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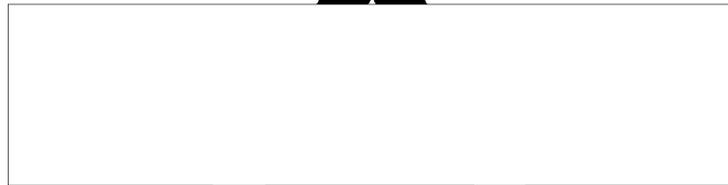
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NATIONAL INTELLIGENCE DAILY CABLE

Wednesday November 3, 1976

CI NIDC 76-257C

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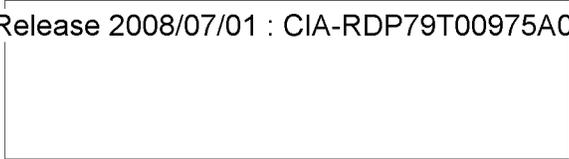


State Dept. review completed.

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National Intelligence Daily Cable for Wednesday, November 3, 1976.

The NID Cable is for the purpose of informing senior US officials.

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## LEBANON: Situation Report

[redacted] Lebanese President Sarkis and Christian leaders reportedly agreed yesterday on a plan that would allow Christian soldiers from the regular Lebanese army to serve in the Arab League peace-keeping force and to patrol the Christian side of the major confrontation lines. The plan--which apparently was put forth by Christian army officers--is intended to appease Christian militia leaders, such as Camille Shamun, who oppose the movement of Muslim peace-keeping troops into Christian territory.

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[redacted] Arab League mediator Hasan Sabri al-Khuli referred obliquely to the new plan in a press conference yesterday, but refused to be drawn out on specifics or the number of regular army troops that will participate in the deterrent force.

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[redacted] The Christian contingent would presumably also be directly responsible to Sarkis rather than other Christian leaders and would be drawn from the ranks of those who have had the least involvement in the conflict.

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[redacted] Muslim leaders and leftist chief Kamal Jumblatt will object strongly to any arrangement that subjects them to policing by Syrians and other Arabs while the Christians, in effect, monitor themselves. Militants like Jumblatt will almost certainly accuse Sarkis of caving in to the demands of his fellow Christians and may try to use the issue as a pretext for breaking their already tenuous commitment to the cease-fire. The Beirut press speculated yesterday that some Lebanese Muslim forces might be allowed to join the peace-keeping force in order to give the appearance of evenhandedness.

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[redacted] The Saudi and Sudanese contingents that will augment the Arab League force reportedly arrived in Damascus on Monday and may have begun entering Lebanon yesterday. US officials observed a convoy of empty Syrian tank transporters moving toward Damascus early this week; the convoy may have been returning

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[redacted]

from carrying supplies to Lebanon for the newly arrived Saudi and Sudanese reinforcements. It is also possible that Syria is rotating its own troops or sending in additional units to take part in the peace-keeping force. [redacted]

[redacted]

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#### CHINA: Announcement

[redacted] The Chinese leadership yesterday issued the new regime's first authoritative statement on domestic and international affairs.

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[redacted] The "announcement"--in itself an unusual form of communication--was ostensibly a message of thanks to foreign individuals and organizations for their expressions of sympathy to China on the passing of Mao Tse-tung. The "announcement" was issued in the name of the party Central Committee, the standing committee of the National People's Congress (the Chinese legislative body), the state council, and the party's military affairs commission.

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[redacted] The statement is short on specifics but seems designed to reassure both domestic and foreign audiences that there will be no sudden break in Chinese policies at home or abroad.

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[redacted] On the domestic front the statement may be meant to reassure those Chinese who sympathized to some degree with the ideological position of the fallen leftists that the Maoist vision of a revolutionary society will not be abandoned despite the fact that the current Chinese leadership is composed of "centrist" and rightist civilians and important military men.

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[redacted] References to domestic affairs, however, are brief, and consist merely of a series of well-worn slogans that have been given prominence in propaganda in recent weeks. Perhaps significantly, there is no reference to the need to preserve "new socialist things," a catch-phrase used by the fallen leftists to emphasize the policies and organizational forms spawned by the Cultural Revolution. There is also no mention of the leftist-inspired campaign to criticize former vice premier Teng Hsiao-ping.

