



DEPARTMENT OF STATE

Washington, D.C. 20520

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DOS, OSD, JCS reviews completed

MEMORANDUM OF CONVERSATION

Date: February 20, 1976
Time: 3:30 p.m.
Place: Bonn

SUBJECT: Yugoslavia; Angola; Rhodesia;
Sahara; Portugal

PARTICIPANTS:

FRG

Guenther Van Well, Political Director
Lothar Lahn, Minister Director

France

Francois deLaboulaye, Political Director

UK

Alan Campbell, Deputy Under Secretary

US

Helmut Sonnenfeldt, Counselor, Department of State
Major General Yancy, EUCOM
Colonel Morgan, EUCOM
James F. Dobbins, Jr. (Notetaker)

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Yancy said that he and his staff had looked further into the two questions which had been raised at the last meeting. The first of these was the desirability of reinforcing the Greek and Turkish Thrace area next to Bulgaria. The second was some judgment of the desirability to the Warsaw Pact of moving through Austria into Yugoslavia.

Sonnenfeldt wondered whether his colleagues were ready to have designated military officers of each of the four sent to discuss these issues.

~~TOP SECRET/SENSITIVE~~

DeLaboulaye indicated that his government was not at this time prepared to do so. He suggested that they continue to explore various Western responses to Soviet moves involving both the participation and non-participation of French forces.

Yancy said that General Haig wanted to assure that these discussions were fully coordinated with planning going forward within the U.S. Government.

Campbell stated that his Minister of Defense has been informed of these talks, as had the Chief of the Defense Staff. His government did not wish to bureaucratize these talks, but he thought it might consider designating a military staff officer to participate. The Foreign Office felt that further and more extensive military contingency planning should be done but was doubtful about carrying it into enormous detail.

DeLaboulaye agreed.

Campbell said that they should also further refine political contingencies. For instance, what would the attitude of other NATO countries be in various instances?

Sonnenfeldt replied that even the attitudes of their own countries were not certain, recalling in this regard his question to Foreign Minister Callaghan at an earlier meeting at which he inquired as to whether the UK Government would mobilize in certain contingencies. The Angola situation demonstrated that when one came to the point of taking steps to put pressure on the Soviets, one became increasingly aware of the costs to oneself. In the present state of Western public opinion and the absence of much preparation, the Western governments might have a credibility problem in reacting firmly to any confrontation with the Soviets. He did not have the impression that at the moment many NATO countries would show great willingness to take the steps necessary to stop the Russians.

DeLaboulaye said this was particularly true for NATO as a whole.

Campbell noted that this weakness of will was evident even in their ability to act on the decision to thicken up relations now with Yugoslavia, noting in this regard how

TOP SECRET/SENSITIVE

TOP SECRET/SENSITIVE

3

much difficulty they had encountered in revising EC restrictions on Yugoslav pigmeat.

Sonnenfeldt noted that from a pure war gaming standpoint, the more costly a move against Soviet interests was to the initiator, the more effective it would be, as it demonstrated the seriousness with which we view the situation.

Van Well raised the problem of Yugoslav reservists working in Germany. He said that there were 258,000 such reservists now in Germany and noted that their return to Yugoslavia in a crisis created a number of problems.

DeLaboulaye said there were 40,000 Yugoslav workers in France.

Campbell wondered in the case of Soviet intervention whether Yugoslavia would in fact resist, whether it would appeal to the West, and appeal for what precisely.

Sonnenfeldt noted that there were several variables including whatever the Yugoslavs would want us to do and whatever we would want to do. We might well want to do more, or less than the Yugoslavs request.

DeLaboulaye felt the time was coming to talk to the Yugoslavs. He said further that allied planning should proceed only on the hypothesis that the call for assistance would come from the present government not from any regional or alternate regimes.

Van Well asked what would happen if the central government were paralyzed and one of the local governments requested assistance.

Campbell suggested that they begin planning for Western attendance at Tito's funeral and related matters.

Sonnenfeldt said that whether or not the Yugoslavs requested assistance, the West would nevertheless wish to take certain steps--such as perhaps the movement of troops into Italy and Greece, or up to the FRG/Austrian frontier--as signals to the Russians.

