

RADIO FREE EUROPE
MUNICH

OUTGOING CIPHER MESSAGE

1970 JUL 28

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MUN 80 28 JUL 70

TO: DURKEE INFO YARROW HOVEY DUNNING KAUFMANN REYMAN
FM: WALTER INFO COOK BROWN KOHAK LYON

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RFE DAILY REPORT NO. 168

1. BULGARIA: NOTHING.

2. CZECHOSLOVAKIA: ACCORDING TO DPA AND AFP (DS), THE PILSEN "PRAVDA" HAS REPORTED FORTHCOMING WARSAW PACT MANEUVERS WHICH WOULD ALLEGEDLY BE THE BIGGEST EVER HELD IN CZECHOSLOVAKIA. WE FIND IT PUZZLING THAT THE FIRST ANNOUNCEMENT OF SUCH LARGE-SCALE EXERCISES SHOULD APPEAR IN A REGIONAL PAPER. TODAY'S COUNTRY MEETING DISCUSSED HARRY TREND'S TWO-PART STUDY ON THE "RETURN TO ECONOMIC NORMALCY IN CZECHOSLOVAKIA." IT WAS AGREED THAT AS FAR AS ANY KIND OF ECONOMIC REFORM PROGRAM IS CONCERNED, THE PRESENT LEADERSHIP IS STILL SIMPLY DRIFTING AND THAT IT IS VIRTUALLY IMPOSSIBLE TO DISCERN THE CONTOURS OF WHAT A "HUSAK REFORM" -- WHEN AND IF THIS IS EVER PUT ON THE AGENDA -- WOULD BE LIKE. AS FOR THE CURRENT ATTEMPTS AT ECONOMIC "NORMALIZATION," IT WAS NOTED THAT THE REGIME TENDS TO TACKLE EFFECTS RATHER THAN ROOT CAUSES -- THE HANDLING OF THE PROBLEM OF INFLATION BEING A GOOD CASE IN POINT. IN VIEW OF THIS INCLUSIVE SITUATION, THE BD, IN ADDITION TO DEALING WITH THE SPECIFIC, TOPICAL ECONOMIC ISSUES, WILL CONTINUE TO CROSS-REPORT EXTENSIVELY ON ECONOMIC REFORM DEVELOPMENTS ELSEWHERE IN EASTERN EUROPE. IT WILL ALSO FROM TIME TO TIME RECALL THE IDEAS OF SIK AND OTHER CZECHOSLOVAK ECONOMIC REFORMERS, WHICH WERE A RESPONSE TO AN OBJECTIVE NEED WHICH REMAINS UNCHANGED.

3. HUNGARY: NOTHING.

4. POLAND: NOTHING.

5. RUMANIA: NOTHING.

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6. OTHER: GOLDA MEIR APPEARS TO BE HAVING SOME DIFFICULTY IN ACHIEVING CABINET UNANIMITY BEHIND A POSITIVE RESPONSE TO THE ROGERS PROPOSAL BUT MOST OBSERVERS EXPECT THAT ULTIMATELY, PROBABLY NEXT WEEK, SUCH A RESPONSE WILL BE FORTHCOMING. THE RECOMMENDATION OF DEPUTY PREMIER YIGAL ALLON THAT ISRAEL ACCEPT THE PLAN, THOUGH IT IS NOT SATISFIED WITH IT IN ALL ITS DETAILS, WOULD SUPPORT THIS CONCLUSION. THE PROBLEM WILL COME AFTER THE ISRAELI ACCEPTANCE WHEN THE TRUCE GOES INTO EFFECT. THE PALESTINIAN COMMANDOS WILL OBVIOUSLY NOT OBSERVE IT AND ARE BEING SUPPORTED IN THIS IRRESPONSIBLE ATTITUDE BY "AL AHRAH" WHICH HAS STATED THAT THE TRUCE APPLIES ONLY TO THE SUEZ FRONT BECAUSE A CEASEFIRE IS STILL IN EFFECT ALONG THE JORDANIAN FRONT AND THEREFORE IT CAN NOT BE APPLIED TO THE PALESTINIANS. A CEASEFIRE AGAINST COMMANDOS AND A BAN AGAINST TAKING ADVANTAGE OF A TRUCE TO REDEPLOY MILITARY EQUIPMENT ALONG SUEZ APPEAR TO BE PART OF THE TRUCE PACKAGE FORWARDED BY ROGERS AND PROBABLY STRICT OBSERVANCE OF THESE PROVISIONS WILL BE A CONDITION OF ISRAELI ACCEPTANCE. THE ANNOUNCEMENT THAT AN ISRAELI CABINET SESSION SCHEDULED FOR TODAY HAS BEEN POSTPONED SHOWS THAT MRS. MEIR REQUIRES MORE TIME FOR ARM TWISTING TO OBTAIN A DECISION TO HER LIKING.

GWERTZMAN (NYT) REPORTS THAT THE SOVIETS ARE NOT HAPPY WITH SCHEEL'S ATTEMPT TO RENEGOTIATE THE "BAHR PAPIER." THIS SHOULD SURPRISE NO ONE AS SCHEEL, FOR A VARIETY OF REASONS, HAS EMPHASIZED THAT THE MEETINGS WILL BE HELD TO NEGOTIATE ON THE BASIS OF THE "BAHR PAPIER" WHEREAS THE SOVIETS APPEAR TO FEEL THAT THERE IS NOTHING FURTHER TO NEGOTIATE ABOUT (CF DR NO. 152). THE PRIMARY PROBLEM, AS BOTH GWERTZMAN AND WEST GERMAN SOURCES NOTE, IS THE ATTEMPT ON THE PART OF SCHEEL TO GET THE GERMAN OPTION AND THE STATUS OF WEST BERLIN INSCRIBED SOMEWHERE IN A DOCUMENT WHICH WOULD BE IN SOME WAY PART OF THE RENUNCIATION OF FORCE AGREEMENT SUCH AS IN A PREAMBLE TO THE TREATY. WHETHER A COMPROMISE IS POSSIBLE DEPENDS ON HOW BADLY EACH SIDE WANTS THE TREATY (CF DR NO. 162). IT WAS REPORTED YESTERDAY THAT TASS HAD REPORTED THAT SCHEEL WOULD ONLY REMAIN IN MOSCOW UNTIL 31 JULY, BUT SCHEEL HIMSELF HAS DENIED ANY TIME LIMITS TO HIS STAY AND TASS SAID YESTERDAY THAT THERE ARE NO DATES SET FOR THE CONCLUSION OF THE TALKS.

THE CHALMERS ROBERTS PIECE IN THE WASH POST CONCERNING LARGELY WASHINGTON'S RESERVATIONS ON OSTPOLITIK APPEARS TO US TO BE A REASONED REFLECTION OF OFFICIAL REACTION.

END MSG