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[redacted] In the international sphere, the "announcement" stresses that China's current foreign policy was "personally laid down" by Mao and strongly implies that this policy is immutable. This part of the statement seems designed to put to rest speculation that Chinese policy toward the USSR is subject to change now that Mao is dead and the leftists have been eliminated from the leadership.

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[redacted] By implication, the USSR is branded as a "sham" Marxist-Leninist country; the "announcement" states that China will "unite with all the genuine Marxist-Leninist parties and organizations the world over and carry the struggle against modern revisionism"--read the USSR--"through to the end."

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[redacted] Although the "announcement" is clearly meant to stress continuity of policy, the reference to "all genuine Marxist-Leninist parties and organizations" may signal some modification of China's attitude toward the so-called Marxist-Leninist groups that Peking sponsored in the early 1960s as a means of countering Soviet international influence during the early stages of the Sino-Soviet dispute.

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[redacted] In 1971, China largely abandoned its position of patron to these non-ruling parties, recognizing that they were for the most part ineffective and perhaps more trouble than they were worth. The "announcement" suggests that Peking may now be prepared to resume its paternal relationship with these parties and groups.

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[redacted] If the new Chinese statement does signal a reassessment of the usefulness of these groups, this suggests that the current Chinese leadership may remain somewhat skeptical as to the degree China can rely on its improved relations with the US to offset what it sees as worldwide Soviet pressures against Peking. Signs of such skepticism were apparent in the autumn of 1975 and again last summer, when the leftist leaders still retained power. [redacted]

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## INDIA: New Constitutional Amendment

[redacted] The passage of the constitutional amendment in India's lower house of Parliament yesterday clears the way for institutionalizing unprecedented power in Prime Minister Gandhi's Congress Party government. Approval by the upper house and at least half the 22 state governments is also required, but the party's majority in the upper house and its control of most state governments makes these steps largely a formality.

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[redacted] The amendment unequivocally establishes the Prime Minister as the supreme authority in the government and institutionalizes many repressive measures in effect since Gandhi imposed a national emergency in June 1975. The amendment sharply curtails the power of the judiciary to challenge legislative and executive actions and to safeguard civil liberties. It also enables the government to ban groups and activities it considers "anti-national."

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[redacted] During the next two years, Gandhi is authorized to make additional constitutional changes under the pretext of removing "difficulties" that stand in the way of implementing the new amendment. For more than a year, she has claimed that revisions in the 26-year-old constitution are needed to speed important social and economic changes.

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[redacted] Many features of the new amendment, however, indicate that Gandhi's chief aim is to retain the vast power she has held on a temporary basis since establishing the emergency. On the basis of her performance during a decade of rule, it seems unlikely that Gandhi will impose far-reaching policies aimed at redressing the basic inequities in Indian society.

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[redacted] Parliamentary action on the amendment was preceded on October 30 by a government announcement that the life of the present parliament will be extended at least until March 1978. The present term--already extended for one year--was to expire next March. The move was denounced by the opposition parties, most of which are boycotting the current session. [redacted]

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## BURUNDI: Late Item of November 2, 1976

[redacted] President Micombero and Chief of Staff General Ndabemeye were ousted last night by a military coup, according to the US embassy in Bujumbura.

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[redacted] The local radio has been playing martial music, except for a brief announcement that "responsible officers" have taken over to get rid of "anti-national elements" whom Micombero has allowed to creep to the top. All government and party organs have been abolished and the cabinet fired. Bujumbura appears quiet and normal, although the roads are still blocked and the airport is closed. Further announcements will presumably be made in the next day or so.

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[redacted] The embassy's tentative view is that almost the whole officer corps probably got together to plan a peaceful takeover when the senior officers became fed up by Micombero's [redacted] absenteeism, and misrule and by the scope of corruption. If the senior officer corps in general is behind the coup, there probably will not be much change in Burundi's moderate orientation, though there may be an increase in rhetoric about patriotism, sacrifice, and perhaps about "socialism."

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#### BURUNDI: Situation Report

[redacted] Burundi remains quiet following the military's takeover on Monday from the Micombero government. The local radio yesterday announced that the armed forces had set up a 29-man council to run the country, assisted by an executive committee to carry out its policy directives. The council is headed by Colonel Jean Bagaza, who apparently led the coup.