DeLaboulaye noted that signals to the Yugoslavs were even more important.

TOP SECRET/SENSITIVE

TOP SECRET/SENSITIVE

4

Carabell recalled that there had been some discussion among the Ministers of preemptive Western moves, and wondered whether it was envisaged that the West might move into Yugoslavia before the Soviets, and even in the absence of a Yugoslav invitation.

Sonnenfeldt thought this highly unlikely. The basic assumption had to be that one would be invited to assist by the central government.

Van Well noted that in any case the German armed forces would not be involved in any movement, as they would have to remain committed to the central front.

Sonnenfeldt suggested that perhaps either the UK or the FRG might wish to designate a military representative to join in these discussions, in order to share the workload and add some new insights. He asked Colonel Morgan whether he had looked into the possibility of reinforcing either the Italian or Greek fronts.

Morgan said they had looked at both and found them both feasible. The troops involved would probably be from the US strategic reserve. It was important to remember, however, that all troops in this reserve were committed to the central front in the event of full-scale hostilities with the Warsaw Pact. The 82nd Airborne Division could be put into Greece fairly quickly, provided the US airlift capacity was not being otherwise employed. Reinforcement of this front would force the Soviets to divert troops from an invasion of Yugoslavia in order to guard their flanks. The Turkish and Greek attitudes were important not only in terms of their allowing allied troops entry, but also of their willingness to move their troops from positions facing each other toward the Bulgarian border. It was important, however, in considering movement of troops to the flanks to keep an eye on what was to happen on the central front. The Soviets had interior lines and could shift their forces from the flanks to the central front more easily.

Van Well wondered when the Greeks and Turks should be talked to, adding that this did not have to be done in a NATO context.

Delaboulaye said that in France's military assistance discussions with the Yugoslavs, the Yugoslavs had stated

TOP SECRET/SENSITIVE

TOP SECRET/SENSITIVE

5

what sort of arms they wanted and for what purpose. This provides a good indication of their strategic intentions. The Yugoslavs think the Soviets can occupy their cities within four days, while the Yugoslavs themselves intend to withdraw to the mountains without contesting their cities.

Van Well asked whether forces available in the Mediterranean could not be moved to Greece and Turkey, rather than drawing on forces designated for the central front.

Yancy noted that with respect to ground forces, the US had only one Marine battalion in the Mediterranean.

Van Well suggested they look to the possibility of moving French troops to Greece, as these would not come out of the SACEUR reserve.

Morgan noted that as an alternative the French troops could stay where they were, but become committed to the SACEUR reserve, thus freeing other forces to be moved to the flanks. Either was feasible.

Campbell suggested that the best way to consult the Yugoslavs would be at the level of Chiefs of Staff.

Van Well said that perhaps one of the four Chiefs of Staff should take the first opportunity to indicate to the Greeks and Turks, as well as to the Yugoslavs, our concern over this problem and our interest in their ideas as to what should be done.

Campbell wondered whether or not there had to be agreement at the political level before someone such as General Haig discussed this issue with the Italian or Greek Chiefs of Staff. Could not the British Chief of Staff, for instance, in the course of a visit to Greece, simply raise the topic in a natural way?

Sonnenfeldt said that it might well be better to have the British Chief of Staff rather than General Haig raise the matter, in view of current Greek sensitivities. This could probably be done in a rather routine and low-key way. He could even envisage the London Institute of Strategic Studies holding some kind of conference on the subject without raising too much attention.

TOP SECRET/SENSITIVE

TOP SECRET/SENSITIVE

6

DeLaboulaye said that in the case of the Greeks, he felt they should talk to Caramanlis first.

Van Well said that perhaps Chancellor Schmidt could raise the subject with Demirel during his visit to Turkey in March.

DeLaboulaye wondered whether leaks emanating from such discussions would really be so bad. Could they not have some positive results.

Campbell agreed that they might.

Van Well said that Caramanlis had brought up the subject of post-Tito Yugoslavia during his visit to Bonn. Van Well also noted that the FRG would have to talk to the Yugoslavs about the problem of moving reservists working in Germany back to Yugoslavia on short notice.

