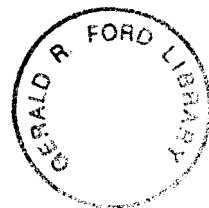


**The original documents are located in Box 1, folder “Issue Papers (2)” of the NSA Presidential Transition File at the Gerald R. Ford Presidential Library.**

### **Copyright Notice**

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald R. Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

Exact duplicates within this folder were not digitized.



LAW OF THE SEA

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION  
Presidential Libraries Withdrawal Sheet

WITHDRAWAL ID 017458

REASON FOR WITHDRAWAL . . . . National security restriction

TYPE OF MATERIAL . . . . . Briefing Paper

TITLE . . . . . Law of the Sea

CREATION DATE . . . . . 08/1974

VOLUME . . . . . 9 pages

COLLECTION/SERIES/FOLDER ID . 035300003

COLLECTION TITLE . . . . . NATIONAL SECURITY ADVISER. PRESIDENTIAL  
TRANSITION FILE

BOX NUMBER . . . . . 1

FOLDER TITLE . . . . . Issue Papers (2)

DATE WITHDRAWN . . . . . 01/12/2004

WITHDRAWING ARCHIVIST . . . . DAL



MBFR

4

SECRET

Mutual and Balanced Force Reductions (MBFR)

I. Background

Negotiations on Mutual and Balanced Force Reductions (MBFR) seek to increase the military stability of Central Europe by lowering the level of forces located there. Our Allies hope that MBFR will not only increase military stability and improve security in Central Europe, but will also permit them to reduce defense expenditures without damaging Western security. The MBFR negotiations have been helpful up to now in forestalling US congressional and European parliamentary pressures for unilateral cuts in forces committed to NATO's defense. However, negotiations are now at an impasse due to conflicting positions on a number of issues described below.

MBFR opened last October in Vienna. Direct participants in the talks are (1) states located in the so-called NATO Guidelines Area (NGA), comprising Czechoslovakia, Poland, both Germanies, and the Benelux countries, and (2) states with forces stationed in the NGA, comprising the US, the UK, Canada and the USSR. The French have elected to stay out, although they have forces stationed in the NGA. Currently the Soviet Union and Warsaw Pact allies are estimated to have about 950,000 ground force soldiers in the NGA. The NATO countries have about 800,000.

Eastern Position

The Eastern program would preserve what the East terms the "existing correlation of forces" -- which, they maintain, reflects rough parity. As the talks unfolded, it became clear that Eastern priorities include: (1) reducing West German forces; (2) inhibiting the development of European institutions and particularly defense cooperation; and (3) reducing Allied air and nuclear capabilities, in addition to ground forces.

Shortly after the negotiations opened, the Soviet Union and its allies proposed a formal plan for reductions in three phases:

-- an initial reduction of 20,000 men on each side, to be taken in 1975; a second reduction of 5% in 1976; a third reduction of 10% in 1977.

SECRET

GDS dal 12/17/03



SECRET

-2-

-- In all three phases, reductions would include ground, air and nuclear forces. The forces of all the direct participants would be involved in reductions from the outset.

### Western Position

The Allied proposal is designed to reduce military disparities which threaten NATO. Currently, for example, the Pact has about 9,500 more tanks and around 150,000 more ground force troops than does NATO in the NGA. The Allied approach also seeks to compensate for the geographic advantage the Soviet Union enjoys over the US in reintroducing forces more easily into the NGA.

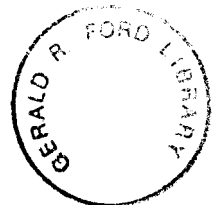
The US and its NATO Allies, in a common position worked out through extensive consultations in Brussels, have proposed a two-phased negotiating and reduction program:

-- In the first phase, the Soviets would withdraw to their homeland a tank army now stationed in East Germany, consisting of 68,000 men and 1700 tanks, and the US would withdraw approximately 29,000 men. This would mean about 15% ground manpower reductions for each side. There would also be agreement on a common ceiling in ground manpower, to be reached in a second phase, (about 700,000 men for each side). A reduction of 250,000 WP men would be required to achieve the common ceiling, vs. NATO cuts of 91,000 men (the Eastern proposal, in contrast, would amount to 159,000 WP vs. 139,000 NATO cuts).

### Current Status

The negotiations are in recess, but are scheduled to resume September 16. During the spring negotiating session, which ended in mid-July, the Soviets hinted at a preliminary agreement to reduce perhaps 20,000 men for each side (with the US and the USSR jointly taking the largest share, leaving "symbolic" reductions for the other direct participants). The Allied side put forward several assurances regarding linkage between Phases I and II, in an attempt to meet Soviet expressions of concern regarding the possibility that (a) a second phase involving the European Allies might never in fact occur, or that (b) if it did, it might nonetheless not involve the forces of the FRG.

