



AMBASSADORS YOST, BÉRARD, CARADON & MALIK  
Quite some leverage to apply.

## MIDDLE EAST

### Enter the Big Four

The Middle East has no shortage of prospective peacemakers. Special U.N. Representative Gunnar Jarring has been trying for nearly 16 months to bring about a settlement between Arabs and Israelis. There have been secret meetings in London between Israeli Foreign Minister Abba Eban and Jordan's King Hussein, who is scheduled to arrive this week in Washington. Last week representatives of the Big Four met in New York in an effort to succeed where others have failed.

U.N. Ambassadors Charles Yost of the U.S., Armand Bérard of France, Yakov Malik of the Soviet Union, and Lord Caradon of Britain gathered around the polished mahogany dining table in Bérard's Park Avenue flat.

The four profess to reject the concept of an imposed settlement, which is anathema to both Arabs and Israelis. Instead, the diplomats hope to draw up a list of recommendations that Jarring would then present to both sides. The four powers agree that all discussions should take place within the general context of the November 1967 Security Council resolution, which calls for the Arabs and Israelis to recognize each other's right to exist and seeks Israeli withdrawal from occupied Arab territories.

**Soviet Plea.** There are important differences. The Soviets support the Arab demand that Israel pull back to its pre-war borders. The U.S. contends that Israel must be allowed to keep border areas that make Israel more secure. The Soviets back the Arabs in their refusal to sign a joint peace pact with Israel. The U.S. agrees with Israel that a lasting settlement is possible only if all parties sign a single document. The Soviets, for their part, make much of Arab pride. Soviet Ambassador to the U.S. Anatoly Dobrynin reportedly said: "Remember, my government is dealing with the losers of the 1967 war, and this is much more difficult than dealing with the victors."

There is some hope of flexibility by the Soviets and the French, whose position is close to Moscow's. The Russians are anxious to head off a new outbreak of fighting because the Arabs would likely lose the new weaponry that the Soviets gave them after their last defeat. As for De Gaulle, he

lately has sounded just a shade conciliatory. "The Israelis think I am an enemy," he told President Nixon in Paris. "This is untrue. I carry their hopes for peace and security in my heart." The British, who want the Suez open again, usually back up the U.S.

Arabs and Israelis still say, for the record, that they will refuse to abide by any Big Four peace plan. But Big Four diplomats hope that both sides will finally take a more reasonable attitude. The Big Four can apply a great deal of leverage to both sides. Theoretically, at least, the Soviets could cut off military and economic aid on which the Arabs are dependent. The U.S. could do much the same to Israel.

Even though such drastic measures so far seem unlikely, the Big Four would accomplish a lot if they achieved unity among themselves. But the results of last week's proceeding in the Security Council were hardly encouraging. As they have done for months, Russia and France both voted to condemn Israel for an airstrike on Jordan while taking no note whatsoever of the raids from Jordan that provoked the Israeli retaliation. The U.S. and Britain? They abstained.

## PERU

### Heading for a Showdown

What were those Seabees doing last week bricking over windows in the U.S. embassy in Lima? Repairing earthquake damage was the official reply. Earthquakes? Lima has not suffered a serious shake in 30 months. Actually, the Seabees were preparing for a possible upheaval of a far different sort. In the past few months, relations between the U.S. and Peru have been disintegrating so rapidly that American diplomats fear that the embassy may become a target for mob violence.

Time is pressing. Unless there is a last-minute compromise, or a U.S. decision to delay, Washington this week will be forced to end all aid to Peru as well as sugar purchases at preferential prices. The political consequences of such action are cloudy, but the economic effects are clear. Peru would lose at least \$50 million a year in U.S. trade and aid.

The conflict between Peru and the U.S. revolves around a Standard Oil of New Jersey subsidiary, the International Petroleum Co., which has been

pumping oil out of Peruvian soil since 1924. Last October, only six days after they had overthrown President Fernando Belaúnde, Peru's new military masters seized IPC's property. Under the 1962 Hickenlooper Amendment, the U.S. is obliged to halt foreign aid and preferential-trade deals with any country that expropriates American property without making adequate compensation. Under Hickenlooper, the cutoff must take place six months after the seizure unless "meaningful" negotiations are in progress toward a settlement.

For his part, General Juan Velasco Alvarado, the leader of the Peruvian junta, professes that he cannot comprehend why the U.S. is so upset. The seizure was legal under Peruvian law, he explains. Furthermore, according to the junta's charge, IPC still owes some \$690 million for oil it "illegally" extracted. To the junta's way of thinking, it is Peru that should be angry. The U.S., says General Velasco, "is a just country. I cannot believe that the amendment will be applied."

**Presidential Emissary.** Last month, as the deadline drew near, President Nixon sent to Lima a personal emissary, Wall Street Lawyer John N. Irwin, who previously helped negotiate new Panama Canal treaties. At week's end, after a number of fruitless sessions with the junta, Irwin flew back to the U.S. for consultations before returning to Lima. "I am not optimistic," he said in Washington, "but I refuse to be pessimistic until we have completed our conversations."

The Nixon Administration would like to prevent a crisis by finding a way to avoid invoking the amendment. It has managed to extend the deadline for ending aid by five days. General Velasco could release the U.S. from its duty by agreeing to a negotiated settlement, but he can hardly back down under U.S. pressure without destroying his own rep-



JUNTA LEADER VELASCO  
A true disbeliever.



utation. It was largely because President Belaúnde had failed to crack down on IPC, and thus defy the U.S., that Velasco was able to whip up popular support for his military takeover. The support continues, as far as Velasco's expropriation of IPC is concerned. But many Peruvians are finally realizing that the U.S. is also serious, and they have become concerned about the economic consequences of U.S. action. As a result, Velasco could very well find his position seriously weakened.