DeLaboulaye said they also needed to have more precise talks with Greece and Turkey about specifically what those two countries would do and what they would want from their allies.

Van Well said that the first step was to find out whether the Greeks and Turks would be receptive to allied assistance.

DeLaboulaye felt it unlikely that the Greeks or Turks would be very forthcoming regarding their own intentions unless the allies were in a position to state with equal frankness what they were prepared to do in various contingencies.

Van Well said that the principal question was whether to use US or French forces to reinforce this front.

Morgan noted that one must consider not only the possibility of moving ground forces, but also air forces of which the UK had a reserve available and naval forces of which France had strong elements available in the Mediterranean.

Somenfeldt noted that at their previous meeting there had been discussion of the legal rights and obligations arising from the Austrian State Treaty. He passed out copies of the attached paper summarizing US views on this issue.

TOP SECRET/SENSITIVE

TOP SECRET/SENSITIVE

7

Van Well noted that the Live Oak planning group for Berlin had the same membership as their own group and suggested that at some later stage the Live Oak mechanism should be used to plan for Yugoslav contingencies.

Morgan noted that in the event of Soviet moves against Yugoslavia, Live Oak would in any event become more active as it considered the implications of Soviet and allied action for Berlin.

Sonnenfeldt said he was attracted to the idea of using Live Oak to plan for Yugoslav contingencies.

Morgan said they had looked into the attractiveness to the Soviets of using Austria as an invasion route to Yugoslavia and had concluded that this would not be of any interest. The Soviets might wish to occupy all or part of Austria for some other purpose but would not do so simply to assist in their invasion of Yugoslavia.

Van Well said that was reassuring but felt they should nevertheless make plans to prevent the Soviets from using the Austrian access routes to Yugoslavia. He noted that the passes were very narrow and that the routes could be closed through sabotage.

Morgan noted that once the Soviets had invaded Austria, the allies might wish to implement NATO plans which called for the occupation of certain portions of Austria in order to straighten their lines.

Morgan said that in response to a question deLaboulaye had raised at the last meeting, they had determined that the language qualified Unconventional Warfare teams available for Yugoslavia were for all American-born. Insofar as could be determined they were entirely apolitical and would not therefore be objectionable to the present Yugoslavia regime on political or ethnic grounds.

Van Well summarized the discussion on Yugoslavia. He said that consideration must be given to authorizing selected allied Chiefs of Staff to raise Yugoslav contingencies with countries such as Italy, Greece, Turkey, and Yugoslavia. He said that the FRG would have to consider discussing with Yugoslavia the problem of reservists resident in Germany. He noted that it had been agreed that a UK or FRG staff officer might participate in the next round of discussions.

TOP SECRET/SENSITIVE

TOP SECRET/SENSITIVE

8

on this issue. Finally, they had agreed to begin planning on questions relating to Tito's funeral.

Campbell said that if it were thought helpful, he felt sure that the Chief of the British Defense Staff would be willing to designate someone to participate in these discussions. In a later stage they could use the Live Oak operation. He suggested that the ministers should discuss this. In the interim, however, the Political Directors should seek to make further progress.

Van Well raised the question of Romania and said the FRG had not yet been able to determine its position on the Greek-initiated Balkan conference.

DeLaboulaye said the French supported it.

Sonnenfeldt said that he had talked to Gliga. Romania is in favor of the conference and the US had given its blessing. It is clear the Soviets are not happy with the conference.

Campbell said that the British Government had encouraged the Greeks. It appeared the first meeting of the conference had not gone too well.

Van Well noted that ironically there was already a Balkan pact between Greece, Turkey and Yugoslavia which contained a stronger commitment to mutual assistance than did NATO. It had been signed in 1958 after Hungary.

Sonnenfeldt said that he would pass to the others the substance of his conversation with Gliga on the Balkan Conference.

Morgan asked whether Romania, in the case of Soviet intervention in Yugoslavia, would fight with the Soviets or be neutral.

Van Well replied that they would probably do everything they could to avoid being used by the Soviets to put pressure on Yugoslavia.

