou. Il n'en reste cependant pas moins interdit de séjour dans notre pays.

Dans la partie officielle de son travail, le colonel soviétique avait, à plusieurs reprises, organisé des expositions et défilés de mode ayant pour but de familiariser le public belge aux produits soviétiques vendus notamment à la « Maison de Russie » dont les locaux sont installés au rez-de-chaussée de la Tour Madou, à Bruxelles. « Maison de Russie » qui est d'ailleurs l'organisme de vente au détail des produits importés en Belgique par Belso. Cette société d'import-export, au capital de dix millions de francs belges, est une firme commerciale belgo-soviétique fondée le 4 mai 1966 avec comme siège social le 31, chaussée de Gand à Molenbeek-Saint-Jean, siège qu'elle a quitté ensuite pour venir s'installer au 1-2, avenue des Arts, à Bruxelles.

LE CHARME SLAVE

La raison sociale de la firme est principalement l'import-export et la vente au détail de produits soviétiques. Parmi les produits qu'elle propose, on trouve des samovars, de la porcelaine de Leningrad, des montres, des radios, des caméras, des costumes folkloriques, des spécialités alimentaires et des boissons (vodka) typiquement soviétiques, et des manteaux de fourrure, confectionnés avec des fourrures d'origine soviétique mais stylisés par des spécialistes italiens et français afin de les rendre plus compétitifs aux productions des fourreurs belges. Le colonel était d'ailleurs très fier de ces manteaux de fourrure et, récemment, il fit faire à quatre jolis mannequins soviétiques le voyage de

Moscou à Bruxelles pour présenter sa collection d'hiver. Un journal de la capitale n'hésitant pas de titrer à cette occasion « LE CHARME SLAVE ». Les quatre filles étaient originaires de Riga, du moins c'est ce qui fut affirmé à l'époque. Le responsable du « charme slave » dirigeait-il — comme Lyanin en Angleterre — un réseau de sabotage en Belgique? C'est une question qui peut être posée.

La Belso, outre la « Maison de Russie » à Bruxelles, alimente un établissement similaire connu à Anvers sous le nom de « Kalinka ». Cette succursale a été ouverte cette année-même.

Le capital de la Belso est détenu à 50 p.c. par des organismes d'Etat soviétiques :

□ la *Vnechposyltorg*, qui vend en demi-gros une gamme de produits manufacturés et de produits alimentaires soviétiques mais qui, en outre, vend aux étrangers des bons de séjour dans des maisons de cure et de repos d'URSS à l'intention de leurs parents résidant en URSS (adresse : 32/34 Smolenskaïa-Sennaïa, Moscou);

□ la *Prodintorg* qui, notamment, exporte des denrées alimentaires (adresse : 32/34 Smolenskaïa-Sennaïa, Moscou);

□ la *Vostokintorg* qui est normalement une organisation spécialisée dans le commerce d'import-export avec la République populaire de Mongolie, l'Afghanistan, l'Iran, Aden, la Turquie et le Yemen (adresse : 32/34 Smolenskaïa-Sennaïa, Moscou).

Il est à noter qu'un ancien ingénieur de la représentation commerciale à Bruxelles, M. Yury Straborovski, et l'ex-directeur de Scaldia Volga, M. Vladimir Tcherkasov, possédaient chacun

une part sociale.

Les 50 p.c. restant sont détenus par des Belges. Lors de la constitution de la société, la partie de capital dans les mains des Belges était représentée par deux Grecs et trois Belges (dont deux sont décédés depuis). Le conseil d'administration actuel de la société est constitué de cinq personnes : MM. Anatoli Bobrik, Youri Kostrov, Vladimir Kovaltchouk et Konstantin Leontiev, tous les quatre Soviétiques, et d'un Belge, M. Louis Loncin, ancien directeur des expositions de l'Office belge du Commerce extérieur (OBCE). Les commissaires de la firme sont MM. Dimitri Mouratov, un Soviétique de Moscou, et Henry Pilet, un Belge.

Et Rasno? Cette société, la consœur anglaise de Belso, a été lancée en 1969, la création ayant été annoncée lors d'un cocktail organisé par l'ambassade d'URSS à Londres. La firme dépend alors du département du Commerce et de l'Industrie soviétique qui la pourvoit d'un capital de 5.000 livres. Rasno-Londres est ainsi entièrement aux mains de Rasno-Moscou, agence commerciale gouvernementale. Les derniers rapports sur la société présentés en juillet dernier révèlent que trois des quatre directeurs sont soviétiques, que le capital a atteint 40.000 livres en 1970 avec un bénéfice de 8.326 livres, impôts non déduits. Oleg Lyanin était déclaré comme un des dirigeants de la société. Un des trois directeurs soviétiques de Rasno — il touchait 4.000 livres par an — a quitté la Grande-Bretagne alors que l'affaire Lyanin était rendue publique. Et ceci, malgré des aménagements très récents qu'il venait de réaliser dans sa maison de la Makepeace Avenue à Highgate.

Serge MONIER ■

LA LANTERNE, Brussels
5 November 1971

They were denounced to the Americans by Tchebotarev, the employee of the Soviet mission in Brussels.

RUSSIAN SPIES EXPELLED FROM BELGIUM: THERE ARE NINE OF THEM

They are: two employees of Aeroflot, a commercial director of the Belso company, three members of the Soviet trade mission, two diplomats, and the representative of a photographic products firm.

These Russians were on the list (much longer still) of Soviet spies working in Belgium--particularly in the constant surveillance of NATO telephone communications. The list was given to the Americans by Anatole Tchebotarev, himself a secret agent and an employee of the Soviet trade mission in Brussels, who defected to the West one month ago.

Approved For Release 1999/09/02 : CIA-RDP79-01194A000300020001-1

Approved For Release 1999/09/02 : CIA-RDP79-01194A000300020001-1
These nine spies have just left Belgium, we are publishing the names of eight of them.

This evening they will miss the big reception given at the Embassy of the USSR for the anniversary of the October Revolution. The other 24 secret agents on Tchebotarev's list will no doubt be among the guests.

