

Confidential

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A European Defence Nucleus?

Lost sight of amid the recent flurry about the mark, the franc and the pound, and about what exactly Mr Wilson said to the west German Ambassador, is the fact that at last month's Nato meeting in Brussels, **Mr Denis Healey**, the Minister of Defence, did succeed in getting the idea of a European Defence Nucleus (EDN for short) airborne. But it will need very careful nursing if it is to rise to a higher altitude – and it could still crash to the ground.

Effectively, it was the Germans to whom Mr Healey had to sell the idea. Their fears that EDN would encourage the Americans to withdraw more troops from Europe, and that collaboration in arms production would get entangled with the question of offset payments to the Americans, had to be allayed. For nearly a year now Mr Healey has been wooing the Germans. In the spring, **Herr Schroeder**, the German Defence Minister, was distinctly cool towards the idea; immediately after the invasion of Czechoslovakia, he was slightly less cool. Then in November, after some prompting from the Chancellor, **Dr Kiesinger**, he responded fairly positively to Mr Healey's suggestions.

In wooing the Germans, Mr Healey also went out of his way to keep all the other Nato allies in the picture. The Americans blessed his efforts, to the point where Mr Dean Rusk openly endorsed the EDN idea at the formal meeting of Nato ministers.

None of the European ministers, least of all Mr Healey, wants to create a new European

defence organisation inside Nato, let alone outside it. The keynote in the approach will be pragmatic informality. At the moment the plan is that the European ministers will meet at regular intervals (possibly once every six months) and that in the interim the ambassadors and permanent representatives at Nato will give the idea impetus.

The first such meeting will be in the middle of January, on the eve of President Nixon's inauguration. On this occasion, Mr Healey will bend his efforts to get Europe to speak to the new American administration with a common voice. The lines of this "European approach" are already apparent.

1. The Europeans will try to dissuade President Nixon from reducing the number of American troops in Western Germany, in response to domestic pressures.
2. If President Nixon cannot see his way clear to make such a commitment - he will almost certainly want to reduce the number of conscripts in the American army, if not to go the whole way to a purely volunteer army - the Europeans will urge him to strengthen the credibility of the use of American nuclear weapons in the defence of Europe. They might insist, for example, that if there were a further thinning out of conventional forces, in face of a massed assault tactical nuclear weapons could be fired after about two days (rather than the four days that is now generally assumed). They might therefore ask that in the chain of communications the gap between a request by a field commander to use tactical nuclear weapons and their release should be shortened.
3. If the Americans do not respond positively to such proposals, the Europeans may have to hint that the idea of a European nuclear deterrent (which appears to have died a political death) might have to be revived.
4. When the Americans come to talk to the Russians about nuclear arms control, the Europeans may be willing to accept that discussions about such matters as FOBS (fractional orbital bombardment system, news of which emerged from Moscow last year and MIRV (multiple, independently-targeted re-entry vehicles) are the business of the two super-powers (though they would expect to be kept informed). But when it comes to such matters as the 7,000 tactical nuclear warheads deployed by the Americans in Europe, and the 750 medium-range missiles which the Russians have trained on European targets, the Europeans would expect not merely to be informed about the discussions but to be consulted.

Unless the Germans and the British can draw closer together on practical defence matters, however, EDN will be nothing more than a talking forum; it wouldn't even then rate as a cabal. There is, however, some evidence of a growing collaboration on these matters between the British and the Germans. For example:

(i) *Nuclear Guide-Lines*: After the various separate studies within Nato's Nuclear Planning Group, Mr Healey and Dr Schroeder have the joint task of drawing up general guide-lines for the use of tactical nuclear weapons in every sort of environment. If they can agree, a common European policy on the use of these weapons will be laid down.

(ii) *The Mediterranean*: Over the last few months, regular staff talks have taken place between the Germans and British to discuss the whole range of military problems in Europe. It is significant that the Germans are showing greater interest in the Mediterranean than ever before. They acknowledge, however, that naval powers such as the United States and Britain have a special responsibility in that area, and they admit that they themselves can do little to help.

(iii) *Artillery Developments*: The Germans and the British are working closely together

on new artillery developments (though they are going their own separate ways on the use of rockets as area defence weapons). For example:

(a) Joint development of a towed 155 mm howitzer is sailing ahead.