Sonnenfeldt said they would resist the use of Romanian territory, but once it was violated it was not clear what they would do.

Campbell asked Sonnenfeldt whether the US had given any thought to what it might do in the economic field to assist Yugoslavia.

TOP SECRET/SENSITIVE

TOP SECRET/SENSITIVE

9

Sonnenfeldt noted in reply that US purchases of Yugoslav beef had increased by 60% in 1975. The US had an ongoing economic relationship with Yugoslavia. The new things that were being done were mostly in the military field. The Commander of US Naval Forces in Europe for instance would be visiting Yugoslavia in March in connection with a visit of the aircraft carrier SARATOGA to Split. The US Chief of Naval Operations would also be visiting Yugoslavia later in the year.

Campbell noted that the Chief of the UK Air Staff would be visiting Yugoslavia this week and that a group of senior Yugoslav officers would be visiting the United Kingdom the following week concerning arms supplies.

[At this point General Yancy and Colonel Morgan left the meeting and Mr. Lahn arrived.]

Lahn said that in Angola they had to face three problems. The first concerned the problem of establishing relations with the MPLA, whether to proceed quickly or slowly, with or without conditions. He said that the FRC had recognized the MPLA and that it expected to establish relations.

DeLaboulaye said France had recognized the MPLA but had said nothing about establishing relations. France did not intend to enter the race to establish relations.

Lahn said that the second issue concerned economic and military assistance to Luanda, the FNLA and UNITA. He said that the FRC had extended some humanitarian assistance to the liberation movements and might continue to do so in some very limited way, such as helping care for wounded in Kinshasa, but that financial assistance which might be diverted to other purposes was out of the question. The third issue, Lahn said, was that of assistance to Zaire and Zambia. The Foreign Minister of Zaire had visited Bonn the previous week as had a Zambian delegation. The Zairian Minister had not discussed the question of economic assistance, concentrating rather on the political issues. He had noted that Zaire had placed three conditions on its willingness to enter into relations with Luanda. These were: first, that there be no infiltration of Kantanges gendarmes; second, that the Benguela Railroad be reopened, and third, that the Cubans leave.

Lahn said that the FRC was aware of Zaire's needs. They had a mixed FRC/Zaire commission meeting in June but

TOP SECRET/SENSITIVE

TOP SECRET/SENSITIVE

10

that was probably too long to wait before taking action. Steps should be taken sooner to make Zaire less vulnerable and as a signal to Angola that if they behaved responsibly they, too, might receive assistance. The same argument, he said, applied to Zambia. The Zambian delegation said that unless the Benguela Railroad was open they would have to use routes through Mozambique. The FRG may be able to assist Zambia, but unless the railroad is opened it probably would not do much good.

Lahn said they had consulted with the Zambians about their intention to recognize the MPLA. The Zambians had called Kaunda and his reaction had been understanding, even positive. Kuanda had suggested that the FRG urge Neto not to persecute former rebels.

Lahn also provided details on the talks which the FRG Ambassador to Kinshasa had had with Savimbi at Savimbi's request. Savimbi was disappointed at the quick occupation of Southern Angola but did not ask for any help. He did not show readiness to give up, however, and said he would continue to fight as a guerrilla. Asked if he was in contact with the MPLA, Savimbi had replied "not yet," but said that he might be either through Mozambique or Basaka. Savimbi thought that the establishment of relations between the EC and Luanda could help move the MPLA away from its present extreme position.

Lahn said the FRG was looking at what it could do to help both Zaire and Zambia and eventually Angola which will need Western aid to reduce its dependence on the Cubans.

A final problem Lahn said was to determine where the Cuban forces leaving Angola would go next, to Namibia or the Sahara.

Sonnenfeldt noted that the US had been in contact with each of the others in their capitals to let them know what we thought should be done with Zaire and Zambia. He said that the mood in Congress seemed to be shifting towards a greater willingness to extend assistance to these two countries.

Campbell noted that the UK doctrine of recognition was somewhat different from others and that in recognizing the Luanda government, the UK had already entered into a sort of relationship. He felt that they would wish to go further in establishing this relationship and would wish to encourage others in order to be able to influence it.