Nine Soviet Spies Expelled from Belgium After the Revelations of Tchebotarev

There will be some absentees from the big reception being given this evening at the Embassy of the Union of Soviet Socialist Republics (66 Avenue De Fre in Uccle-Brussels) on the occasion of the anniversary of the October Revolution. Nine Soviets (La Meuse - La Lanterne is able to disclose eight names today) have been expelled from Belgium as a result of the Tchebotarev affair: two employees of Aeroflot, a director of the Belgian-Soviet Commercial Company ("La Maison de Russie" in Brussels and "Kalinka" in Antwerp), three emmbers of the Soviet trade mission (former colleagues of the defector Tchebotarev, two diplomats, and the representative of an important photographic products firm. Other departures are expected within the next few days.

Two employees of the Brussels agency of Aeroflot (the Soviet airline company) left Brussels-National--very discreetly--on Tuesday, 26 October, on board a Tupolev aircraft of Aeroflot, bound for Moscow. They were thus the first Soviets hit by an expulsion measure taken by the Belgian authorities. They were Oleg Ivanovich Gluchenko (34) and Yuri Yefimovich Parfenov (40).

During the same week, a third Soviet--Colonel Konstantin Leontiev of the GRU (military intelligence service), a director of the "Societe commerciale belgo-sovietique, S.A.", or "Belso" for short (1-2 Avenue des Arts in Saint-Josse-ten-Noode) since 20 May 1970--was forbidden to remain in our country. The policemen assigned the duty of notifying Leontiev of his expulsion could not find him; he had already left Belgium.

At the end of the week, five more Soviets returned to the USSR, thus lengthening the list of "undesirables". They are:

- Anatoly Mashine, attache of the trade mission;
- Vladimir Krugliakov, delegate of "Sovflot" in the trade mission;
- Aleksey Sereda, Embassy attache;
- Boris Trichine, attache of the trade mission;
- Valentin Zaitsev, counselor in the Embassy.

In addition to these five Soviets and Parfenov, Gluchenko, and Leontiev, a ninth Soviet has also left Belgium. He was a commercial delegate in an important firm specializing in photographic products.

"To see" and "to see again"

Thus the Soviet espionage strength in Belgium has been reduced by nine operational units. Now Tchegotarev turned over to the American security services a definitely longer list of names of Soviet spies. Thirty-three of them are of direct concern to Belgium. Therefore, there are still two dozen intelligence specialists stationed in our country. This evening they will undoubtedly be at the Embassy of the USSR in Brussels, where many Belgians and foreigners have been invited.

These are "selected" Belgians and foreigners, since the list of guests is always drawn up jointly by the chief of protocol of the Embassy and the GRU and KGB "residents" (this is confirmed by all intelligence officers who have sought asylum in the West).

The list of persons "to see" and perhaps "to see again", which each Soviet intelligence officer keeps memorized for such occasions, will be lengthened by several names. That is all. But the process will remain the same. Spies have their traditions, and they stick to them.

The departure of the nine Soviets from Belgium was prepared, it seems, by several actions undertaken by G. Korinfski, second secretary of the Embassy of the USSR. These actions had taken the diplomat to several Brussels firms specializing in packing and baggage, particularly near the port of Brussels. Moreover, he had not concealed the fact that he was a diplomat nor his intention of obtaining used crates at a good price.

He pushed his car

Shortly thereafter, Parfenov and Gluchenko left Belgium. Parfenov had attracted the attention of his neighbors by maneuvers which were "too discreet". He would regularly leave his lodgings around 0500 hours and push his car for several tens of meters before starting it. It is doubted that the purpose of this maneuver was to avoid disturbing the sleep of his wife.

The measures of expulsion taken against the nine Soviets show the importance of mixed companies, tourist agencies, press agencies, and travel agencies for Soviet espionage, which seems to prefer them for its cover. Do not such activities permit their members complete freedom of movement? For example, the personnel of Aeroflot claim both commercial status and semidiplomatic status, because they belong to a government company. There are many cases in which an Aeroflot employee crosses over into the privileged domain of diplomacy and vice versa.

The Soviets do not hesitate to assign to a diplomatic post one of their intelligence officers who has been previously compromised elsewhere. This was the case with Konstantin Alekseyevich Aksenov, second secretary at the Embassy of the USSR in Brussels from 1952 to 1955, who had to leave that post because of the discovery of one

of his agents. Aksenov's mission in Belgium was to organize the infiltration of circles of anti-Communist Russian exiles. The affair created a big stir at the time. Nevertheless, the same Aksenov turned up as chief of Aeroflot in Morocco, where, from his office in Rabat, he applied himself to collecting information concerning American economic and military cooperation.

"Lightning promotion"

In Ceylon, Yan Akimovitch Grechko, in addition to his clandestine activities, was noticed because of his promotion which can be characterized as lightning-like--an ordinary commercial employee, he became overnight the first secretary of the Embassy of the USSR in Ceylon.

It should be added that Grechko was a colonel in intelligence and that in 1950 he had been military attache of the USSR in People's China.

This is not the first time in Belgium that an Aeroflot employee has been involved in an espionage affair. In 1967 there was the Cheretoune affair, named after the deputy chief of the Brussels office of Aeroflot, who was caught when he was about to receive intelligence of military interest from his "contact".

In 1969 did not Konstantin Parfenov, who was then chief of the Soviet trade mission in Brussels, declare that, among the fundamental principles of Soviet trade policy in Belgium, respect for the sovereignty of the host state was in first place?

A few weeks later, a Soviet engineer of "Scaldia-Volga" was expelled. He was a spy!

(box)

On the roof

On 3 October, Anatoliy Tchebotarev (38), counselor in the Soviet trade mission in Brussels and field-grade officer of the GRU, disappeared. Trace of him was lost for several days. The Belgian authorities state that Tchebotarev has not asked to enjoy the right of asylum. In fact, he is, in the United States, where he is talking very rapidly, denouncing his KGB and GRU colleagues whom he knew not only in Belgium from 1968 (when he arrived in our country) to 1971, but also those whom he knew throughout his entire career as a spy.

Tchebotarev had the clandestine mission in Brussels of listening to NATO radio communications. The antenna of his interception system is concealed in a small one on the roof of the USSR trade mission, Boulevard du Regent, and not on the roof of the "Scaldia-Volga" firm, where there also are antennas.