SECRET



## II. Issues

The following main issues remain to be resolved in Vienna:

(1) Should manpower reductions be symmetrical, preserving the existing Eastern advantage, or asymmetrical, redressing the balance in favor of NATO?

(2) Should equipment and nuclear weapons be reduced along with ground forces?

(3) Should forces of all participants be reduced from the outset, or just US and Soviet forces?

(4) Should air manpower as well as ground manpower be reduced?

(5) Should the ultimate goal of MBFR be a common ceiling or "preservation of the existing correlation of forces"?

## III. Alternatives

The US is considering four broad alternatives when the negotiations resume:

-- to maintain the present Allied negotiating position. This would allow us to conserve negotiating capital until a CSCE agreement might make the Soviets more receptive to movement in MBFR. However, the continued lack of progress would certainly intensify Congressional pressures for unilateral US troop cuts in Europe. These pressures now appear likely to come to a head by the spring of 1975 at the latest.

-- to offer the East a "signal" that the West is willing to consider withdrawing some US nuclear weapons systems in the NGA in exchange for Soviet agreement to relatively heavier reductions of conventional forces (especially tanks). This alternative might also meet Soviet concerns in the SALT talks on what they term Forward Based Systems. Some of our Allies have considerable reservations about this step, particularly if it should involve US nuclear-capable aircraft.



SECRET

-4-

-- to scale back our manpower reduction demands on the Soviets in phase I, while deferring agreement on the common ceiling and other major Allied objectives. Such an alternative might produce some early movement in MBFR, on the basis of asymmetrical cuts, and conserve the nuclear card for subsequent use in an effort to resume negotiations for the deferred Allied objectives, including, particularly, the common ceiling. However, reduced demands on the Soviets will meet with resistance from our allies.

-- to propose highly simplified, essentially token US-Soviet manpower reductions to precede the negotiation of a Phase I agreement. This might make it easier for us to achieve agreement at an earlier date. However, it might not satisfy Congressional pressure for greater US force reductions. Furthermore, such an agreement being essentially bilateral, it might be resisted by our Allies and would provide no incentive for them to limit their own force reductions.

#### IV. Next Steps

The Verification Panel, and shortly thereafter, the NSC, will consider these options. After our own decisions have been taken, we will of course need to consult with our allies and obtain their agreement to our proposed course of action in Brussels, before the joint Allied negotiating body in Vienna (the "Ad Hoc Group") can be authorized to proceed.

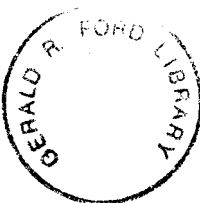
SECRET





6

FRANCE



WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Issue Paper	For the Secretary – FRANCE (8 pages)	August 1974	A

File Location: Presidential Transition Files Box 1 Issue Papers (2) doc 6

dal 7/25/14

RESTRICTION CODES

- (A) Closed by applicable Executive order governing access to national security information.
- (B) Closed by statute or by the agency which originated the document.
- (C) Closed in accordance with restrictions contained in the donor's deed of gift.

PORTUGAL



8

SECRET

PORTUGAL

I. Overview

The authoritarian regime which ruled Portugal until April 25, 1974 ensured that Portugal played a relatively modest, though strategically important, part in the general US-Western Europe relationship which has fostered our collective military security. In addition to its role in NATO, Portugal permitted us access to base facilities in the Azores for non-NATO uses, such as the resupply of Israel during the October war. In exchange for these base rights, we have provided the Portuguese with:

- modest material assistance in the form of a quid pro quo; and
- political support in the UN and elsewhere on the colonialism issue (for which we have incurred a resulting political cost in our relations with the independent African states).

On April 25, about 200 principally middle rank officers calling themselves the Armed Forces Movement (MFA) toppled Portugal's 48-year-old authoritarian regime in an almost bloodless coup and installed a provisional government led by General Spinoza, an outspoken critic of Portugal's African policy, and made up of civilian centrists, Socialists, and Communists, as well as military officers. The provisional government then promulgated the MFA's program, whose most important provisions call for:

- liberalization of Portugal's political system;
- decolonization of Portugal's overseas territories; and
- a new economic policy for the nation, particularly to ensure equity for the lower strata of Portuguese society.

SECRET

DECLASSIFIED

E.O. 12958, SEC. 3.5

NSC MEMO, 11/24/96, STATE DEPT. GUIDELINES, State Review 9/15/03  
BY lab, NARA, DATE 12/2/03



~~SECRET~~

- 2 -

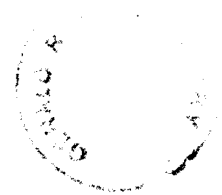
Liberalization at home, understandably, and decolonization in the territories, more surprisingly, have been extremely well-received in Portugal. Moreover, these policies have improved Portugal's international image and its relations with the US and Western Europe.

