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share the dominant role in the management of the system. Significantly, INMARSAT would have two members who have a launch capability, unlike INTELSAT where only the US has such a capability.

4. The Arab satellite system presently under consideration is becoming more and more politicized as time passes, and the decision as to which corporation will build the system will depend greatly on the ultimate organization of the Arab consortium. If Maurice Ghazal of Lebanon has his way, US participation will not be extensive. Should he become director general, or even director for technical operations, he will be in a good position to thwart US chances for participation. Ghazal is capable, and is motivated to limit the US role; he is a French speaking Lebanese Christian who is politically astute enough to try to walk both sides of the political fence in Lebanon. Saudi Arabia and Kuwait are likely to take a more active role in the satellite program because of their greater financial contributions to the cooperative effort, and they would be more likely to favor a US source for the equipment. The Saudis are willing to go through the motions of investigating all sources of supply for the system, but have indicated a preference for US equipment. Ghazal, however, has a major managerial role in the daily operations of the organization, and could arrange events so as to preclude US participation in spite of Saudi and Kuwaiti preferences.

5. Peking has indicated that if Taiwan were to withdraw its membership in INTELSAT voluntarily, it would not press to have Taiwan voted out of the organization or disqualified as a non-member user, and that it would not immediately join INTELSAT. The Chinese have threatened this action if the issue is not resolved to their satisfaction at the next meeting of the Assembly of Parties, which is scheduled to be held in Kenya in September 1976. The Assembly is empowered to change INTELSAT's governing rules, and is run on a "one nation one vote" basis; its rulings are not subject to veto by any other INTELSAT governing body, and it would appear that the Chinese have the necessary votes to make good on their threat. Although not a member itself, China has enlisted the aid of member countries such as Pakistan to champion its cause. Taiwan would not appear to have much of a choice in the matter. Non-member use of INTELSAT would have very little practical effect on Taiwan's use of the INTELSAT system, and the organization itself would have little difficulty in assimilating two Chinas in a non-member user status. The Chinese willingness not to join INTELSAT represents a significant compromise in that the organization could not permit one country to participate simultaneously as a member and non-member user.

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Domestic Collection Division
Foreign Intelligence Information Report

DIRECTORATE OF
OPERATIONS

COUNTRY	USSR/Arab States/People's Republic of ·China	DCD REPORT NO.	
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THIS IS UNEVALUATED INFORMATION

SOURCE

1. A Soviet delegation participating in Marine Section Panel Four, Navigation and Communications of the US-USSR Agreement on Cooperation in Transportation visited the offices of a major satellite telecommunication carrier. Members of the delegation were as follows: Nikolay F Babynin, Deputy Chief of the Department of Engineering and Ship Repair, Ministry of Merchant Marine; Aleksandr B Kazankov, Deputy Chief of the Department, Ministry of Merchant Marine; Serzey N Dranitsyn, Deputy Director of Navigation and Telecommunications Department, Ministry of Merchant Marine; Valentin G Agafonov, Vice President and Chief Engineer, Latvian Shipping Company; and Vladimir G Trucef, Manager of the Scientific Research Institute of the Black Sea.

2. The purpose of the visit was to provide the Soviets with the opportunity to learn something about the MARISAT program. The meeting lasted only a few hours and the group never sat down to in-depth discussions. Specifically, the Soviets expressed an interest in installing four or five MARISAT terminals aboard their merchant ships. They stated that they would prefer to purchase rather than lease the terminals. Five shipboard terminals, however, is an insignificant number for the Soviets to order, and it would appear that they are more interested in sampling US technology in this area than in considering full-scale application for the moment. The terminals represent a fairly sophisticated design incorporating the use of microprocessors on board ship, which is somewhat unique. The MARISAT program is heavily software oriented, and uses some relatively elaborate software, all of which is computer controlled. The Soviets also asked the firm to consider joining them in some form of technical cooperation by which they meant a fairly extensive level of cooperation that would include providing them with computer programs for MARISAT applications. The subject of joint cooperation is likely to come up again only if the Soviets take the initiative.

3. The purchase of terminals by the Soviets would set the stage for their participation in the MARISAT program, and most probably would be followed by their participation in INMARSAT. Should the Soviets decide to utilize the INMARSAT system to its full potential, the USSR would play a significant role in its management. INTELSAT has adopted a formula whereby investment and use are directly related, and the US, by virtue of the fact that it is the largest single user of the system, plays a dominant role in the management of the system. Should INMARSAT adopt the same "investment equals use" formula, the US and the USSR would

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