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[redacted] In suspending the constitution, the council said its mission will be "to redefine national policy, re-establish order, and rid the government of incompetence." It has also pledged to respect the charters of the UN and the Organization of African Unity and to pursue a foreign policy of good-neighborliness.

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[redacted] US observers have considered Colonel Bagaza friendly but of modest ability. He attended the Belgian Royal Military School in 1971 and since 1972 has served as deputy chief of staff. Bagaza has made official visits to China and the USSR to arrange for military assistance and training.

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[redacted] Yesterday's radio announcement said the military had no other choice but to take control because Micombero had assumed excessive power and failed to address the country's

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[redacted]

pressing political and economic problems, and because corruption was rife.

[redacted] Burundi, a former Belgian colony on the eastern border of Zaire, was the scene of violent tribal feuding in 1972, that resulted in approximately 200,000 killed. We see no indicators that Bagaza's coup will trigger any new outburst of such tribal violence. [redacted]

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#### EAST GERMANY: Economic Policy

[redacted] An exchange of jobs by two of East Germany's top economists following last Friday's leadership shake-up will strengthen party control over the implementation of its economic policies.

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[redacted] Guenter Mittag steps down as first deputy chairman of the Council of Ministers and returns to the far more powerful post of party secretary for economic affairs--a job he held from 1963 to 1973. Mittag, 50, has long been acknowledged as the party's economic wizard. He is a prominent member of the group of younger technocrats that has spearheaded East Germany's efforts to modernize industrial production and decentralize planning and administration.

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[redacted] Mittag's replacement on the Council of Ministers is Werner Krolikowski, who has held the party secretariat position for economics since Mittag's departure three years ago. As party economic boss, Krolikowski has been a tough taskmaster, but he probably has lacked Mittag's broader managerial skills and energy, which apparently are now called for.

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[redacted] With the shift of the key party post from Krolikowski to Mittag, the latter has gained political ground. Both men, however, retain their policy-making posts on the Politburo, where party chief Honecker may well want to take advantage of Krolikowski's proven tough approach to the resolution of conflicting economic interests. In an address to the parliament on Monday, Prime Minister Stoph called for more effective performance from all state and economic organs.

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[redacted] The economic leaders face some tough sledding. In addition to chronic problems in distribution and power shortages, East Germany faces other difficulties over the longer term. As an exporter of manufactured goods and a net importer of fuels, metals, grains, and other raw materials, it has been hit unusually hard by competition from industries in other communist countries since the early 1960s, by a growing scarcity of cheap raw materials, and by the mounting preference of its major East European customers for Western machinery and equipment.

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[redacted] In addition, East Germany is now being forced to import grain from the West to compensate for its own reduced output due to this year's severe drought. The regime's goal of cutting the 1976 trade deficit and its promises of improving the consumers' lot are thus in trouble. [redacted]

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#### CHILE: Withdrawal From Andean Pact

[redacted] Chile's withdrawal from the Andean Pact on October 30 will open new economic opportunities but at the cost of losing some privileges it enjoyed under the seven-year-old pact with Bolivia, Colombia, Ecuador, Peru, and Venezuela.

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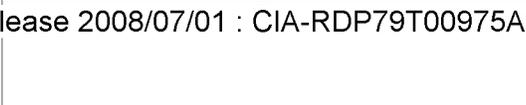
[redacted] Unfettered by Pact restrictions, Chile is now free to reduce tariffs and to court direct foreign investment on any terms it can get. Chile wants foreign capital and lower-cost imports to increase economic growth and to help reduce inflation. As a price of withdrawal, Chile forfeits future exclusive manufacturing rights for supplying the member countries under the Pact's petrochemical and light engineering sector programs.

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[redacted] A joint Andean Pact - Chilean committee has been established to oversee Chilean cooperation with the Pact in production, trade finance, and technology. Chile has agreed to implement the planned Andean road transportation system, and to honor Pact policies promoting indigenous multinational enterprises. Chile's access to loans from the Andean Development Corporation will not be affected.

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 Chile believes its economic and political interests can be better served by association with the River Plate Basin countries--Argentina, Bolivia, Brazil, Paraguay, and Uruguay. Over the past three years, Chile's trade with these nations has been twice that of trade with the Andean Pact countries, excluding Bolivia, a member of both groups. Chile has already accepted observer status in the River Plate Basin Group. 

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