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NATIONAL INTELLIGENCE DAILY CABLE

Tuesday May 17, 1977

CG NIDC 77-114C



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**NATIONAL SECURITY INFORMATION**

Unauthorized Disclosure Subject to Criminal Sanctions

State Dept. review completed

**Top Secret**

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National Intelligence Daily Cable for Tuesday, May 17, 1977.

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

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## POLAND: Student Challenge to Regime

25X1 [ ] *Students in Poland are pressing the Gierek regime to investigate the death of a student activist. If the students maintain their public campaign, Gierek will face his most serious political test since last June when Poles rioted to protest proposed price increases.*

25X1 [ ] Thousands of students attended a requiem mass, and an estimated 5,000 took part in a silent candle-lit procession Sunday in Krakow to mourn the death of a student human rights activist, Stanislaw Pyjas. Polish officials prevented several leading members of the dissident human rights organization, the Workers Defense League, from participating in these events.

25X1 [ ] The students, who believe Pyjas was murdered by local police thugs, are keeping up pressure on the regime to carry out a full investigation. At Sunday's demonstrations they announced they have established a Students' Solidarity Committee to support the human rights goals of the Workers Defense League, an organization established earlier this year by Polish intellectuals. They also announced their intention to stage memorial services in other Polish cities.

25X1 [ ] Party leader Gierek may soon face his most ticklish political situation since last June's riots. Students are now celebrating the end of this school year and normally would soon disperse to summer vacations and jobs. If the students turn these celebrations into political protests and maintain their activities, Gierek will be forced to make some tough decisions.

25X1 [ ] The official news media continue to say that Pyjas died after falling down some stairs in a drunken stupor, and the party daily has labeled the demonstrations in Krakow a "political provocation."

25X1 [ ] //Regime leaders, however, remained silent. Gierek probably hopes that the student fervor will die out. If it does not, he must decide whether to agree to an investigation into the death or to follow a tough policy. If he follows the former course, tensions would decrease but the human rights activists will gain a "victory" that would cause reverberations

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within the party and state bureaucracies, which may already be in favor of a harsher course against dissidents. If he pursues a tough course, Gierak risks further demonstrations and student activity.//

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[redacted] There is no indication that workers, who spearheaded last June's demonstrations, have become involved in the most recent incidents. The regime will carefully monitor the mood in the factories to prevent any linkup with students. [redacted]

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ETHIOPIA: Government Campaign

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[redacted] Activity in support of Ethiopia's planned peasant campaign against antigovernment groups in the northwestern part of the country has increased markedly in the past two weeks, and the peasant militia may begin operations as early as the end of May.

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[redacted] Cash contributions equaling almost \$1 million have been made by the public, and a training camp at Siga Meda near Addis Ababa now contains some 55,000 to 80,000 peasant militiamen. Citizens' associations in Addis Ababa are contributing labor to support the camp.

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[redacted] The government has not announced the objectives of the campaign, except in general terms of "defending the motherland." We expect it to be directed first at crushing the moderate Ethiopian Democratic Union in the Gondar region and the secessionist Tigre People's Liberation Front in the Tigre region, and also at eliminating the few pockets of leftist dissidents in the two areas. An offensive against insurgents in Eritrea Province presumably will follow if the first phase is successful.

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[redacted] The peasant militia has been assembling at the Siga Meda training camp in response to two speeches in April by Provisional Government Chairman Mengistu. The "volunteers" are housed in donated tents which do not provide adequate protection against the cold, and there have been rumors of cholera and typhoid outbreaks in the camp. Some training appears to be under way, but weapons reportedly are issued without ammunition and locked up at night.

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[redacted] To provide the militia with leaders, the government has accelerated or cut short training of several hundred army officer candidates. The most recent class from one officer training school has been assigned to the peasants' training camp.

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[redacted] There are indications, such as orders for the delivery of gasoline, that the militia may take the field as early as the end of this month--after only one month of training. If the militia delays much beyond that time, it would run into the rainy season, when large-scale military operations would be exceedingly difficult.

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[redacted] Sizable numbers of troops, fuel tankers, and equipment--including some recently delivered Soviet weapons--have been heading north from Addis Ababa to Gondar and Makale. Ethiopian radio has been claiming significant successes by the regular army in recent operations against the Ethiopian Democratic Union.