- Decolonization in particular reduces strains on NATO caused by Portugal's prosecution of a war against black insurgent groups in Portuguese Guinea, Angola, and Mozambique in an attempt to maintain an anachronistic colonial empire dating back to the 15th century.
- Decolonization also eliminates further political costs we would have incurred through continued support of Portugal in international organizations on the issue of colonialism.
- We must also recognize, of course, that this policy will reduce Portugal's international isolation and, in the longer term, will make Lisbon less dependent on us for support which, in turn, may reduce our leverage on the Portuguese Government.

At the same time, the liberalization process at home, while full of promise, is severely straining a political system weakened by almost a half-century of authoritarianism which is attempting to move rapidly toward participatory democracy (elections for a constituent assembly to draft a new constitution are to take place by March 31, 1975).

- The political right is thoroughly discredited because of its association with the ousted regime.
- The forces of the center have been slow to organize.
- The Socialists appear to lack a mass base.

~~SECRET~~



~~SECRET~~

- 3 -

- The previously clandestine Communists have emerged with the best organized and most highly disciplined party, become the dominant force in the labor movement, and have made considerable headway in the media, and in local government. Their trump card in this country noted for the conservatism of its people has been a disarming ostensible moderation and almost unqualified support for the extremely popular provisional government.

The play of political forces may be further complicated over the near term by emerging divisions within the all-important military, particularly the ideologically heterogeneous MFA.

Furthermore, the new political freedoms have been accompanied by the unfettering of the country's labor sector. Unprecedented labor agitation has followed the dismantling of Portugal's repressive corporate labor structure and has contributed to increasing economic problems in a country which, although progressing economically, is clearly the most backward in Western Europe.

- Huge pay raises (in some cases as much as 100%) combined with unpredictable and, at times, unreasonable labor demands have forced some firms out of business, increased unemployment, and contributed mightily to a poisoned investment climate.
- Although inflation is running at over 20% and the country's gold reserves have dropped from 2.7 to 2.3 billion dollars, the provisional government has been unable to promulgate overdue economic/labor legislation.

~~SECRET~~



~~SECRET~~

-4-

Consequently, while the Portuguese situation is full of promise, it is also fraught with numerous potential problems -- political and economic -- which will require political maturity, economic expertise, and probably some help from other countries.

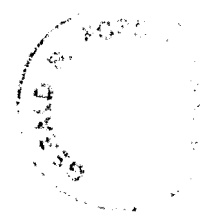
As the new government took hold, a struggle for power arose between President Spinoia and his supporters, mostly military officers and bureaucrats who had served the former regime, on the one hand, and leaders of the Armed Forces Movement, on the other. Most of these were captains and majors who led the April 25 coup and who had drafted the MFA program. The first crisis came in August when Spinoia attempted to push out some of the MFA leaders in order to replace them with his own men. He lost out and was obliged to select Col. Goncalves, allegedly the brains behind the Movement, as the new Prime Minister. It then became apparent that Goncalves' views and those of his close associates were far more to the left than those of Spinoia. The struggle continued within the government, causing almost complete paralysis, and came to a head in late September when Spinoia agreed to lend his name to a rally of his supporters. Prime Minister Goncalves objected strongly and both factions were counting their supporters among the military. The Communists strongly backed Goncalves. Finally, Spinoia called off the rally and resigned. General Costa Gomes, Chief of Staff of the Armed Forces, who had supported Goncalves, was named President.

The new President has assured us that Portugal will abide by its international commitments, including its NATO obligations. Nevertheless, a number of disturbing intelligence reports indicate that the left wing of the MFA, led by Prime Minister Goncalves, was greatly strengthened as a result of the recent crisis and that President Costa Gomes may be only a figurehead and very much beholden to the MFA leaders who selected him.

## II. US Strategy

We have attempted to maintain a productive working relationship with the Portuguese Government in order to further the following interests:

~~SECRET~~



~~SECRET~~

-5-

- Retention of access to Lajes Air Base in the Azores for non-NATO as well as NATO uses;
- Maintenance of Portugal's membership in NATO and general pro-Western orientation.
- Continued access to Portugal for trade and investment (now about \$150 million, book value); and
- Access to the territories (from which Portugal is beginning to withdraw) for facilities (i.e., port calls) and services as well as for resources, trade and investment.

However, we have attempted to accomplish these ends in such a way as to minimize the political problems created for us in the UN and elsewhere by the Portuguese-African confrontation over the Portuguese territories.

As a result, while we have provided Portugal with a certain quid pro quo for our base rights in the Azores and have supported Portugal in international organizations, we have also consistently stated our support for self-determination and, since 1961, have maintained an arms embargo against the provision of US-origin weapons for use by either side in the Portuguese-African conflict.