(b) Britain and Germany are discussing, with the Americans, the development of a self-propelled 155 mm howitzer (the present American 155 mm SP gun, used by all three countries, lacks range and has no special facility for engaging tanks by indirect fire). The Americans may conceivably drop out of this consortium; if so, the British and the Germans will still go ahead (possibly with the ultimate aim of standardising all artillery for the central front in Europe on a 155 mm calibre).

(iv) *A New Combat Aircraft*: The joint feasibility studies now being conducted about the design of a combat aircraft for the mid 1970s will end in January. A good deal of horse trading is still going on, but there are signs that, with luck, the Germans and the British will come to a reasonable compromise on this plane's operational requirements. Several technical points are being gradually hammered out:

(a) Both want the plane to have a short-take-off and landing capability on grass. The Germans now appear to be edging a little closer to the British view that in this and other respects a swing-wing aircraft would be better than a fixed wing one.

(b) The British have scaled down their range requirements. Both countries appear now to be thinking in terms of a combat radius of 250-300 miles.

(c) The two countries now appear to have agreed that the plane should be able both to carry out strike missions against airfields and to give close support to ground troops.

(d) There are still substantial differences between the two countries on how much 'gubbins' (navigational devices, radar equipment, etc.) the plane should carry — and hence about its all-up weight; on the required engine performance; and on whether it should be a single-seater or a two-seater. One possible compromise is that they will agree on an airframe (and the engines to go with it) that could be adopted to meet the more sophisticated requirements for plenty of gubbins beloved by the British air staff, and the cheaper, simpler requirements of the Germans.

(e) There are also some faint signs that at least the framework for the joint industrial development and production of the plane is being established. Until the autumn, Herr Schroeder, possibly because of his health and possibly because of his political ambitions, had seemed to be content to let things slide on the combat aircraft project. Now he has taken a firmer grip and has been pointing out to the German aircraft industry some of the benefits that would accrue from a more cooperative attitude to the British industry.

- In sum: there are signs that the Germans and the British are trying hard to reconcile their differences about this aircraft. But the plan for joint development and production of the plane (with the Italians falling in with them) could still easily founder. If it does, it will carry the EDN down with it.

Diplomatic Ripples in the Black Sea

The two American destroyers *Dyess* and *Turner* have duly sailed into the Black Sea and out again without provoking the confrontation with the Russians which some observers feared. But this episode may yet have some curious repercussions. Specifically:

(i) *Russo-Turkish relations*. The prevalent feeling among Turkish diplomats is that

their country's relations with Russia will not be seriously damaged by the Americans' action, in which the Ankara government acquiesced. But the Turks are not wholly sure; and left-wing elements in Ankara and Istanbul have tried to make political capital out of the affair. The Turkish foreign ministry handled the matter very coolly; the only official comment made was the statement by the foreign minister, **Mr Caglayangil**, who said that 'Turkey is merely implementing the stipulations of the Treaty of Montreux'. The Turkish reply to the Russians' Note of protest was given orally by a senior Turkish diplomat to a senior official of the Soviet embassy.

(ii) *Repercussions on the Middle East and Cyprus.* At the same time, Turkish officials have been disturbed by recent Russian propaganda on the Middle East and in particular by a recent statement by *Pravda* to the effect that Russia regards the Middle East as a zone specially connected with its own security. Ankara's first reaction was that in this context the term 'Middle East' could not possibly include Turkey – and that the warning was aimed at the Israelis, and indirectly the Americans. But again, Turkish officials are not quite sure.

One possibility – it is no more than that – which some of them take into account is that Moscow might show its irritation with the Ankara government by shifting its ground once again on Cyprus. If one or two Soviet warships could show the flag at Cyprus ports (modest as their facilities are) it would be a good piece of Russian propaganda. Recently Russian media have revived the old line that Nato wants to impose its own solution on the Cypriots, and that the British bases in the island are being used to plan 'imperialistic aggression'.

For the past six months, negotiations have been going on quietly between Greek and Turkish Cypriot leaders in search of a permanent solution to the Cyprus problem. At one point these talks were making fairly good progress and there were hopes that a settlement might even be reached by November – which was whispered to be the 'target date'. But this deadline proved unattainable. If these negotiations were to end in failure, and tension were to rise again, how would the Russians react?