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[redacted] The effectiveness of any offensive by the peasant militia will largely be determined by the amount of training it receives. The group has a better base of organization, supplies, and weapons than the thousands of peasants who were sent out to fight secessionist guerrillas in Eritrea last year; that operation turned into a debacle.

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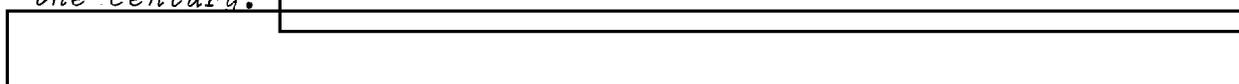
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JAPAN: Geothermal Efforts

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*[Redacted] //Japan has an extensive program to develop the technology and construct the power plants needed to use its geothermal energy resources to help overcome its dependence on imported fuels. The Japanese hope to obtain nearly an eighth of their electric power from geothermal facilities by the end of the century.*

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*[Redacted]* Japan has experimented with generating geothermal power for some time, and completed its first practical geothermal power plant in 1966. Operating geothermal plants now have a capacity of 53 megawatts; three facilities of 50 megawatts each are under construction. All use natural geothermal steam. By 1985, the Japanese hope to have 2,100 megawatts of operational power capacity using natural geothermal steam.

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*[Redacted]* Other sources of geothermal heat, such as thermal waters, volcanic rock, and magma, will subsequently be exploited. A 10-megawatt test unit using thermal waters is planned for 1980 and a 50-megawatt plant for 1990. A 100-megawatt facility exploiting volcanic or dry hot-rock technology is planned for operation by 1995.

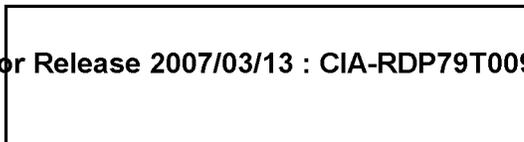
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*[Redacted]* Altogether the Japanese expect to have approximately 48,000 megawatts of geothermal power capacity by the end of the century. Recent surveys have identified over 10,000 sites in Japan where geothermal power production may be possible, and one source estimates that Japan has 10 percent of the earth's readily accessible geothermal potential.

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*[Redacted]* The requisite technology is available to build the more than 40 natural steam power plants of 50 megawatts each that Japan will need to achieve its 1985 goals for geothermal

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generating capacity. Further increases in geothermal power production in Japan will include new technology to exploit lower temperature water and dry heat sources such as hot-rock and magma deposits. Such systems are being studied by the Japanese and others, and the Soviets recently announced that they will undertake a volcanic power project on Kamchatka.

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None of the new systems being studied has yet been used anywhere to generate electric power on a commercial scale. Exploitation of geothermal sources other than steam is unlikely to contribute greatly to helping Japan meet its ambitious geothermal power goals for the year 2000.