Our interests in Portugal remain the same, but our strategy for achieving them must now be adapted to the new and still very uncertain situation that is developing. With the disappearance of the colonial problem, our relations with Portugal will hinge mainly on how Portuguese politics develop. Most Portuguese -- except for the Communists and some Marxist-oriented military officers -- probably see close ties to the US, politically and economically, as being in the country's interest. Thus, though US influence in Lisbon is limited, there are steps we might take -- in the context of the Azores negotiations as well as otherwise -- which can contribute to the emergence of a democratic, stable, non-radical, Western-oriented Portugal.

~~SECRET~~





~~SECRET~~

-6-

III. The Situation Now: The Azores Base Agreement

Thus far, the provisional government's leaders have stood by their intentions, announced publicly immediately after the coup, to:

- honor existing treaties and obligations;
- remain in NATO and seek closer ties with the European Economic Community; and
- maintain even closer relations with the US than had been enjoyed by the ousted Caetano regime.

How long these policies will continue is unclear. At least some young leaders of the powerful Armed Forces Movement (the group now making the major policy decisions in the GOP) are skeptical about the degree of US interest in and support for Portugal. These officers do not regard a continued US presence in the Azores as inevitable and some of them are believed to favor Portuguese withdrawal from NATO.

The current base agreement expired February 2, 1974; US forces continue to use the base under a de facto extension of that agreement. During his September 20 meeting with Secretary Kissinger, Portuguese Foreign Minister Mario Soares suggested two forms of US assistance to Portugal: a quid pro quo for the Azores base, and a larger bilateral program separate from the base agreement. The Secretary told Soares that the US will pay fair compensation for the Azores base, and that we accept in principle the idea of some form of bilateral assistance. The next day, the Portuguese negotiator (Ambassador Themido) presented us with a "shopping list" which includes requests for \$160 million annually in grant aid and unspecified (but clearly large) soft loans for various economic development projects and military equipment. We have advised the Portuguese of the Congressional attitudes toward new assistance programs of this size and asked them to refine their request.

~~SECRET~~



~~SECRET~~

-7-

#### IV. The Next Steps

Although we have not yet begun hard bargaining on the quid pro quo, it is clear that the Portuguese expect massive US assistance because:

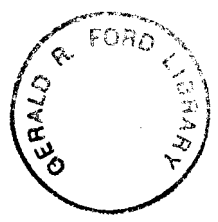
- our use of Lajes as a link in the resupply of Israel in October 1973 showed the Portuguese how crucial the non-NATO access to the Azores is to us;
- the provisional government has gone far toward accomplishing what we have always wanted the Portuguese to do -- allow self-determination in Africa and liberalization at home -- and it perceives itself to be deserving of substantially more US assistance and support than was provided the Caetano dictatorship.

The extent of our responsiveness to Portugal's perceived needs is sure to be interpreted by the Portuguese as a barometer of our attitude toward and support for the provisional government and the liberalizing changes it is attempting to institute. In direct conversations with us and through US intermediaries, center and center-left political leaders have emphasized their belief that strong US psychological and economic support is necessary to bolster the cause of Portuguese democracy. These leaders fear the superior organizational strength of the Communist party and the largely unknown young officers who are believed to favor a non-aligned orientation for traditionally conservative Portugal.

~~SECRET~~



SPAIN



## SPAIN

### Background

Spain is important to the United States because of its strategic position and our use of military bases there, because of its economic and political potential, and because of the substantial human and economic interchange we have with it.

Spain is now in transition, economically, socially, and politically, as the Franco era nears its end. General Franco has taken back his powers as Chief of State following his illness but there is wide recognition that Spain will soon enter a new period, presumably under the leadership of a regime headed by Franco's designated successor, Prince Juan Carlos.

Whether Franco relinquishes power soon or stays in office until his death, the end of his long, firm rule raises the prospect of a contest for power among the many groups who hope to strengthen their position in post-Franco Spain. However, all major power blocs have a stake in maintaining stability and some anti-Franco groups may join moderates in the present regime in order to avoid an open struggle which would polarize the situation to the point that the Armed Forces would intervene. The outcome of these efforts is uncertain but our best estimate at present is that the transition will be relatively smooth.

### US Strategy

Our immediate operational problem is to negotiate with Spain an extension of our base agreement -- the 1970 Agreement of Friendship and Cooperation, which permits military facilities in Spain for use by US forces, as well as bilateral cooperation in a number of non-military fields. More broadly, however, it is our objective to favor and work for Spain's closer integration with the West, both because of the strategic importance of the country and in order to provide an anchor for its domestic stability in the post-Franco

~~SECRET~~  
GDS

DECLASSIFIED

E.O. 12958, SEC. 3.5

NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES State Review 9/15/03  
BY Jala, NARA, DATE 12/2/03



SECRET

-2-

period. Our efforts to facilitate Spanish membership in NATO, or closer ties to it, have met with little success because of the objections of several NATO members to the Franco regime. The same difficulty has blocked Spanish access to the European Community. The departure of Franco will open the door to possible progress but will not in itself solve these problems. There will have to be some degree of liberalization in Spain to make it an acceptable partner to all the members of NATO and the EC. It is in our long-term interest to use what influence we have, in Spain and in the other European countries, to move along the rapprochement between Spain and the rest of Western Europe, particularly in NATO.