LA LANTERNE, Brussels
5 November 1971

CPYRGHT

Ils ont été dénoncés aux Américains par Tchebotarev,
l'employé de la mission soviétique de Bruxelles

**LES ESPIONS RUSSES CHASSÉS
DE BELGIQUE: EN VOICI NEUF**

Ce sont : deux employés de l'Aeroflot, un directeur commercial de la société Belso, trois membres de la mission commerciale soviétique, deux diplomates et le représentant d'une firme de produits photographiques

Ces Russes figuraient sur la liste (beaucoup plus longue encore) des espions soviétiques travaillant en Belgique, — notamment à la surveillance permanente des communications téléphoniques de l'O.T.A.N. * La liste a été donnée aux Américains par Anatole Tchebotarev, lui-même agent secret et employé de la mission commerciale soviétique à Bruxelles, qui est passé à l'Ouest il y a un mois.

Ces neuf espions viennent de quitter la Belgique: nous publions les noms de 8 d'entre eux

Ils manqueront, ce soir, la grande réception offerte à l'ambassade d'U.R.S.S. pour l'anniversaire de la Révolution d'Octobre. * Parmi les invités figureront sans doute :

les 24 autres agents secrets de la liste de Tchebotarev

Ce soir, à l'ambassade de l'Union des Républiques Socialistes Soviétiques (66, avenue De Fré à Uccle-Bruxelles), il y aura des absents à la grande réception offerte à l'occasion de l'anniversaire de la révolution d'octobre. Neuf Soviétiques («La Meuse - La Lanterne» est en mesure de révéler aujourd'hui 8 noms), ont été chassés de Belgique à la suite de l'affaire Tchebotarev : deux employés de l'aéroflot un administrateur de la « Société commerciale belgo-soviétique » («La Maison de Russie» à Bruxelles et «Kalinka», à Anvers, trois membres de la représentation commerciale soviétique (anciens collègues du transfuge Tchebotarev), deux diplomates et le représentant d'une importante firme de produits photographiques. D'autres départs sont attendus dans les prochains jours.

Deux employés de l'agence bruxelloise de l'Aéroflot (compagnie aérienne soviétique) ont quitté — très discrètement — Bruxelles-National, le mardi 26 octobre dernier, à bord d'un Tupolev de l'Aéroflot. Destination Moscou. Ils étaient ainsi les premiers Soviétiques frappés par une mesure de renvoi émanant des autorités belges. Il s'agissait d'Oleg Ivanovich Gluchenko (34) et de Yuri Yefimovich Parfenov (40).

Dans le courant de la même semaine, un troisième Soviétique, le colonel Konstantin Leontiev, du G.R.U. (service de renseignement militaire), administrateur de la « Société commerciale belgo-soviétique, S.A., en abrégé «Belso» (1-2, avenue des Arts, à Saint-Josse-ten-Noode) depuis le 20 mai 1970, était déclaré interdit de séjour dans notre pays. Les gendarmes chargés de lui signifier la mesure de renvoi ne trouverent pas Leontiev : il avait déjà quitté la Belgique.

En fin de la semaine, cinq autres Soviétiques reprenaient le chemin de l'U.R.S.S., allongeant ainsi la liste des « indésirables ». Il s'agit de :

• Anatoly Mashine, attaché à la représentation commerciale.

• Vladimir Krugliakov, délégué de la « Sovflot » au sein de la mission commerciale.

• Aleksy Sreda, attaché d'ambassade.

• Boris Trichine, attaché à la représentation commerciale.

• Valentin Zaitzev, conseiller à l'ambassade.

Outre ces cinq Soviétiques et Parfenov, Gluchenko et Leontiev, un neuvième a aussi quitté la Belgique. Il était délégué commercial dans une importante firme spécialisée dans les produits photographiques.

★ « A voir » et « à revoir »

Les effectifs de l'espionnage soviétique en Belgique sont donc ainsi amputés de neuf unités opérationnelles. Or, Tchebotarev a confié aux services américains de sécurité une liste de noms d'espions soviétiques nettement plus importante. Trente-trois d'entre eux concernent directement la Belgique. Il y a donc encore deux douzaines de spécialistes du renseignement en poste chez nous. Ils seront sans doute ce soir à l'ambassade de l'U.R.S.S., à Bruxelles, où de nombreux Belges et étrangers ont été invités.

Belges et étrangers « sélectionnés », la liste des invités étant toujours dressée conjointement par le chef du protocole de l'ambassade et les « résidents » G.R.U. et K.G.B. (ceci est confirmé par tous les transfuges du renseignement ayant cherché asile à l'Ouest).

La liste des personnes « à voir » et peut-être « à revoir », que chaque officier de renseignement soviétique a en mémoire pour de telles occasions, se sera allongée de quelques noms. C'est tout. Mais le processus restera le même. On a ses traditions chez les espions et on y tient.

Le départ des neuf Soviétiques de Belgique a été préparé, semble-t-il, par plusieurs démarches entreprises par M. G. Korinfski, deuxième secrétaire de l'ambassade d'U.R.S.S. Ces démarches avaient mené le diplomate auprès de plusieurs firmes bruxelloises spécialisées dans le conditionnement et les bagages, notamment à proximité du port de Bruxelles. Il n'avait d'ailleurs pas fait mention d'obtenir à bon prix des caisses de récupération.

Sur le toit

Le 3 octobre dernier, Anatolij Tchebotarev (38), conseiller à la représentation commerciale soviétique à Bruxelles, et officier supérieur du G.R.U., disparaît. Pendant plusieurs jours, sa trace est perdue. Les autorités belges affirment que M. Tchebotarev n'a pas demandé à bénéficier du droit d'asile. En fait, il est aux Etats-Unis où il parle très rapidement, dénonçant ses collègues du K.G.B. et du G.R.U. qu'il a connu non seulement en Belgique de 1968 (année de son arrivée dans notre pays) à 1971, mais aussi ceux qu'il a connus tout au long de sa carrière d'espion.

Tchebotarev avait pour mission clandestine à Bruxelles, d'écouter les radio-communications de l'Otan. L'antenne de son système de captation est dissimulée dans un petit baraquement en bois installé sur le toit de la représentation commerciale de l'U.R.S.S., boulevard du Régent, et non pas sur le toit de la firme « Scaldia-Volga » où il y a aussi des antennes.