In the light of their present activities in the Middle East, they might be tempted to try to turn the situation to their advantage. This might conceivably mean reverting to support of **President Makarios**, who is closer to President Nasser than he is to the Israelis. On the whole, this is improbable; but it is a contingency which policy-makers in Ankara have to take into account.

(iii) *Possible revision of the Montreux convention.* Another possibility is slightly worrying Turkish officials – that, as a corollary to their present naval policy, the Russians might seek to secure revision of the Montreux convention of 1936 in their favour. Some well-informed Turkish pundits have forecast that in the foreseeable future Russia will propose the convening of a conference on the Straits (the Dardanelles and the Bosphorus), with the aim of securing a new treaty which would virtually turn the Black Sea into a Russian lake. In international law, the Russians can claim they are entitled to file such a request. The Montreux convention was automatically extended in 1956 for an indefinite period because none of the signatories requested revision or modification.

Again, this is no more than a possibility. If the Russians made such a move, the Americans would probably want to have a say in any new conference; although as a non-signatory, the United States' right to intervene might be challengeable. Even if a new conference on the Straits were convened at Russian instigation, there is no certainty that Moscow would get the kind of treaty that it wants.

[The parties to the Montreux convention, signed on 20 July 1936, were Turkey,

Russia, Japan, Britain, France, Yugoslavia, Bulgaria, Rumania, and Greece. Under its terms, the Soviet Union was given the right to send any number of warships of any size through the Straits in time of peace without Turkish permission, while the non-littoral powers were permitted to send surface warships with limited armament into the Black Sea. The United States was not a signatory. As rockets did not exist in 1936, the treaty did not cover the possibility that modern missile-carrying destroyers like the *Dyess* and the *Turner* might be sent into the Black Sea.]

(iv) *Future American cruises in the Black Sea.* Turkish officials are sticking to the line that the visit of the two American destroyers was not a violation of the Montreux convention; and there is no indication that the Ankara government will try to veto such visits in the future. The official Ankara policy is that 'as long as these visits are made in accordance with the terms of the treaty, the Turkish government will let American ships go through'. But, privately, the Turks hope that the Americans will not repeat the exercise too often; perhaps twice a year, but not more often. In the present instance, the United States notified the Turkish government two weeks in advance of the passage of the ships and, in accordance with the Montreux convention, the Turks in turn notified the Russians. Significantly, Russia and Bulgaria protested – but Rumania did not.

In sum: the Turkish government feels that last week's 'cold-water war' has blown over – and the more sanguine officials regard it all as a storm in a tea-cup. But at the same time the episode has left an undercurrent of uneasiness. The Turks cannot rule out the contingency that, through miscalculation rather than design, the naval policies of the two superpowers might lead to a confrontation in waters close to Turkey.

The Hawks on Top in Brazil

At first sight last week's events in Brazil appear to be a serious setback to the hope that the country might return to constitutional government. Another theory is that they also contain elements of accommodation designed to avert, or defer, a more serious crisis. The President's assumption of special powers – which has meant the suspension of the constitution, government by decree, and the round-up of Opposition leaders – is in some respects what the Brazilians call a '*composicao*', namely a way out of a dangerous impasse.

The background to this affair is as follows: It had been evident for some time that a critical situation, for which much of the blame has been attributed to **Marshal Costa e Silva's** own 'immobilismo', was impending. The confrontation between the President and Congress (who are in a sense the fronts for the military and civilian forces) was dropped temporarily by mutual tacit consent during the visit of Queen Elizabeth. On her departure it reappeared in a more acute form, aggravated by the approach of the long summer recess and the Government's determination to resolve the affair of **Marcio Moreira Alves**, the deputy for Guanabara.