## BRAZIL

### No Cheers for the Heroes

When the Brazilian army ousted leftist President João Goulart and rescued the country from the edge of chaos in 1964, joyful crowds danced in the streets of Rio de Janeiro and hailed the sol-

nor bent on building up personal fortunes. Nonetheless, they have imposed on Brazil a strict rule that recently has grown more repressive. At present, congress is "in recess," unions are forbidden to strike, and virtually all leading politicians are banned from participation in public life. The press and television are closely supervised. Dozens of Brazilians are in jail on unspecified political charges. Costa e Silva recently broadened the list of offenses punishable by jail sentences to include even talking or writing in terms that have a hidden meaning—an attempt to halt the double-entendres that Brazilian politicians, journalists and the people at large delight in using to ridicule military men. The atmosphere of intimidation is so great that only the Catholic Church dares to speak out in public. In a recent protest, the bishops denounced the "violation of fundamental rights" and called for a return to democratic rule.

Such heavy-handed government actions cancel out the satisfactions that Brazilians might otherwise feel about the country's remarkable economic revival. Though problems of poverty and illiteracy still abound, the army-backed government has succeeded in containing Brazil's worst economic enemy, inflation, which previously ate up wages before they could be spent. Now, tough monetary policies have cut the inflationary rate from 87% in 1964 to an almost bearable 24% last year, and the situation continues to improve. As a result of returning business confidence and pump-priming government programs, thousands of new jobs are being created by a thriving construction industry, new shipyards, and auto

plants that this year will turn out 450,000 cars and trucks.

**Mutual Antagonism.** Army engineers are laying new highways—well posted with signs saying "The Army Builds"—that are opening up previously inaccessible farmlands. The country's agriculture, long overly dependent on coffee, is being diversified with other crops. Brazil's impoverished Northeast is receiving record amounts of government aid and private investment.

In a way, Brazil's economic growth has only increased the present mutual antagonism of civilians and the military. The stability has strengthened the conviction of many army men that they alone know how to run the country and that the people should follow their lead without complaint. Yet, as the country grows economically healthier, many Brazilians, notably the students and intelligentsia, see less and less excuse for the soldiers to remain in power.

## CANADA

### Decision on NATO

Canadians and Americans have traditionally taken each other for granted. If frictions have developed, they have rarely seemed significant. In no area has North American unity seemed more certain than in matters concerning mutual security. Thus last week, on the eve of NATO's 20th anniversary, it came as a shock to most Americans when Canada's Prime Minister Pierre Elliott Trudeau announced that Ottawa will "take early steps to bring about a planned and phased reduction" of the number of Canadian troops on duty in Europe. Though Trudeau did not say so, the new policy contemplates a complete withdrawal of Canadian forces from Europe by 1975. After that, Canada will remain a NATO member but will not station forces permanently abroad.

Though so extensive a pullback was not expected, the fact that Canada was taking an entirely fresh look at the Atlantic alliance was no secret. Trudeau, who tends to govern his country almost as if he were conducting a leisurely seminar, has devoted his first year in office more to tossing problems to task forces for study than to providing any new directions for Canadian policies. None of Trudeau's task-force assignments have provoked livelier discussion at home, or greater misgivings abroad, than his question whether the time had come to bring home the troops.

**Exercise of Independence.** Trudeau's decision does not mean that he plans a retreat to Fortress Canada. Rather it reflects Canada's uncertainty over how it may contribute to collective security while retaining a capacity for independence in the shadow of the U.S. Trudeau is determined to exercise that independence, though he is well aware of its limitations. "Obviously," he recently remarked, "we couldn't under any circumstances have a foreign policy that was completely contrary to the interests of the United States. I just don't think they would allow it."

By leaving vague the details and intentions of his policy, Trudeau infuriated many Canadians. For the socialist New Democrats, who favor an immediate pullout, Deputy Leader David Lewis denounced the decision as "meaningless, imprecise, nothing short of scandalous." Conservative Leader Robert Stanfield complained that Canada was failing to live up to the defense obligations that it helped shape as a founding member of NATO. The NATO allies are also certain to be disappointed. Canada's six squadrons of CF-104 Starfighters and the 5,000-man armored brigade in West Germany have been a valuable part of the NATO shield. Still, the main blow in the U.S. and Western Europe is psychological; though no one doubts that Canada remains attached to collective security, its departure from Europe may encourage others to weaken their NATO commitments.



COSTA E SILVA AT CELEBRATIONS IN BRASÍLIA  
*Soldiers know best.*

diers as their heroes. Last week, as Brazil marked the fifth anniversary of the army's revolution, the only celebrations were those staged by the military, and the only praise came from the generals themselves.

**Close Supervision.** Even that praise was well measured. Aware of his government's unpopularity, Marshal turned President Arthur da Costa e Silva divided his lengthy televised anniversary address to the nation into four one-hour installments that were shown on successive evenings. Purpose: to avoid annoying the viewing public by interfering with their favorite evening soap operas. The presidential prudence reflected the reality that though military rule has brought unprecedented growth and prosperity, the mood of Latin America's most populous country is one of resentment and unease.

Unlike old-style Latin American dictators, Brazil's rulers are neither brutal