★ Il poussait sa voiture

Peu de temps après, Parfenov et Gluchenko quittaient la Belgique. Ce Parfenov qui — par des manœuvres « trop discrètes » — avait attiré l'attention de ses voisins. Il lui arrivait couramment de quitter son logement très tôt le matin — vers 5 heures — et de pousser pendant plusieurs dizaines de mètres sa voiture avant de mettre le contact. On doute que cette manœuvre ait eu pour but d'éviter de troubler le sommeil de son épouse.

Les mesures de renvoi dont les neuf Soviétiques ont été l'objet montrent l'importance des firmes mixtes, des agences de tourisme, de presse et de voyage pour l'espionnage soviétique qui semble en faire sa couverture de prédilection. De telles activités ne laissent-elles pas à leurs agents une liberté de mouvement ? L'Aeroflot, par exemple. Son personnel se réclame

Approved For Release 1999/09/02 : CIA-RDP79-01194A000300020001-1

à la fois du statut commercial et du statut semi-diplomatique, étant donné son appartenance à une compagnie gouvernementale. Nombreux sont les cas où un employé de l'Aéroflot passa dans le domaine privilégié de la diplomatie, et vice versa.

Les Soviétiques n'hésitent pas à affecter à un poste diplomatique un de leurs officiers de renseignement compromis antérieurement ailleurs. Ce fut ainsi le cas de Konstantin Alekseyevich Aksenov, deuxième secrétaire à l'ambassade d'U.R.S.S. à Bruxelles, de 1952 à 1955, qui dut quitter ce poste à la suite de la découverte d'un de ses agents. Aksenov avait pour mis-

sion en Belgique d'organiser l'infiltration des milieux des exilés russes anti-communistes. L'affaire fit grand bruit à l'époque. N'empêche qu'on retrouva le même Aksenov comme chef de l'Aéroflot au Maroc, où, depuis son bureau de Rabat, il s'attachait à réunir des informations concernant la coopération américaine tant économique que militaire.



«Promotion foudroyante»

A Ceylan, ce fut Yan Akimovitch Grechko qui, outre ses ac-

tivités clandestines, fut remarqué pour sa promotion qu'on peut qualifier de foudroyante — qui fit de lui, simple employé commercial, du jour au lendemain, le premier secrétaire de l'ambassade d'U.R.S.S. à Ceylan.

Il faut ajouter que Grechko était colonel du renseignement et qu'il avait été, en 1950, attaché militaire d'U.R.S.S. en Chine populaire.

En Belgique, ce n'est pas la première fois qu'un employé de l'Aéroflot est compromis dans une affaire d'espionnage. Il y eut ainsi, en 1967, l'affaire Charetoune, du nom du chef adjoint

du bureau bruxellois de cette compagnie, interpellé alors qu'il s'appretait à recevoir, de son « contact » des renseignements d'intérêt militaire.

En 1969, M. Konstantin Parmenov, qui était alors le chef de la représentation commerciale soviétique à Bruxelles, ne déclarait-il pas que, parmi les principes fondamentaux de la politique commerciale soviétique en Belgique, se trouvait en premier lieu le respect de la souveraineté de l'Etat hôte.

Quelques semaines plus tard, un ingénieur soviétique de « Scaldia-Volga » était expulsé. C'était un espion !

SPECIAL, Brussels
10 November 1971

FUNNY BUSINESS

The list of Soviets who have departed Belgium as a result of the Tchebotarev affair (Attache at the commercial representation who last 3 October chose to defect to the West) has lengthened by six since we announced last week the "discreet" departure of three Soviet intelligence officers, the Comrades Oleg Ivanovitch Gluchenko (born 12 February 1937) and Yuri Yefimovitch Parfenov (born 2 May 1931), both employees of Aeroflot, and of Konstantin I. Leontiev (born 9 December 1921), Commercial Director of the Belgo-Soviet Import-Export Company Belso.

These departures have in effect been followed by those of six other Soviets: one counsellor for scientific and technical questions at the Soviet Embassy (Valentin Zaitsev), one attache of the same embassy (Aleksei Sereda), one Sovflot representative attached to the commercial representation (Anatoliy Mashine and Boris Trichine) and one Soviet working as a commercial representative in an important firm producing photographic products.

The strength of Soviet espionage in Belgium has been reduced by nine operational units, an appreciable reduction, but in reality clearly inadequate when one knows that there remain in our country twenty Soviet intelligence specialists directly compromised by the Tchebotarev affair.

It is however probable -- according to some sources -- that in the next few days new departures from among the official Soviet representation in Belgium will be announced. The nine departures for Moscow represent only a prologue to a series of departures either more important in number or directed at more important personalities.

The number of Tovariches assigned to Brussels as of this date is 102 (Tchebotarev and Volkov have been subtracted) -- 43 members of the Embassy, 29 from the commercial representation, 8 from the press, travel and airlines (two from Aeroflot), one intourist, one Tass, two Novosti, one Isvestia and one Pravda, 22 in the mixed firms (Scaldia Volga and Belso).

Approved For Release 1999/09/02 : CIA-RDP79-01194A000300020001-1

A few months ago, a high-level British functionary summarized in four points the precautions needed to limit the loss of industrial secrets during Soviet-British encounters.

- 1) All Soviets visiting factories and business offices must be considered "a priori" as intelligence officers and only "a posteriori" as commercial agents.
- 2) The commercial secrets and the details of industrial procedures should be locked up whenever Soviet visitors are in the area. One should not permit delegations to enter design departments where new models are being prepared.
- 3) During the negotiations and even after the signature of export contracts, the Soviets should not be authorized to inspect anything more than the indispensable minimum of the different stages of production.
- 4) The Directors of firms should avoid showing prototypes, even if there is a promise of purchase.

This same high functionary noted also the large discrepancy which exists on the one hand between the number of members of a permanent commercial representation and on the other hand the number of members of visiting commercial delegations. "I have always noticed," he added, "that the size of this latter delegation is always larger."