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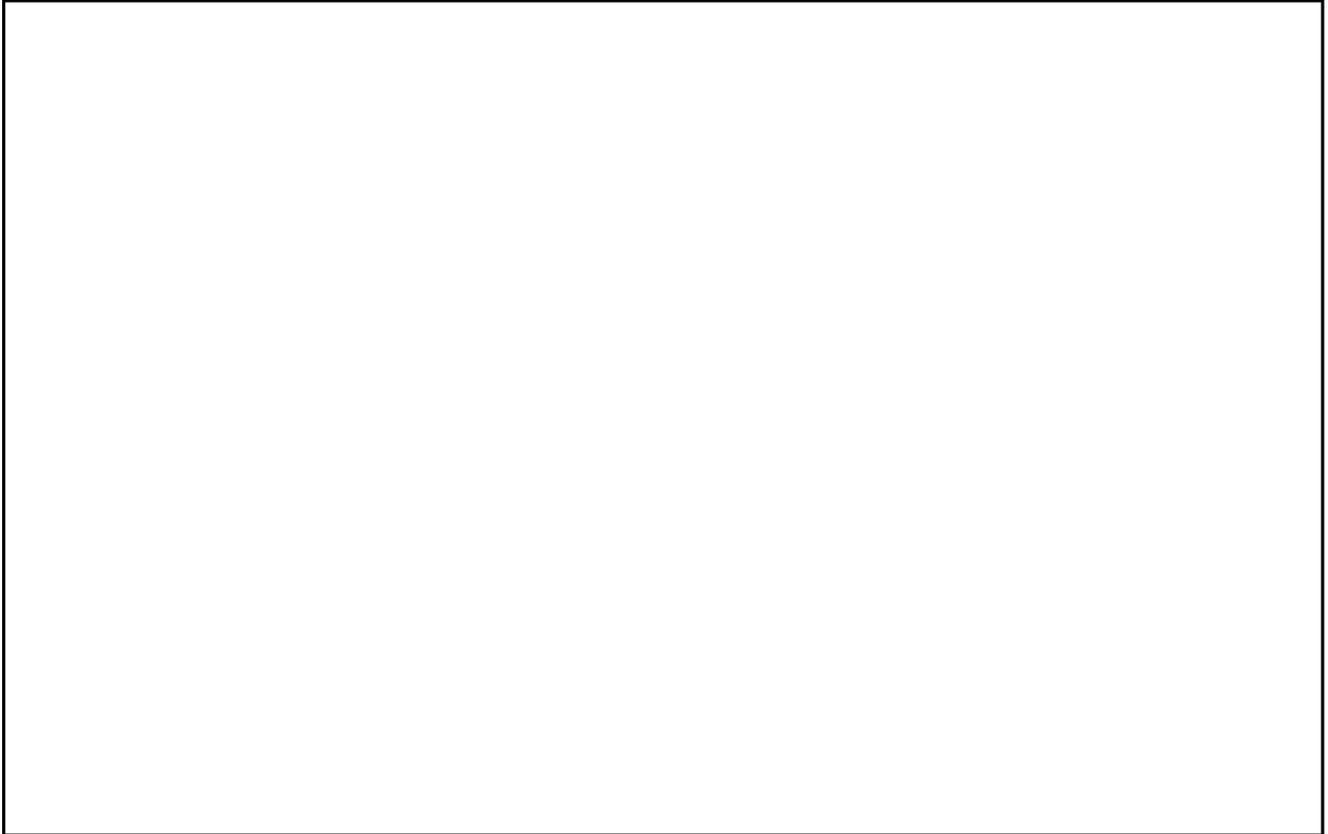
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Geothermal energy, as well as the other forms of non-nuclear energy being investigated under Project Sunshine, is expected to contribute to solving Japan's energy problem. Geothermal sources are expected to contribute only 1.5 percent of Japan's electricity supply by 1985 and possibly 12 percent by the year 2000. By comparison, installed nuclear capacity in 2000 is conservatively expected to constitute about a quarter of Japan's electricity supply but could, conceivably, furnish as much as half of electricity output.

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PORTUGAL: Unrest in Azores

25X1 [redacted] *Azorean separatists clashed with police in the main city of Ponta Delgada on Sao Miguel Island Sunday night over the raising of the Azorean flag at a religious celebration. Portuguese army and police reinforcements were brought in yesterday, and the situation appears to have calmed.*

25X1 [redacted] According to the US consul in Ponta Delgada, the dispute began when supporters of the Azorean Liberation Front--a conservative group advocating immediate independence for the archipelago--defied orders from Portuguese authorities and insisted on flying Azorean flags alongside Portuguese flags as decorations for a local holiday. The Azorean flags normally are flown openly on private property.

25X1 [redacted] During the ensuing scuffle between separatists and police attempting to remove the Azorean flags, gunfire by one of the separatists wounded four policemen and one civilian. Several others were injured by rocks.

25X1 [redacted] The separatists may have been trying to gain sympathy for their cause while thousands of visitors were present, and the incident should remind the government in Lisbon that the Azores must be treated with care. Most islanders have decided for the time being to settle for autonomy under Portugal, but sentiment for independence continues to exist beneath the surface and could be increased by an unpopular action by Portuguese authorities.

25X1 [redacted] The incident has created new tensions between the Socialists, who lead the mainland government, and the Social Democrats, who dominate the Azorean regional government. The Socialists were quick to criticize the regional government's lack of firmness in dealing with the separatists.