TOP SECRET/SENSITIVE

TOP SECRET/SENSITIVE

11

MPLA. He said that the UK Government would see what could be done about further assistance for Zambia and that the UK would encourage its friends and allies to do likewise. He did not think the UK would extend aid to Zaire, with which it had no traditional aid relationship, but that in principle it hoped that others would do so.

Campbell continued that his government was worried about the possibility of expansion of the Angola conflict to Rhodesia. He felt that the Russians and Cubans would find a confrontation with the South Africans over Namibia tempting but too risky, and that it was more likely they would turn to Rhodesia. This would be much more difficult for the UK, creating among other things a very questionable legal situation. There was in addition feeling among both Labor and Conservative parties for the white Rhodesian population, many of whom were of working class background and many of whom had relatives and friends in the UK. This would all act to put pressure on the UK Government. He said that his government felt that the Cubans might be used against Rhodesia transiting through Mozambique.

Sonnenfeldt asked deLaboulaye how many Cubans his government thought were in Somalia, noting that the US estimate was about 100. deLaboulaye said they had no idea, but they had heard up to 700.

Sonnenfeldt asked whether South Africa was in contact with the MPLA. Campbell said yes they were looking for a deal over the Cunene Dam.

Lahn noted that it appeared that the Cuban advance on South African forces in Southern Angola had been halted, and that the Cubans appeared to be returning North.

Campbell said this was encouraging for the situation in Namibia.

deLaboulaye said that France was not anxious to establish relations with Luanda. He said the Zaire Foreign Minister had visited Paris in the previous week and that France was considering what aid could be extended. He said that Zambia had given France the same impression of encouragement regarding recognition of the MPLA as it had given the PRG. Zambia had not asked for aid. He said that it appeared the Soviets were now embarrassed by the speed with which they had achieved success in Angola.

TOP SECRET/SENSITIVE

TOP SECRET/SENSITIVE

12

Sonnenfeldt said that he would like to be so embarrassed.

DeLaboulaye said that unfortunately the success would encourage the wrong elements in the Soviet power structure.

Sonnenfeldt said that regarding aid to Zambia, that country's greatest problem was lack of hard currency to pay for needed imports. Balance of payments support is needed to maintain the flow of necessary commodities. Zambia will have a current account balance of payment deficit of \$500 to \$800 million in 1976. The provision of long-term, low interest, loans for purchases of imports will compliment balance of payments support. Zambia had had to borrow \$450 million in medium term obligations on Eurocurrency markets since the price of copper had fallen in 1974. Stretching out the repayment schedule of these debts would help maintain their foreign reserve position. The provision of wheat and other commodities on a grant or soft loan basis would allow the diversion of scarce foreign exchange into other areas. He said that the US is not clear as to Zambian military needs but believes that additional equipment and training will be needed to help protect Zambia's frontiers and provide greater freedom of action to deal with internal dissidents.

With respect to Zaire, Sonnenfeldt said the US Government hoped that each of the other governments would see how they might help to strengthen Mobutu. There seems to be general agreement that if Mobutu were toppled, Zaire risked being thrown back to the days of early Congolese anarchy. Zaire is suffering from the accumulation of years of fiscal irresponsibility which left it with a debt servicing burden amounting to an estimated 25% of foreign exchange revenues, a situation greatly aggravated in the drop of the price of copper. The Benguela Railroad has been cut, blocking both copper exports and imports of foodstuffs and individual commodities. As many as one million refugees have entered Zaire. Mobutu has taken an essential step with the signature of an IMF stabilizing agreement but he needs additional help. The US Administration has proposed to Congress a total package amounting to \$60 million in addition to our regular economic assistance program amounting to about \$13 million. It has also extended \$19 million in foreign military sales to Zaire as part of an eight-year program. The Europeans can help in the area of debt rescheduling, since the larger portion of Zaire's short-term indebtedness is to European governments. To prevent a recurrence of heavy indebtedness at a time

TOP SECRET/SENSITIVE

TOP SECRET/SENSITIVE

13

when the IMF is trying to restore physical responsibility to Zaire, it would seem incumbent to advise Western credit institutions to be conservative in granting credit. The US hopes that all will re-examine the credit worthiness of the SMTF copper extracting consortium with the aim of finding the interim financing necessary to start it again if it proves viable.