#### The Base Problem

Against this background our immediate problem is to negotiate a new extension of the Agreement of Friendship and Cooperation. This executive agreement has permitted us to operate military installations in Spain since 1953. The current version expires in September 1975. We have opened talks with the Spanish on an extension and are scheduled to meet again in Madrid on November 4. We should expect these negotiations to be difficult and protracted.

The bases include facilities for ballistic missile submarines, anti-submarine warfare, logistic support for our European and Mediterranean forces, communications, and air weapons training. Our goal is to renew the agreement and retain the use of our base and operating rights for at least five years, at reasonable cost.

The Joint Declaration of Principles signed in July helps satisfy a main Spanish interest: recognition as an important state in Europe and as a major US ally. The Spanish, however, have said that they seek a more formal security guarantee in the base negotiations and that the Declaration does not provide this. They will also want other compensation, including, but not limited to, further technology transfers, closer military cooperation, and continued concessional sales of

SECRET



SECRET

-3-

US military equipment. We understand Spanish interest in a security guarantee and will try to meet their needs short of an agreement requiring submission as a treaty.

#### The Situation Now

Ambassador at Large Robert J. McCloskey will meet with Foreign Minister Cortina in Madrid on November 4 to begin the substantive negotiations. NSDM 268 has been approved by the President and an inter-agency working group will assist Ambassador McCloskey.

#### Issues and Choices

Although the full Spanish position will not be known until the substantive negotiations begin, the following issues can be discerned from earlier statements.

The Spanish desire for a security guarantee conflicts with Congressional reluctance to support new defense commitments. Our first choice is to negotiate an agreement which would avoid an explicit guarantee. However, if this is completely unacceptable to the Spanish, we must consider whether the Senate would endorse such a commitment, as hinted recently by Senator Sparkman.

Secondly, Foreign Minister Cortina indicated to Secretary Kissinger that the Spanish want to purchase new military equipment. This interest in equipment, as well as more technology sharing and cooperation in the military field, raises questions regarding our end-use restrictions, such as third-country sales.

Our first choice is to continue the programs currently in effect. However, Spanish insistence may force us to consider increases. In any case, we should expect that our inability to satisfy fully Spanish demands for a security guarantee may lead them to raise their demands for direct military and other compensation.

#### New Steps

We plan to open the negotiations by stating that we regard the Joint Declaration as meeting the Spanish

SECRET



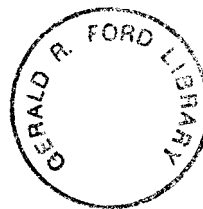
SECRET

-4-

security interest. We shall then state our belief that the agreement can be renewed along its present lines. We shall seek general agreement on this at the outset, before being drawn into detailed discussions.

SECRET





AFRICA



DEPARTMENT OF STATE  
BRIEFING PAPER

12/13/74

AFRICA

Southern African issues

BACKGROUND

The Portuguese coup of April 25 and Lisbon's subsequent decision to divest itself of its African territories opened the door to far-reaching changes affecting the entire southern African region.

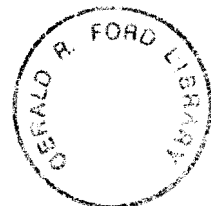
-- Full independence under black rule scheduled for June of next year in Mozambique, and later in Angola, will create the first breach in the cordon of friendly buffers between South Africa and black Africa. Pretoria is hopeful that peaceful relations based on economic inter-dependence can be established with an independent Mozambique, but is also increasing defense expenditures.

-- Heartened by Portuguese African developments, black Africans have stepped up their pressures on Rhodesia and South Africa.

-- Developed countries are increasing pressure on South Africa. The United Kingdom has announced that it intends to terminate its Simonstown naval agreement with South Africa, that it now regards South Africa's occupation of Namibia as illegal, and that it will provide no further promotional support for trade with Namibia; France followed up its veto of South Africa's expulsion from the UN with a strong demarche urging Pretoria to change its apartheid system and its policies toward Namibia and Rhodesia; Japan announced new visa restrictions on visitors from South Africa; Australia took a forceful position

CONFIDENTIAL - EXDIS

GDS *dal 12/17/03*



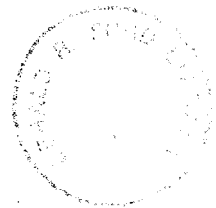
in favor of South Africa's expulsion from the UN and has ended its government-sponsored trade promotion in South Africa; others, notably the Netherlands and Sweden, have joined in the trend.

