MEMORANDUM

THE WHITE HOUSE

TOP SECRI	T-SENSITIVE
CONTAINS	CODEWORD

WASHINGTON

March 25, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

ZBIGNIEW BRZEZINSKI

SUBJECT:

Information Items

Guyanese Relations With the U.S. and USSR: Prime Minister Burnham recently expressed his desire for improved relations with the U.S. He noted that the image you are projecting would make it politically possible for non-aligned and developing nations to cooperate with the U.S. Foreign Secretary Wills' report of his meeting with Secretary Vance had convinced Burnham that the U.S. accepted Guyana's right to organize its economy on socialist precepts and to have a non-aligned foreign policy. Embassy Georgetown comments that Burnham appears sincere in his desire to improve relations with the U.S. and his government is making symbolic gestures, such as improved media coverage of the U.S. The depth of his commitment will remain unclear until he has to choose between policies pleasing to us or to Cuba and the Soviet Union.

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BY ARA DATE 10/3/05

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PRC Continuing Economic Problems in the PRC: As part of their current secret deliberations in Peking, China's leaders may be preparing for a major industrial conference expected to begin in mid-April. The conference will probably produce major economic policy announcements and could be the venue for launching the much-delayed Fifth Five-Year Plan (1976-1980). Key problem areas include:

- --Agriculture, the largest and most important sector, has suffered in the 1970s from harvests that have barely kept pace with population increases.
- --Coal, which accounts for two-thirds of China's basic energy supply, has grown only marginally in recent years, due to past under investment, antiquated equipment, and inferior technology.
- --Steel output fell by an estimated 20 percent last year.
- --Railroads have suffered from poor administration, lack of investment, and factional strife.

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As a result of these problems, State feels that China needs to import significantly more grain, steel, fertilizer, and other basic commodities this year than it had originally hoped. But, with production and distribution problems holding down its oil exports, there is little prospect of sharply boosting 1977 export earnings. Consequently, Peking will have to resign itself -- for at least another year -- to importing less advanced equipment and technology than it needs.

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