DeLaboulaye asked what the US was doing now for UNITA.

Sonnenfeldt replied that there was still some military assistance in the pipeline which we would deliver.

DeLaboulaye asked what the US was advising them to do. Sonnenfeldt said the US had not specifically advised UNITA on whether or how to continue fighting.

Cambell wondered what should be said about Angola at the next EC meeting.

Lahn said that they should agree on economic assistance to strengthen Zaire and Zambia.

DeLaboulaye asked whether anything should be said about aid to Angola.

Lahn suggested that they should not take a position on that so far in advance.

Sonnenfeldt said that the US wanted to stay in touch with respect to aid to Zaire and Zambia and with respect to the situations in Namibia and Rhodesia. Perhaps, he said, Assistant Secretary Schaufele should make another visit to Paris, Bonn and London.

Van Well wondered whether they should not begin talking to Pretoria about the Rhodesian issue.

Lahn said that the FRG Ambassador had talked to the South Africans after Sir Anthony Duff's visit. South Africa said it had little influence on Smith and was at a loss as to how to proceed.

Cambell said that this was not quite true. If South Africa were willing to say unequivocally to Smith that South Africa would not protect Rhodesia in case of attack,

TOP SECRET/SENSITIVE

TOP SECRET/SENSITIVE

14

then Smith would have to listen. South Africa, however, has even greater problems with its public opinion than does for instance Britain. The South African Government knows that Smith could appeal over its head directly to the people.

Nevertheless, Campbell said, he did not think Vorster had given up on his dream of modus vivendi with the rest of Africa. He had viewed intervention in Angola as consistent with this policy because he had been seeking to help Luanda. South African intervention in Rhodesia would, however, be the end of this dream.

DeLaboulaye asked whether South Africa could get Smith to move fast enough to remove the basis for a Cuban intervention.

Campbell said he did not think they would do so.

Van Well asked how the Cubans could get to Rhodesia.

Campbell noted that they could go either through Mozambique or Zambia.

DeLaboulaye referred to editorials in the Zambian press suggesting that Zambia might invite the Cubans in.

Lahn said that a good deal of Soviet equipment had gone into Mozambique. He said that the PRG agreed that Rhodesia is the likely next confrontation spot in Africa.

Van Well said that Foreign Minister Genscher really hoped for a thorough discussion of Angola at the Monday EC Foreign Ministers meeting. There they would see if a Community assistance program could be arranged and in any case the PRG is planning to give bilateral aid to Zambia and to a lesser extent to Zaire. Foreign Minister Genscher also wants to discuss the possibility of talking to Pretoria as he feels that the South Africans may have become involved in Angola because their consultations with Europe were insufficient.

Campbell said that the UK had had increasingly active relations with South Africa, particularly over Rhodesia. These relations, however, had not been sufficiently close so that South Africa would have consulted before their involvement in Angola.

TOP SECRET/SENSITIVE

TOP SECRET/SENSITIVE

15

Sonnenfeldt asked whether one of his colleagues would inform him after the EC meeting how it had gone. If there was to be any public statement following this meeting on Angola he assumed it would mention the desirability of ending foreign intervention and of reconciliation of the various factions.

Campbell, Van Well and deLaboulaye agreed that these elements should be mentioned in such a statement. Van Well reiterated that the EC Ministers would wish to discuss the line they would want to take with Pretoria. It was necessary to let the South Africans know that the Europeans were interested in their actions and wished to talk to them. He did not think, however, that they should now pressure the South Africans on Namibia as this would overcharge the circuit.

Campbell said that as long as the South Africans remained in Angola they risk confrontation. He noted that they might for instance be taken to the Security Council and wondered how the Western governments would vote there in such an instance.