CPYRGHT

CPYRGHT

SPECIAL, Brussels
10 November 1971

Drôle de business

La liste des Soviétiques qui ont quitté la Belgique suite à l'affaire Tchebotarev — l'attaché à la représentation commerciale qui, le 3 octobre dernier, choisit de passer à l'Ouest — s'est allongée de six unités depuis que nous avons annoncé, la semaine dernière, le départ « discret » de trois officiers de renseignement soviétiques, les camarades Oleg Ivanovitch Gluchenko (né le 12 février 1937) et Yuri Yefimovich Parfenov (né le 2 mai 1931), tous deux employés de l'Acroflot, et de Konstantin I. Leontiev (né le 9 décembre 1921), directeur commercial de la société belgo-soviétique d'import-export Belso.

Ces départs ont en effet été suivis de ceux de six autres Soviétiques : d'un conseiller aux questions scientifiques et techniques de l'ambassade d'URSS (Valentin Zaitsev), d'un attaché de la même ambassade (Aleksey Sereida), d'un délégué de la Sovflot au sein de la représentation commerciale (Anatolij Mashine et Boris Trichine) et d'un Soviétique travaillant comme délégué commercial dans une importante firme de produits destinés à la photographie. Les effectifs de la représentation commerciale en Belgique ont donc été réduits à ce jour de

neuf unités opérationnelles, diminution appréciable mais qui, en réalité, est encore nettement insuffisante quand on sait qu'il reste dans notre pays une vingtaine de spécialistes soviétiques du renseignement directement compromis par l'affaire Tchebotarev.

Il est cependant vraisemblable — sinon certain — que dans les jours prochains de nouveaux départs seront enregistrés au sein de la représentation officielle soviétique en Belgique, les neuf retours à Moscou actuels ne constituant dès lors que le prologue d'une série soit plus importante en nombre soit visant des personnages plus importants.

Le nombre des tovaritchés toujours en poste à Bruxelles s'établit aujourd'hui à 102 personnes (Tchebotarev et Volkov étant déduits) soit 43 membres de l'ambassade, 29 de la représentation commerciale, 8 d'organisme de presse, de voyage ou de navigation aérienne (deux à l'Acroflot), un à Intourist, un à Tass, deux à Novosti, un aux Ivestia et un à la Pravda) et 22 dans les firmes mixtes (dont Scaldia-Volga et Belso).

les précautions à prendre pour limiter la fuite des secrets industriels lors des rencontres soviéto-britanniques :

1. Tous les Soviétiques visitant usines et bureaux d'affaires doivent être considérés a priori comme des officiers de renseignement et a posteriori seulement comme des agents commerciaux.
2. Les secrets commerciaux et les détails de procédure industrielle doivent être enfermés tant que les visiteurs soviétiques se trouvent dans les locaux. Il y a lieu de ne pas faire passer les délégations par des bureaux de dessins où sont préparées les créations.
3. Pendant les négociations et même après la signature des contrats d'exportation, les Soviétiques ne devraient être autorisés à inspecter que le minimum indispensable des différents stades de fabrication.
4. Les dirigeants des firmes devraient éviter de montrer les prototypes, même s'il y a promesse d'achats.

Ce même haut fonctionnaire notait en outre la disproportion toujours très grande qui existe entre d'une part le nombre des membres d'une représentation commerciale permanente et d'autre part celui des membres d'une délégation commerciale en visite d'affaires.

« J'ai toujours remarqué, ajoutait-il, que les membres de cette délégation étaient toujours en surnombre ».

THE WASHINGTON DAILY NEWS
5 November 1971

Tuning into garbled NATO talk

Soviets keep their antenna up

BRUSSELS (UPI) — A short-wave radio antenna sits on the roof of the Soviet Skaidia-Volga car assembly plant one mile from NATO headquarters.

The antenna, which can be seen from the main highway between Zaventem Airport and the city, is designed to pick up NATO's radio communications, according to government sources.

But the antenna is not doing much good, they said.

WELL-PROTECTED

From the time it was installed when the factory was built in 1967—the same year NATO moved here from Paris—government jamming devices have been constantly beamed at the plant.

"I really don't know why they've kept the antenna there," one Belgian official said. "Maybe they hope one day the jammer will break down. Or perhaps they think something may leak thru."

The official smiled and added, "but neither will happen."

In any case, most NATO long-distance communications are relayed thru well-protected underground cables which warn of any tapping attempt.

The Belgian secret service apparently prefers to let the Soviets operate openly in the case of the auto plant.

"They're much easier to neutralize that way," the official said.

Belgium has become a favored stomping ground for Soviet and Eastern Bloc spies since NATO and Supreme Headquarters Allied Powers Europe came here.

TRADE MISSION

As one western diplomat put it: "I know whenever I meet two Russians together at least one of them is a spy."

Of the 113 Soviets at the embassy, the trade mission, the travel agency Intourist and at the airline Aeroflot, about half are engaged in

some kind of espionage, according to Belgian officials.

But that number dropped drastically when Soviet trade mission official Anatoly Chebotarev defected to the West and gave the Belgians a list of 33 spies operating in Belgium.

TRIP HOME

After Mr. Chebotarev spilled the beans, one Soviet newsman and 15 employees of Intourist, Skaidia-Volga and Aeroflot abruptly left the country for Moscow.

In addition, a police source said, the director of the Soviet Belgian trade company Belso, Konstantin Leontev, 50, was asked not to return after a trip home, and a second secretary at the embassy, Georgy Korinfski, would soon leave.

The source said the government is trying to get rid of a number of others on the list but officials want to avoid a mass expulsion like Britain's.

LA LIBRE BELGIQUE, Brussels
5 November 1971

Après les révélations de Tchebotarev

UNE TRENTAINE DE SOVIÉTIQUES SONT TENUS DE QUITTER LA BELGIGUE

Une dizaine d'entre eux
ont déjà regagné Moscou

A la suite des révélations de M. Anatoli Tchebotarev qui fut attaché à la représentation commerciale soviétique à Bruxelles et qui dénonça aux services américains les activités d'espionnage d'une bonne trentaine de Russes occupés en Belgique, le gouvernement de Bruxelles a prié les autorités soviétiques de rapatrier immédiatement une dizaine de ces agents du K.G.B. ou du G.R.U. La plupart d'entre eux sont déjà à Moscou.

