

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

~~TOP SECRET SENSITIVE~~
CONTAINS CODEWORD

February 12, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

ZBIGNIEW BRZEZINSKI

SUBJECT:

Information Items

Soviet Policy Toward Cyprus: According to a State Department analysis, the Soviets can play only a marginal role -- for good or ill -- in the Cyprus settlement process. Moscow's conflicting interests with the various parties limit its flexibility, and the parties themselves believe the USSR neither can nor should be a major actor.

Moscow's basic objective for over a decade has been preservation of Cyprus as an independent and non-aligned state. The Soviets calculate that this status will:

- limit Western influence on the island;
- minimize the chance that it will become a NATO base;
- offer good prospects for the Cypriot Communist party (AKEL) to strengthen its role; and
- preserve Cyprus as a continuing source of friction between Greece and Turkey.

Meanwhile, Moscow has tried to avoid undue strain on Soviet-Turkish relations by neither condemning nor condoning the 1974 Turkish invasion of Cyprus, and by giving "principled" support to the right of Turkish Cypriots to have their interests protected as a part of any settlement. The Kremlin is privately indicating that Moscow could accept a constitutional settlement based on the Turkish preferred model of a bi-zonal federation, providing such an arrangement does not camouflage a Greek-Turkish partition of the island.

Iran Cuts Military Budget: Earlier this month the Shah ordered Iran's military budget trimmed some 20 percent and is

DECLASSIFIED

Per: Rac Project

ESDN: NLC-1-1-8-64-1

BY: PK NARA DATE: 9/23/05

~~TOP SECRET SENSITIVE~~
CONTAINS CODEWORD

reconsidering his decision to buy F-16s and four Spruance class destroyers. The State Department believes that cancellation of the F-16 seems unlikely, but the Spruance order might be dropped. Although the designated cuts include projects which are popular with the military, they will not undercut the loyalty of the top military on which the stability of the regime depends.

In setting a lower ceiling on military spending and ordering all non-essential projects halted, the Shah has involved himself personally in the oversight of the cuts. While this is consistent with his long-term personal interest in military matters, it probably also reflects a lack of confidence in his own officers and an awareness that some of the cuts will not be popular.