25X1 [redacted] The Social Democrats, in contrast, have played down the incident. The regional government responded that the municipal authorities in Ponta Delgada had not intended to offend the mainland in allowing the Azorean flags to fly, but wanted to affirm their interest in regional autonomy.

25X1 [redacted] Portuguese President Eanes has taken a stand similar to that of the Socialists, condemning the events as "intolerable" and criticizing the "inaction of the regional government." Eanes' statement is not in keeping with the understanding he has recently shown toward Azorean leaders and their bids for increased autonomy. Regional officials are wary of the Socialist leaders in Portugal, but thought President Eanes would protect their interests in Lisbon.

25X1 [redacted] The violence appears to have no connection with the visit of Vice President Mondale to Lisbon. Eanes' response, however, may have been harsher than usual in an attempt to demonstrate the stability of his government to the visiting US delegation. [redacted]

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SOUTHERN AFRICA: Conference in Mozambique

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[redacted] A UN-sponsored conference in support of the peoples of Rhodesia and Namibia opened yesterday in Maputo, Mozambique. The conference, which will run through Saturday, is being attended by representatives of more than 80 countries, as well as numerous organizations that have been involved in the Rhodesian and Namibian problems. The Maputo meeting affords an unusual opportunity for the exchange of views, especially between moderates and militants, on the goals of self-determination and independence for black majorities.

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[redacted] Opening speeches by UN Secretary General Waldheim, President Machel of Mozambique, and OAU Secretary General Eteki were relatively mild. Machel confined himself largely to denouncing concerns over minority rights, noting that whites are trying to remain a small group of privileged foreigners. At the same time, he spoke of the positive steps that have been taken on negotiations, a reference to the new initiatives by Western countries on both Rhodesia and Namibia.

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[redacted] The rest of Machel's speech and that of Eteki were reportedly largely standard militant rhetoric, although both seemingly made some attempt to tone down their language. This may have been done partly because of the presence of representatives from those Western countries involved in current negotiating efforts. According to the US embassy in Maputo, some of the speeches to come may also take a mild tone. Yesterday's speech by South-West African People's Organization leader Nujoma was a good deal less abrasive than his prepared text.

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[redacted] Even so, the more militant nationalist organizations, such as the Rhodesian nationalists' Patriotic Front, may make a considerable effort to denounce negotiations in any form and to seek endorsement for a large increase in the military struggle. //Robert Mugabe, one of the Patriotic Front's leaders, also addressed yesterday's opening session; he again condemned the UK's "vacillation and indecision" toward Rhodesia and reasserted that peace now could come "only through the instrument of war."//

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[redacted] The Maputo conference undoubtedly will approve stringent economic and military sanctions against South Africa, although some countries may not associate themselves with a final report in this vein. All participants, however, are likely to find something satisfactory in either the opening speeches or some of those to come. [redacted]

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ARAB STATES - LATIN AMERICA: Joint Investment Bank

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[redacted] Kuwait and Libya have offered several Latin American banks \$60 million to fund a joint development bank. The new bank, with an initial capitalization tentatively set at \$100 million, would help finance joint Arab - Latin American industrial projects in Brazil, Colombia, Chile, Argentina, and Peru.

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[redacted] Some of the Latin American banks involved in the joint proposal reportedly are also considering possible participation by European countries. If the Europeans join, the Arab share probably would be reduced to about \$40 million.

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[redacted] Until recently, Arab countries have invested only small amounts of official capital in Latin America. The Arab-Brazilian Investment Company, a joint Kuwaiti-Brazilian enterprise set up to invest in local joint ventures in Brazil, had provided most of those funds.

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[redacted] Over the past year, however, Kuwait and Libya have shown increased interest in Latin America. Kuwait committed \$31 million in official development assistance to Jamaica and Ecuador, the first instance of sizable Arab aid to Latin America. At the same time, Libya has been negotiating with Argentina, Brazil, Panama, and Surinam on agreements providing for extending economic credits and for investment in joint ventures.

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[redacted] Kuwait and Libya have been the most active Arab oil-producing states to participate in joint investments in non-OPEC developing countries. Each is involved in joint ventures in at least 20 developing countries throughout Asia and Africa. Kuwait and Libya first teamed up in January when they established the joint Turkish-Arab Bank. [redacted]

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