Le gouvernement belge a aussi demandé le prochain départ d'une vingtaine d'autres agents soviétiques. Cependant, le gouvernement n'a fait aucune déclaration publique de crainte de perturber les relations diplomatiques entre Bruxelles et Moscou. Nous publions ci-après la liste des premiers « expulsés ».

C'est évidemment pour des raisons diplomatiques que l'autre vendredi, avec un air quelque peu désabusé, M. Gaston Eyskens, Premier ministre, qualifiait de « banale » l'affaire d'espionnage survenue en Belgique après les révélations aux services secrets américains de M. Anatoli Tchebotarev, attaché à la représentation commerciale d'U.R.S.S. à Bruxelles.

Dès le début de cette affaire, nous avons annoncé que le gouvernement de Bruxelles allait décider des expulsions dans « cette affaire d'espionnage la plus impor-

tante qu'ait jamais connue la Belgique ». Malgré les démentis gouvernementaux, Bruxelles a donc effectivement pris ces mesures ainsi que nous l'avons annoncé dans de précédentes éditions.

Il se confirme aussi — ce qui avait également été démenti — que le gouvernement belge a pris contact avec les autorités soviétiques. Ces contacts semblent toujours d'actualité puisque, pas plus tard que jeudi matin, M. Sobolev, ambassadeur d'U.R.S.S., a été reçu aux Quatre-Bras, soit au ministère belge des Affaires étrangères par un haut fonctionnaire.

Le gouvernement de Bruxelles a donc prié l'U.R.S.S. de rapatrier au plus tôt une dizaine de ressortissants soviétiques. La plupart d'entre eux ont déjà quitté le pays, soit par la voie aérienne, soit par voie ferrée. Par ailleurs, l'ambassadeur d'U.R.S.S. a été prié d'assurer prochainement le remplacement d'une vingtaine de Soviétiques attachés à l'ambassade, à la représentation commerciale, à Aeroflot, à la Maison de Russie, ou considérés à Bruxelles comme correspondants de presse.

Pour différentes raisons, les autorités belges avaient annoncé que

Approved For Release 1999/09/02 : CIA-RDP79-01194A000300020001-1

ces « expulsions » ou, plutôt, ces demandes polies mais fermes de rapatriement ne soient entourées d'aucune publicité. Parmi ces raisons figure le fait que l'O.T.A.N., qui a son siège à Bruxelles, a confié à la Belgique la mission d'entamer des négociations avec l'U. R. S. S. sur les réductions des forces armées en Europe et que les autorités belges organisent le voyage de M. Manlio Brosio, ancien secrétaire général de l'O.T.A.N., qui doit normalement se rendre à Moscou ce mois-ci.

Autre raison : le souci des autorités belges d'éviter des « représailles soviétiques ». On sait que lorsque sont décidées des expulsions de ressortissants russes convaincus d'activités d'espionnage, le Kremlin a souvent pour habitude de déclarer à son tour personnes non grates des Occidentaux en poste à Moscou. Il semble que le gouvernement belge ait annoncé aux Soviétiques son intention d'accorder une forte publicité à l'affaire Tchebotarev si le Kremlin prenait des mesures d'expulsion à l'encontre de l'un ou l'autre des quelque quinze Belges accrédités à Moscou.

De prochaines réactions ?

Maintenant que l'affaire est connue, quelles seront les réactions de part et d'autre ? Moscou va-t-il décider les représailles qui appelleraient normalement une vive réaction bruxelloise et pourraient compromettre les relations entre les deux pays ainsi que le voyage de M. Brosio ? Ou bien Bruxelles et Moscou vont-ils imaginer un nouveau scénario, étant de prime abord entendu que quelles que soient les décisions prises et la publicité qui les entoureraient, les rapports diplomatiques eux-mêmes n'en seraient pas affectés ? Sans

doute y verra-t-on plus clair dans les prochains jours. Quoi qu'il en soit, on se montre extrêmement discret tant aux Affaires étrangères qu'à la Sûreté de l'Etat.

C'est donc à la suite des révélations de Tchebotarev disparu de Bruxelles le 3 octobre dernier et dont la voiture fut retrouvée abandonnée à Zeebrugge (endroit choisi par les services secrets occidentaux pour créer une fausse piste) que le gouvernement de Bruxelles s'est vu dans l'obligation de prendre des décisions d'expulsion que nous avons annoncées pour notre part depuis le 19 octobre.

Les premiers « expulsés »

On sait qu'une bonne trentaine de citoyens soviétiques occupés en Belgique ont été dénoncés comme espions du K.G.B. ou du G.R.U. par l'ancien attaché commercial. Au vu des rapports qui lui ont été communiqués, le gouvernement belge loin de considérer cette affaire comme banale a décidé l'expulsion discrète d'environ dix Soviétiques en promettant cependant à l'U.R.S.S., contrairement à ce qu'avait été, voici quelques semaines, dans une affaire semblable, la réaction britannique, de ne pas ébruiter ces mesures. A l'une ou l'autre exception près, ces ressortissants russes visés par la décision belge ont d'ores et déjà quitté le pays. Ce sont deux agents de l'Aeroflot (compagnie aérienne soviétique), MM. Oleg Ivanovitch Glouchenko, 34 ans, et Youri Yefimovitch Parfonov, 40 ans, ainsi que M. Konstantin Leontiev, 50 ans, directeur de « Belson », une société commerciale belgo-soviétique. Il dirigeait à Bruxelles, où il demeurait avec sa femme et ses deux enfants, la « Maison de Russie », un magasin situé au rez-de-chaussée d'un building près de la

place Madou. Ces derniers temps, ce colonel du G.R.U. (service de renseignements de l'armée soviétique) avait organisé dans plusieurs villes de Belgique des défilés de mode.

Sur la liste des « expulsés » figurent aussi : M. Zaitsev, conseiller à la représentation commerciale soviétique à Anvers, Gand et dans d'autres villes du Benelux, membre lui aussi du K.G.B.; M. Feklenko, attaché militaire et colonel du G.R.U.; M. Sereda, attaché d'ambassade, membre du K.G.B.; M. Trichine, de la représentation commerciale soviétique à Bruxelles dont on sait d'ores et déjà qu'il a volé un important secret industriel au préjudice d'une très grande usine belge.