-- The Soviet Union and the Peoples Republic of China presumably look upon the developing situation as an opportunity to develop relationships with Angola and Mozambique that would extend their spheres of influence. U.S. Navy vessels currently call at Angolan and Mozambican ports roughly once a month. The new Mozambican Government may permit continued port calls, but may be inclined to permit similar visits by Soviet ships as well.

U.S. STRATEGY

The racial policies of the white regimes of southern Africa have become highly-charged internationalized issues inevitably affecting United States interests and concerns at home and abroad. In recognition of our conflicting interests in southern Africa, elsewhere in Africa and at the UN, and in response to differing domestic demands, we have sought to strike a balance. Since the late nineteen fifties, the United States has consistently supported the principle of self-determination for all peoples in southern Africa through the support of constructive alternatives to the use of force. To condone or support violence, we believed, would risk damage to our economic and strategic assets in the region. Specifically:

-- Toward South Africa, we have followed a two pronged approach: one of "restraints" (e.g., a strict arms embargo, limits on contacts with its military establishment, a ban on naval visits, a neutral stance on U.S. investment) and one of "communication without acceptance" (e.g., opposition to South African expulsion from the UN, an active exchange-of-persons program, multi-racial



representational activities by our Mission, and encouragement to American employers to adopt enlightened employment practices for all their employees).

-- We continue to recognize British sovereignty over Rhodesia. With the exception of the Byrd amendment, which we seek to repeal, we have supported the UN and U.K. in the enforcement of economic sanctions. We have consistently opposed the use of force to resolve the Rhodesian dispute.

-- As for the Portuguese African territories, our policy has been to support the right of all peoples to self-determination. Our embargo on arms to either side reflected our preference for a non-violent solution. We have opposed resolutions in the UN which we have considered extreme and not conducive to peaceful resolution. We voted in August for Guinea-Bissau's admission to the UN and subsequently recognized that country. We congratulated the new transitional government of Mozambique following its installation last September 20. We have always maintained low-level contacts with liberation group representatives, and have upgraded them to the Chief of Mission level. Assistant Secretary Easum met with liberation group leaders during a recent visit to southern Africa.

-- Regarding Namibia, we support the conclusions of the 1971 International Court of Justice advisory opinion that South Africa is illegally occupying Namibia and should remove its administration from that territory. We endeavor to prevent any U.S. official actions which would tend to legitimize South Africa's de facto control and administration of the territory. We maintain no official representation there, discourage new U.S. investment, and withhold Export-Import Bank guarantees and other facilities from trade with Namibia. In the wake of the U.S.-UK-French veto of South Africa's expulsion from the UN



in October 1974, we have joined with the French and British in urging the South African Government to permit the people of Namibia to exercise their right to self-determination as soon as possible.

-- To help lessen their dependence on South Africa, we have increased our economic assistance to the three small, multi-racial, majority-ruled states of the region: Botswana, Lesotho, and Swaziland.

Satisfying our competing economic, political and strategic interests without acquiescing in the racist policies of the region has necessarily entailed an uneasy and imperfect balancing act. We have inevitably suffered some loss of political support in black-ruled Africa and elsewhere among the "non-aligned" and, to some extent, have offended domestic interest groups on both sides of the question (e.g., church and black groups who have wanted our opposition to apartheid or South African control of Namibia to be reflected, for example, in greater pressures on U.S. businesses operating there, as contrasted with those groups who believe we should not harass South Africa on such issues). However, our differentiated strategy has enabled us to maintain reasonably good relations with both black and white Africa.

THE SITUATION NOW

South Africa

South Africa's racial policies, although somewhat ameliorated in recent years, still deprive millions of persons of basic human and civil rights. While South Africa has entered into a quiet dialogue with some black African states on external issues, the government remains unyielding on any fundamental change in its internal racial policies.



Namibia

Despite strong international opposition, South Africa continues to rule Namibia with an iron hand. South Africa has recently expressed a desire to resolve the problem, however. It has stressed that the peoples of Namibia, not South Africa nor the UN, will determine the future of the territory, and has pledged that all options, including full independence, are open. In October, the South African Ambassador to the UN told the Security Council that the peoples of Namibia may be ready to exercise their right to self-determination "considerably sooner" than the ten years forecast made by South Africa's Foreign Minister in 1973.

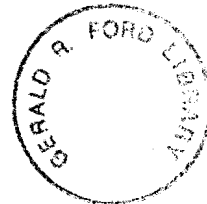
Portuguese-Speaking Africa

Developments in Portuguese-speaking Africa are proceeding more rapidly and in more orderly fashion than anticipated.

-- Guinea-Bissau: Portugal recognized Guinea-Bissau's independence on September 10 and has withdrawn all of its troops. Portugal has agreed to independence for the Cape Verde Islands and has announced that elections for a popular assembly will be held by March 1975.