Moreira Alves had openly accused the military of torturing political prisoners. This allegation, coupled with some other remarks he made, were regarded as an affront to the honour of the armed forces. Under pressure from the army, the Minister of Justice asked Congress to lift his parliamentary immunity so that he could be brought before a tribunal. A trial of strength ensued between the Government and the MDB (Brazilian Democratic Movement) Opposition in Congress – who were backed by some deputies

from the Government party, Arena (the National Renovation Alliance). The Army, prompted by hard-liners, insisted on the suspension of Alves's immunity; and if Congress had gone into recess without giving way on this point, the prestige of the government would have suffered a damaging blow. It would have weakened the hand of the moderates in the regime against the military hawks who want to create an outright military dictatorship.

Marshal Costa e Silva himself is more moderate than his recent actions suggest. Essentially paternalist in temperament, he has too often procrastinated in handling difficult issues; this weakness prompted the colonels to prefer the more dynamic **Marshal Castelo Branco**, junior to him in rank at the time, as leader of the movement which overthrew the leftist regime of President Goulart in 1964.

For the past year Costa e Silva has been the object of continual criticism from several quarters: for example, from supporters of the 1964 "revolution" within and without the armed forces, from members of the government party (Arena), and not least from the press. His critics have accused him of inaction on a wide range of political issues which must be resolved before the presidential elections due in 1970.

Despite last week's events, majority opinion in the armed forces was said to be moderate, and to favour the selection of a civilian to succeed Costa e Silva. But for this to be possible, it was essential that the military should withdraw from the political arena in good order, with their prestige intact and their image untarnished by the kind of allegations made by Moreira Alves—whom Congress has felt duty bound to defend. The main obstacle in the way of a return to full constitutional government has been the group of military hawks in the armed forces.

Sandwiched between the hard-liners and an intransigent Congress, the President acted with unwonted toughness and expedition. His apologists claim he may have averted a more serious clash at least for the time being; this remains to be seen. It is imperative that he makes some conciliatory moves within the next three months (when the public are preoccupied with summer holidays and the Carnival festivities); otherwise the country will slide into sterile, authoritarian military rule. The longer the military delay their return to barracks, the greater the danger of an explosion which even the army will find it hard to contain. There is some evidence of what may be termed Nasserism among the junior officers.

But, by and large, the army is still more unified than the other great national institution, the Catholic church, where the divisions between progressives and conservatives have widened, partly as a result of the encyclicals on social conditions (particularly *Pacem in Terris* in 1962) of Pope John, and the Vatican Council meetings. The Archbishop of Olinda, well known as the leader of the progressive wing of the Church, is committed to 'non-violent revolution'. But in the middle ground between him and the ecclesiastical backwoodsmen in the rural sees there is a large sector of the church which follows the leadership of **Dom Eugenio Salles**, who was recently appointed to the See of Bahia and is now primate of the world's largest Catholic country.

Despite the moderating influence of President Costa e Silva and Dom Eugenio Salles, relations between the Church and the Army, formerly close and harmonious, have deteriorated appreciably. Some militant progressive priests have been placed under house arrest by the military hard-liners.

Another factor that is increasingly complicating Brazilian politics is the emergence of women in politics. In the uncertain no-man's-land between the political parties, women

left the bridge tables of Rio for the more exciting game of politics at the time of the 1964 'revolution'. Often swayed by the parish priests, they led the great demonstrations for 'God, Family and Democracy' which gave the army invaluable moral support. Since then, the government's efforts to cut them down to size have met with very little success. Behind the inexperienced figure of Senhor Marcio Moreira Alves is the more formidable influence of his mother, **Dona Branca**, who wields wide influence in her own right and has close links with the Vatican. (She is a lay member of various Catholic organisations.)

The essence of Brazil's dilemma is the failure of the army to complete the task it set itself when it moved into the political arena in 1964, and its consequent failure to withdraw in good time and in good order, in line with Marshal Castelo Branco's original intention. Last week's events are ominous, but there is just a chance that the slide towards totalitarianism may not be wholly irretrievable. It is important for Latin America that the army should disengage in Brazil by 1970, and withdraw to the barracks to resume its watchdog role.

Mr Clifford's Block-buster

There is little chance now that the peace talks on Vietnam will get down to serious business before February. This is the thinking of diplomats close to the Paris negotiations.