Les autorités belges ont également invité l'ambassade d'U.R.S.S. à renvoyer dans des « délais raisonnables » à Moscou, une vingtaine de Soviétiques dont les noms ont également été cités par Tchebotarev. On va donc assister dans les prochaines semaines à d'importantes mutations parmi le personnel soviétique accrédité en Belgique. Si Moscou décide de maintenir en Belgique quelque 110 fonctionnaires ou employés, il lui faudra, en effet, remplacer un tiers de ces effectifs.

Reste à voir, maintenant que l'affaire est ébruitée, quelles seront les réactions soviétiques. Un silence persistant ou des représailles ? Aux Affaires étrangères belges on se contente de nous déclarer « qu'aucun élément nouveau n'est intervenu dans cette affaire d'espionnage ». Autrement dit, rue des Quatre-Bras on se refuse à prononcer le mot « expulsion », de même que celui de « gentlemen's agreement ». Il est vrai qu'en matière d'espionnage l'expression doit être assez inusitée.

L/AUORE, Paris
19 October 1971

A RUSSIAN MASTER SPY IN PARIS
by Philippe Bernert

105 Soviet spies expelled from Great Britain, 40 Soviet spies counted in Belgium and threatened with expulsion. Might France be spared this sort of pollution? Because of the special relationship between Paris and Moscow, and in consideration of the forthcoming visit of Leonid Brezhnev, might the Kremlin have decided: "None of that for our French friends?"

We may even imagine -- it is pleasant to dream -- that the Russians send us from time to time, at the end of a very full and slightly faded career, one of those good secret agents who has grown old in his job. Not to spy on us -- oh no! -- but to reaccustom himself to a more pleasant way of life, to forget his job somewhat.

Approved For Release 1999/09/02 : CIA-RDP79-01194A000300020001-1

Approved For Release 1999/09/02 : CIA-RDP79-01194A000300020001-1
Let's take a very precise case. On 30 August 1971 the new permanent delegate of the Soviet Union to UNESCO arrived in Paris -- His Excellency Serge Mikhaylovich Kudryavtsev. We say His Excellency because Kudryavtsev was the Soviet ambassador to Cuba and to Cambodia before being appointed to Paris, to this very restful job.

His name won't tell you very much, of course. Yet in Canada it still makes certain high officials grow pale with anger. And in the "White Paper" published in 1946 by the Ottawa government to disclose part of the atomic espionage conducted by the Russians between 1942 and 1945, you would find the name of S. E. Kudryavtsev listed quite frequently.

For in Canada where he started as first secretary of the embassy, Kudryavtsev was one of the leaders of Soviet espionage. He established contacts with the well-known English physicist Allan Nunn May, who stole uranium for the Russians, gave them many related secrets, and was finally sentenced to 10 years in prison in 1947.

The Cuban Missile Man

At that time a defector broke up the Soviet spy network. A code clerk of the USSR embassy in Ottawa, Igor Guzenko, went to the west with his wife and a bag full of documents. All the Russian agents were identified. Kudryavtsev did not wait to be expelled. His chiefs appointed him to the embassy in London, where he remained for several weeks, long enough to see how the issue was taking shape in Canada, then he went back home to Moscow.

At that time Kudryavtsev was "exposed," as the spies put it. But the Russians felt he was too valuable to be retired to a Moscow office.

"Impossible, for the moment, to appoint him to another of our embassies in the west," said his chiefs. "He might be declared persona non grata. But there is a way of getting around this."

This way around which, as you will see, was to be used again much later, was to infiltrate a secret agent like Kudryavtsev into an international organization -- the United Nations. For there each delegation is free to bring members of its own choice. The UN is very agreeable. Even crammed full of spies, its rules forbid it from getting rid of them.

So it was under UN cover that the astonishing career of Serge Kudryavtsev was to continue. The United Nations sent him to Greece on an investigation mission. He held a desirable place on the UN commission on the Balkans. Then during the second session of the UN General Assembly, he was seated at the side of the Soviet delegate, Andrey Gromyko.

That was already a bit much. But then the former nuclear spy who was well known to all the western secret services became an ambassador. Not just anywhere, you will note, but in a capital that could not reject him, even if he were the devil himself -- Havana. That was the time when Castro was totally under the thumb of the Russians, and couldn't refuse them anything. They set him up against the United States, they promised Castro missiles, and without their economic aid, Castroism could not have survived.

This means that the real boss in Cuba was Kudryavtsev. He set up a solid KGB apparatus there, got Kennedy, the CIA, and the anti-Castro people to fall into the Bay of Pigs trap, and organized the installation of nuclear missiles aimed at the heart of the United States. He was an extremely rare case -- he was both the representative of the USSR and the chief of its spies. Normally Moscow tries to separate the two types, and it is often the doorman, the driver, or a vague attache in the embassy who is actually the real boss.

Kudryavtsev is this rare bird, capable of playing all roles. A performance that he was to renew, starting in 1967, in Cambodia, where he watched very closely the too unsteady Sihanouk. As ambassador and KGB chief, Kudryavtsev then conducted, at the same time as his rivals in the CIA, a subtle game aiming at dumping the pro-Chinese Sihanouk in favor of General Lon Nol.

This was successfully done. Would Kudryavtsev then rest on his laurels? 25 years after the Ottawa affair, his chiefs decided to try an experiment, and to test the "short memory" of the west.

"We are going to try to infiltrate Kudryavtsev again in a western capital. London or Washington would still be too difficult. But Paris seems perfect. Especially if we appoint him as the head of a delegation of an international nature, like UNESCO, for example. The Quai d'Orsay, which is a real stickler for its rules, can only approve, since we have the right to choose whomever we want."

This explains why, when Soviet agents have been having a bad time in the west, S.E. Kudryavtsev was able to get settled along the Seine. In his "Brussels Letter," an information sheet published monthly in the Belgian capital, and closely followed in NATO circles, my colleague Pierre de Villemarest mentions this incredible matter. The Belgians are astounded. But in Paris no one seems aware of what is going on.