-- Mozambique: On September 20 a transitional government whose membership is one-third Portuguese and two-thirds FRELIMO, the predominant insurgent group in Mozambique, was installed in Lourenco Marques. It is preparing for full independence on June 25, 1975.

-- Angola poses more difficult problems. Portugal has accepted Angola's right to independence and has invited its three principal liberation groups



to join a provisional government which would prepare for independence. However, the three groups--MPLA, FNLA and UNITA--have been jockeying for favored position and have as yet been unable to agree on how to deal with the Portuguese offer. However, ceasefires have been agreed upon between the three groups and the Portuguese, and the latter have been working hard to get them to the negotiating table.

-- The islands of Sao Tome and Principe (off the coast of Gabon), which have been administratively attached to Angola, are scheduled to become independent on July 12, 1975.

### Rhodesia

On December 11, Prime Minister Ian Smith announced a ceasefire in Rhodesia's eight year-old guerrilla warfare and the release of African nationalist leaders from years of detention and restriction. This development capped unprecedented negotiations in Lusaka in which participants were: Rhodesian African nationalist leaders (who had been released from prison by the white Rhodesian regime for the talks); the Presidents of Zambia, Tanzania and Botswana; Samora Machel, President of FRELIMO (Mozambique's liberation movement); representatives of the Smith regime; and high South African officials. Smith's announcement paves the way for a constitutional conference to seek a settlement which would be acceptable to Rhodesians of all races.

### ISSUES AND CHOICES

Do recent developments suggest the need for major modifications or adjustments of our policies vis-a-vis southern Africa?

In a recent re-examination of our policies, we concluded that the delicate balancing act we have



performed has served us well in protecting our conflicting interests in black and white Africa. The evolving situation in the region prompts further questions, however.

Should we increase our efforts to further the incipient dialogue between black and white Africa?

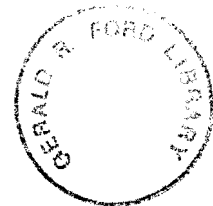
Can Pretoria be convinced of the need for rapid progress toward racial equality within South Africa and for setting a time-table for self-determination in Namibia?

Should we play a more active role in supporting Portugal's efforts to facilitate the rapid decolonization of Angola and Mozambique?

Our relationship to the decolonization process, and especially our relations with Angola and Mozambique (both during transition and upon their independence), is being watched closely throughout Africa. Our posture is viewed by Africans and other third world states as an indication of our attitude toward decolonization in general, and of President Ford's attitude toward black Africa in particular. Moreover, Angola (with its oil, other resources and location) and Mozambique (with its long strategic coastline on the Indian Ocean) are countries which we should endeavor to develop a good relationship in the future.

We are encouraged by both the direction and pace of recent Rhodesian developments, but numerous differences remain to be negotiated. While we continue to recognize the U.K.'s primary responsibility for Rhodesia, should we do more to encourage a settlement?

Until negotiations are successfully concluded, we would want to continue our support for and enforcement of UN economic sanctions against Rhodesia as a means of maintaining pressure on the minority regime and



encouraging continued progress toward a peaceful solution. Repeal of the Byrd amendment is critical to making our influence felt at this important psychological moment, and would also help ensure the long-range availability of Rhodesian minerals.

The UN has special responsibility for Namibia. Should we do more to encourage South Africa to permit self-determination there? Along with the British and French, we have urged South Africa to implement its stated desire to resolve the Namibian question with concrete actions, e.g. to make plans as soon as possible for the exercise of self-determination of all of Namibia, to discuss with UN Secretary General Waldheim arrangements for speedy self-determination, and to issue a specific, unequivocal statement of its intentions. As of mid-December, South Africa had responded to our demarches only by expressing the need for and desirability of peaceful, orderly change in Namibia.

NEXT STEPS

Rhodesia

The House vote on the Byrd amendment is scheduled for December 16, after having been postponed in September because proponents did not believe they had votes for passage.

Portuguese-Speaking Africa

We are preparing to open a small diplomatic mission in Guinea-Bissau. We are augmenting the staff of our Consulate General in Mozambique. We are expanding our exchange of persons program and instituting modest new USIA programs there. We are studying ways in which we may be responsive to requests for development assistance from the emerging nations. Mozambique has already requested short-term financial and food assistance.





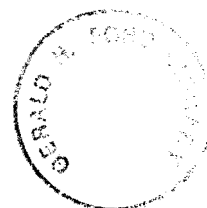
CONFIDENTIAL - EXDIS

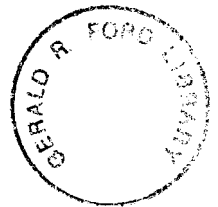
- 9 -

Policy Review on Southern Africa

The Department has initiated a major review of our policy towards southern Africa.