Lahn suggested that they turn to discuss the situation in the Spanish Sahara. He said that a Moroccan delegation had just visited Bonn. They had said that Algeria was receiving substantial military aid from the Soviet Union, twelve plane loads (Antonovs) a week. The FRG did not know, of course, whether any of this equipment went on to Angola, but the Moroccans claimed the Soviets had promised \$12 billion in arms assistance over five years to the Algerians and the Libyans. The Moroccans feel very threatened. They themselves have neglected their armed forces. Now Algeria is seeking to set up a client state in the Western Sahara giving it an outlet on the Atlantic. Morocco had asked the Germans to supply it with the following military equipment, for which it appeared they might intend to pay with money supplied by Saudi Arabia: 62 tanks; 106 anti-tank guns; 200 half tracks; 12 helicopters, 20 rocket launchers and 200 anti-tank missiles (Milan and HOT). The FRG would like to know if Morocco had addressed such a request to any other countries. He said that until now the FRG had tried to remain neutral and felt that if it replied affirmatively to the Moroccan request, it could no longer do so. It seemed, however, that this situation was no longer a local conflict.

TOP SECRET/SENSITIVE

TOP SECRET/SENSITIVE

16

DeLaboulaye said that his government had the impression that the Soviet airlift had ceased. They, too, had heard about Saudi Arabian financial assistance for Morocco arms purchases, but had had no confirmation. They had received demands from Morocco for immediate delivery for small amounts of armaments, but not in the range of those cited by Lahn. Algeria appeared to have placed some credence in the story about Saudi money, since they had asked France to ask Saudi Arabia to use its influence in Rabat. This also indicated that Algeria was still open to Arab mediation. Until recently, Franco-Algerian relations had been deteriorating. However, President Giscard d'Estaing's interview with Jean Daniel had been well received. The French Government had the impression that neither the Algerians or the Moroccans were really happy with the idea of going to war.

Campbell agreed, saying that his government had the impression that neither side was yet ready to go to the brink.

Sonnenfeldt said that the US Government hoped the problem would not become internationalized, that it supported Arab mediation efforts, that it does not intend to make any proposals of its own, and that it has avoided the self-determination issue. The US has an arms relationship with Morocco. It has been asked by Morocco to accelerate arms deliveries which it will do in some cases. However, Morocco has a limited ability to absorb some types of new arms. The US does not wish to appear to be destabilizing the balance of power in that area and does not believe that the amount of US arms in question would have that effect.

Sonnenfeldt said that we had little information about the situation in Algeria and hoped that each of the allies would make an effort to find out more. The situation appeared tailor made to create anxiety. This anxiety might well be justified, but for the moment there was no way of knowing.

DeLaboulaye noted that the Arabs have a tendency to lie and to exaggerate. The \$12 billion figure for Soviet arms aid sounded like a Qaddafi figure. The amount seemed out of proportion to anything reasonable. His government's impression was that Algerian troops had participated in a recent clash with the Moroccans and had done great damage. However, following this clash, Boumediene had denied Algerian participation and Algerian troops had withdrawn. This indicated

TOP SECRET/SENSITIVE

TOP SECRET/SENSITIVE

17

that he did not want a war with Morocco. Algerian contacts were asking France to try to find a way for Boumediene to get out of this bind. Some even went so far as to suggest a Saharan state federated with Morocco.

DeLaboulaye said that they had recently received from a good source information that a coup was to take place in Mauritania. They had passed this information on, and the coup had been prevented.

Sonnenfeldt agreed that Moroccan concerns were probably exaggerated, but said he would feel better if this could be verified.

Van Well asked how many Soviet advisers were in Algeria. DeLaboulaye replied approximately 300.

DeLaboulaye said that the Arab League had started a new effort to mediate the dispute. Algeria, Morocco and Mauritania had each accepted Riad's visit, indicating that each still wished to avoid war. He said France would try to improve its relations with Algeria, and to see if some success in the economic field could help Boumediene to extricate himself. He noted that France would also have a visit from the King of Morocco.

Sonnenfeldt asked whether any of his colleagues had heard the theory which he found rather farfetched, to the effect that the Soviets had made a choice between Portugal and Angola. This theory held that the Soviets had ordered Cunhal to stand down while they concentrated on Angola. One consequence of this was that the long-term Communists potential in Portugal was undiminished.