L'AURORE, Paris
19 October 1971

CPYRGHT

UN MAITRE ESPION RUSSE

105 espions soviétiques chassés de Grande-Bretagne, 40 espions soviétiques dénombrés en Belgique, et menacés à leur tour d'expulsion. La France serait-elle épargnée par cette pollution d'un autre genre? En vertu des liens spéciaux entre Paris et Moscou, et en considération de la très proche visite de Leonid Brejnev, le Kremlin aurait-il décidé: « Pas de ça chez nos amis français? »

A PARIS

le célèbre physicien anglais Allan Nunn May, qui vint de l'uranium pour les Russes, leur passa de nombreux secrets nucléaires alliés et fut finalement condamné, en 1947, à dix ans de prison.

LES FUSEES DE CUBA C'EST LUI

A l'époque, ce fut déjà un réseau d'espionnage soviétique.

Il est même à la rigueur permis d'imaginer -- c'est beau de rêver -- que les Russes nous envoient, de temps à autre, au terme d'une carrière bien remplie et un peu défraîchie, un de ces bons agents secrets blancs, sous le harnois. Pas pour nous espionner, juste cela, mais pour se reconverter à une certaine douceur de vivre, pour oublier un peu le métier.

La France, terre de délabrement pour les Russes, pourquoi pas? Prenons

un cas bien précis. Le 30 août dernier arrivait à Paris le nouveau délégué permanent de l'Union soviétique auprès de l'UNESCO. Son Excellence Serge Mikhaïlovitch Koudriatsev. Nous disons Son Excellence, parce que Koudriatsev fut ambassadeur soviétique à Cuba et au Cambodge, avant d'être nommé à Paris, à ce poste de tout repos.

Son nom ne vous dira sans doute pas grand-chose. Pourtant, au Canada, il fait encore

pâler de colère certains hauts fonctionnaires. Et dans le « Livre blanc », édité en 1946 par le gouvernement d'Ottawa, pour dévoiler une partie de l'espionnage atomique mené par les Russes entre 1942 et 1945, vous trouveriez le nom de S.E. Koudriatsev, et même abondamment cité.

Car, au Canada, où il fit ses débuts de premier secrétaire d'ambassade, Koudriatsev fut l'un des chefs de l'espionnage atomique qui établit les contacts avec

que. Chiffreur à l'ambassade d'URSS à Ottawa, Igor Kouzenko passa à l'Ouest avec sa femme et une valise de documents. Tous les agents russes furent identifiés. Koudriatsev n'attendit pas d'être expulsé. Ses chefs le nommèrent à l'ambassade de Londres, où il resta quelques semaines. Le temps de voir comment l'affaire se développait au Canada, puis il regagna son bercail, Moscou.

Dès cette époque, Koudriatsev était « brûlé », comme on dit dans le jargon des espions. Mais les Russes estimaient qu'il était trop précieux pour être mis à la retraite, dans un bureau moscovite.

« Impossible, pour le moment, de le nommer dans une autre de nos ambassades en Occident, dirent ses chefs. Il risquerait d'être aussitôt déclaré persona non grata. Mais il y a un truc... »

Ce « truc » qui, comme vous le verrez, va resservir beaucoup plus tard, c'est d'infiltrer un agent secret comme Koudriatsev dans un organisme international : les Nations unies. Là, en effet, chaque délégation est libre d'amener les membres de son

Équipe. Même truffée d'espions, ses règlements lui interdisent de s'en débarrasser.

C'est donc sous son étide que va se poursuivre l'étonnante carrière de Serge Koudriatsev. Les Nations unies l'envoient en Grèce, en mission d'enquête. Il occupe une place de choix au sein de la commission onusienne pour les Balkans. Enfin, lors de la seconde session de l'Assemblée générale de l'ONU, on le voit siéger aux côtés du délégué soviétique, Andreï Gromyko.

C'est déjà un peu gros. Mais voici que l'ancien espion nucléaire bien connu de tous les services secrets occidentaux devient ambassadeur. Pas n'importe où, vous le remarquerez, mais dans une capitale qui ne peut le rejeter, même s'il était le diable en personne : La Havane. C'est à ce poste où Koudriatsev, totalement asservi par les Russes, ne peut rien leur refuser. Ils le dressent contre les Etats-Unis, ils lui ont promis des missiles et sans leur aide économique, le castrisme ne survivrait pas.

Ce qui fait que le véritable

driatsev, il y implante solidement le KGB, parvient à faire tomber Kennedy, la CIA et les anti-castristes dans le piège de la baie des Cochons, organise l'installation des fusées nucléaires braquées sur le cœur des Etats-Unis. Cas extrêmement rare, il est à la fois le représentant de l'URSS et le chef de ses espions. Habituellement, Moscou a tendance à séparer les genres, et c'est souvent le portier, le chauffeur ou un vague attaché de l'ambassade qui en est le véritable patron.

Koudriatsev est donc cet oiseau rare capable de jouer tous les rôles. Performance qu'il renouvellera, à partir de 1967, au Cambodge, où il surveille de très près le trop éringant Sihanouk, Ambassadeur et chef du KGB. Koudriatsev mène alors, en même temps que ses rivaux de la CIA, une partie subtile visant à éliminer le pro-chinois Sihanouk au profit du général Lon Nol.

Mission réussie. Koudriatsev va-t-il se reposer sur ses lauriers ? Vingt-cinq ans après l'affaire d'Ottawa, ses

inter une expérience, et de tester la « mémoire courte » des Occidentaux :

« Nous allons essayer d'infiltrer à nouveau Koudriatsev dans une capitale de l'Ouest, Londres, Washington, c'est trop difficile encore. Mais Paris semble parfaitement indiqué. Surtout si nous le nommons à la tête d'une délégation de caractère international, à l'UNESCO, par exemple. Le Quai d'Orsay, qui est très à cheval sur les règlements, ne peut que donner sa bénédiction. Puisque nous avons le droit de choisir qui nous voulons... »

C'est ainsi qu'à l'heure où les agents soviétiques passent un mauvais quart d'heure en Occident, S.E. Koudriatsev a pu venir s'installer sur les bords de la Seine. Dans sa

« Lettre de Bruxelles », une feuille d'informations mensuelle éditée dans la capitale belge, et très suivie par les milieux de l'OTAN, mon confrère Pierre de Villemaest évoque cette incroyable affaire. Les Belges s'étonnent. Mais à Paris, on n'est pas au parfum.