It is not merely that the wrangle over the shape of the table could drag on for some time (although in the end some geometric formula will almost certainly be agreed on, possibly a simple round table). The trouble is that the Saigon delegation's faith in the Americans has been shattered by **Mr Clark Clifford's** television broadcast last Sunday, in which he gave the impression that he wanted to see American troops (presumably all of them) out of Vietnam as quickly as possible, and did not disguise his exasperation with the tactics adopted by the South Vietnamese government. 'I'm becoming inordinately impatient with the continued deaths of American boys in Vietnam', was one of the key sentences in Mr Clifford's statement. He expressed the hope that there would soon be a reduction in violence, and that this 'will lead very quickly to a withdrawal of the troops'.

During the involved and sometimes acid discussions which took place in Saigon in October between the South Vietnamese leaders and the US embassy (when details of the bombing halt and the expanded Paris peace conference were being worked out), President Thieu, on listening to Ambassador Bunker's forceful insistence that peace negotiations must be initiated as speedily as possible, quietly replied: 'Mr Ambassador, I'm not quite sure which country you represent. Is it the United States - or North Vietnam?'

This somewhat uncharitable suspicion of Mr Bunker - who was only acting on his government's instructions - is directed even more at Mr Clifford, and indeed the whole Johnson Administration. Vice-President Ky has already forcefully expressed his views on Mr Clifford - and may go on doing so.

What is worse is that Mr Harriman is viewed with almost equal mistrust; his tactics are regarded by some observers as 'too abrasive' and, rightly or wrongly, the South Vietnamese are convinced that his main objective has been to get a settlement as quickly

as possible, even if this means an unabashed sell-out. The net result of the Clifford episode is the very opposite of what no doubt Mr Clifford hoped for: the South Vietnamese are more determined than ever to stall until the Nixon Administration takes over. The damage already done is enormous.

What Mr Nixon's tactics will be is the great imponderable; but it is not merely on Mr Nixon that the Saigon delegates are pinning their expectations. It is widely believed (though by no means certain) that Mr Harriman will be replaced by **Mr Cabot Lodge**, the former American ambassador in Vietnam who is now America's envoy in Bonn. This would create an intriguing situation; for Mr Lodge was Mr Ky's strongest supporter during the phase in Vietnam two years ago when the war seemed to be turning, albeit slowly, in America's favour. Mr Lodge's right-hand man at this period was **Mr Philip Habib**, a senior American diplomat who is an acknowledged expert on Vietnamese politics; Mr Habib is now the senior State Department officer at the Paris talks – and will continue in this role under the Nixon administration.

Another key personality during this formative phase in Saigon two years ago was **Mr Nguyen Ngoc Linh**, Air-Marshal Ky's principal press adviser. Mr Linh is also in Paris, as spokesman of the South Vietnamese delegation, and as adviser to Ky. In short, if Mr Lodge is chosen to head the American delegation, there will be in Paris a closely-knit coterie of American and Vietnamese diplomats who know each other extremely well, and who – two years ago – were in full agreement on the basic issue: that there must be no sell-out to the communists.

Circumstances have changed; and after January the last word will be with Mr Nixon. But the ideas this group exchanged with one another two years ago are far removed from the sentiments expressed in the past week by Mr Clifford.

A more serious consequence of Mr Clifford's statement is that it has shaken the confidence, not merely of the South Vietnamese, but of America's other allies as well. Many diplomats of the countries involved in the war believe that, in apparently trying to railroad a settlement through, the Johnson administration is bungling the whole affair, and playing into the hands of the communists. One criticism guardedly expressed is that Mr Johnson's page in the history books would be a more statesmanlike one if he stuck to the policy of the last three years and handed the problem over to Mr Nixon on a plate – instead of apparently trying to rush through a twelfth-hour solution.

It is widely believed that the shift in American policy in recent weeks derives partly from Mr Johnson's lingering desire to go out in a blaze of diplomatic glory by meeting Mr Kosygin at a summit conference. An American peace gesture on Vietnam would obviously be a prerequisite, if the White House seriously hoped to lure Mr Kosygin to Vienna or some similar rendezvous. But the chances of such a summit are now virtually negligible; and in the process the United States may have jeopardised the meagre chance that existed of gaining a satisfactory compromise settlement in Vietnam.

The Economist

There will be no issue of FOREIGN REPORT next week, because of the Christmas holiday. The next issue will appear on Thursday, 2 January, 1969.