CONFIDENTIAL - EXDIS





LIMITED OFFICIAL USETHE SAHELBACKGROUND

A series of abnormally dry years beginning in the late sixties culminated in 1972 and 1973 in a disastrous drought in the countries of the African Sahel (Mauritania, Senegal, Mali, Upper Volta, Niger, Chad and The Gambia). As a result of this calamity, some twenty to twenty-five million people faced starvation, and the livestock herds, vital to the economies of these poor countries, were threatened with extinction.

Foodstuffs, medicines, clothes, and other emergency supplies were sent to the Sahel from all corners of the globe. The United States, with approximately forty per cent of the total, has been the largest donor throughout the emergency period. In total the United States has committed 606,000 tons of foodstuffs worth \$120 million and has given another \$29.7 in non-food assistance. France, Canada, the Common Market, the Peoples Republic of China, and the Soviet Union have all provided significant amounts of food or non-food assistance. The rapid action of the world community served to prevent mass starvation. Some lives were certainly lost, but not nearly as many as the news media suggested.

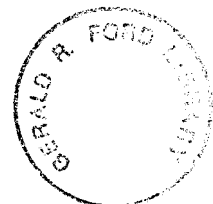
U.S. STRATEGY

Our first aim has been to help feed the hungry. Enough foodstuffs have been contributed by ourselves and other donors to avert starvation.

Our medium and long term development objectives are to assist the sahelian states in reestablishing the ecological equilibrium and in adopting new and better agricultural methods in order to increase food production without degrading their fragile environment further.

THE SITUATION NOW

With good rains throughout the Sahel, the September-October harvests reached about 90% of pre-drought levels. The A.I.D. multi-donor technical teams which were sent to

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

-2-

the Sahel to assess emergency feeding needs for this year have returned and are now preparing their final reports. These reports will show a substantially improved situation throughout most of the area. Total imports required to cover production shortfall, compensate for transport difficulties, and enable modest reserves to be set aside will be less than 500,000 metric tons. As a quantity approaching this amount is already in storage or enroute from various world donors, only small additional shipments will be required to cover anticipated needs before the 1975 harvest.

The surveys of transport capabilities in the Sahel have shown the number of vehicles to be generally adequate, but maintenance and repair facilities deficient. Storage facilities and techniques need improvement if serious spoilage is to be avoided during the months the grain will be in storage.

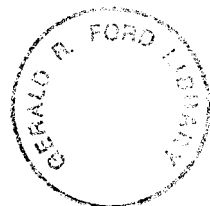
A.I.D. has beefed-up its field staff and now has its program in full swing to help the sahelian countries recover from the aftereffects of the drought. This work was funded by appropriations totalling \$85 million made by the Congress this past summer. A.I.D. project design teams are leaving for the sahelian countries this weekend to continue planning projects which will be designed to help increase food production within the next three to five years. A great variety of other countries are also undertaking projects to help stimulate the sahelian economy and reclaim lands which have suffered the greatest environmental damage during the drought.

The study of long-term development options which has been undertaken during the past eighteen months by the Massachusetts Institute of Technology has now been submitted to A.I.D. in draft form. A.I.D. is now evaluating the work which it is hoped will provide a framework for long range development planning in the Sahel.

ISSUES AND CHOICES

The major issue facing us is that of long term commitment. It will take a long and determined effort by the whole donor community to help the Sahel transform its agriculture and reach self-sufficiency in foodstuffs.

LIMITED OFFICIAL USE



LIMITED OFFICIAL USE

-3-

We must also choose whether to make our assistance efforts primarily bilateral undertakings between ourselves and each of the sahelian governments or to encourage the formation of a multi-donor consortium to carry out this work. We believe the latter approach is more feasible. The sums of money involved will be far too great for us to produce alone. In addition, the other donor countries will be able to supply some of the much needed technical assistance.

NEXT STEPS

We have conducted exploratory talks with the number of major donors with a view to taking steps to provide for sufficient resources, from all of the donor nations, to make this longer term development program possible. The Chairman of the Development Assistance Committee of the OECD has agreed to convene an informal meeting (probably in January) of all interested donors to ascertain their interest in forming a consultative group through which this longer term development effort would be coordinated and carried out. Initial estimates would indicate that an investment target of \$4 billion over the first five years would appear realizable. We think that a Sahel Development Fund should be established in order to provide for participation by all donors. We would hope that the United States could commit itself to provide up to \$1 billion or no more than 25 percent of the total package.

Since the Sahel undertaking will extend over years and will be of such a magnitude, we should carry on regular consultations with the Congress in order to keep the support base necessary to ensure appropriations for the years to come.

We will also need to conduct an on-going public information campaign both in order to counter the charges of U.S. negligence in the face of the drought disaster and to maintain public support for our assistance expenditures. If the United States is to carry out its part of the global responsibility for seeing that the hungry are fed and helping the poorer nations develop their production, we will have to have the support of the American people--because carrying out our responsibility will call for sacrifices from them.

LIMITED OFFICIAL USE