Campbell said that British experts advanced a more orthodox theory to the effect that the Portuguese Communists had used their influence to get Angola turned over to the MPLA.

DeLaboulaye said that his government felt that the Portuguese Communists situation was weakening.

Sonnenfeldt said that the US assessment was the same. Cunhal had made mistakes, the Eastern countries had done the right thing and Soares had performed much better than expected.

TOP SECRET/SENSITIVE

TOP SECRET/SENSITIVE

18

Van Well noted that there was a definite trend to the right in Portugal both among the political parties and the military. From the FRG talks with the Portuguese military, they gathered that the latter were seeking a new mission. The FRG wished to support this and had agreed to supply, in addition to six G-91 trainers, 14 G-91 fighter bombers to Portugal.

DeLaboulaye said he thought this a good idea.

Sonnenfeldt outlined recent US decisions on aid to Portugal. He said that on the occasion of the mid-March visit of the Portuguese Finance Minister to Washington, the US intended to announce an additional \$60-\$65 million package of assistance, including \$40 million on Commodity Credit Corporation credits, \$5 million in PL-480 loans, and \$15-\$20 million in supporting assistance presently being voted on in Congress. He said that the State Department was continuing to discuss with the US Treasury and the Federal Reserve the question of currency swaps to assist in the Portuguese balance of payments problems. He noted that the US had decided to defer a decision on military assistance until the Portuguese have decided how they wish to restructure their armed forces.

Tab A - Legal Findings on the Austrian State Treaty
Tab B - Romanian Deputy Foreign Minister Gliga's Remarks
on the Balkan Conference

TOP SECRET/SENSITIVE

The Austrian State Treaty

The following summarize our findings concerning Western legal rights and obligations arising from the Austrian State Treaty:

Austrian neutrality is not founded on any provision in the State Treaty but upon a provision in the Austrian Constitution.

Even a clear breach by Austria of the declaration of neutrality would not be a violation of the State Treaty.

There is nothing in the State Treaty which would give to any signatory the right, either unilaterally or collectively, to re-enter Austria.

Neither the State Treaty nor Austria's neutrality confers on the United States or on the other three major signatories any legal obligation or any right with respect to military intervention in Austria.

A breach of the State Treaty and of Austria's neutrality by the Soviet Union would not revive any U.S., UK, French, or, for that matter, Soviet occupation rights. In such a contingency, Western military intervention would have to be based on an Austrian request or acquiescence.

Gliga stated that it was the long-standing dedication of the Romanian Government to strengthening cooperation, friendship, and peace in the Balkans which led to the Balkan Conference.

Although Gliga had not received any official report from the Romanian delegation, he observed that one could call it a success since it had in fact taken place -- the first, official, inter-Balkan meeting since World War II. The subject of the meeting and the topics discussed -- agriculture, transportation, telecommunications -- reflected both the possibilities for cooperation and the attitude of the participants. According to Gliga, the decision to concentrate on economic matters was a wise one since the countries concerned were willing to develop cooperation in these matters. For the Romanians, they could not say that the Conference achieved any specific results. Due to the character of the mandates which were given to the delegations by the governments, there was no possibility of reaching concrete decisions. And, in fact, the only decision taken was for each delegation to make proposals and in turn to refer the proposals of others back to their governments for a decision on which ones deserved more study and development. However, the meeting

offered a good opportunity for the participants to gauge the predisposition of the others toward which aspects of multinational cooperation were of interest and to what degree they wanted to become involved. The Romanians will continue to analyze the conference in order to arrive at additional conclusions concerning the inclination of the other participants to proceed further: they hope to develop whatever positive elements they find.

On the question of the relationship to the Helsinki Conference, Gliga stated that the Balkan Conference was held in the spirit of Helsinki and consequently confirmed that Helsinki had borne fruit. Asked if some of Romania's friends had been skeptical of the type of cooperation espoused by the Helsinki Conference, Gliga replied by saying that some of Romania's neighbors had appeared to support such cooperation by their expression of interest in participating in the Balkan Conference as observers or in some other manner. In this same vein, the Bulgarian delegation informed Gaxamanlis that they would like some actions taken by the Conference not to be limited only to the participants.