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Thursday July 7, 1977

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National Intelligence Daily Cable for Wednesday, 6 July 1977

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

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USSR-US: Cruise Missile Reaction

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[] Soviet spokesmen have privately affirmed that Moscow gave short shrift to President Carter's decision on the B-1 bomber because of its concern over the US push on cruise missile technology and the poor state of Soviet-US relations. Soviet commentary has refused to acknowledge the B-1 decision as a sign of restraint and has instead stressed that US development of cruise missiles would complicate the strategic arms limitations talks. Moscow appears to be especially sensitive to the bargaining and propaganda advantages obtained by the US as a result of its technological lead in cruise missiles.

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[] In recent conversations with US embassy officers, Soviet officials have defended Moscow's handling of the US decision to forgo production of the B-1. A staffer with the USA Institute acknowledged on July 1 that *Pravda* had not given proper weight to the President's decision because cruise missiles were a major concern and must take first place in Soviet commentary.

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[] Several days later, an official with the Institute of World Economics and International Relations made the same point and added that it would take substantial progress in SALT before there would be any palpable improvement in Soviet attitudes. Both spokesmen referred to the "poor" state of Soviet-US relations.

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[] Soviet commentary has thus far refused to acknowledge the B-1 decision as a sign of restraint and has accused the US of pursuing the illusion of military superiority. Yesterday's *New Times* noted that the decision on the cruise missile had created a "new situation" that would make it more difficult to conclude SALT II.

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[] *Izvestia* yesterday charged the US with reneging on previous agreements in principle to include the cruise missile in any new SALT treaty and to count heavy bombers with cruise missiles that exceed a range of more than 600 kilometers under the MIRV ceiling. Lengthy commentaries in *Pravda* and *Red Star* on Sunday accused the US of "unleashing" a dangerous round in the arms race and implied that the President's decision on the B-1 was not irrevocable.

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25X1 [redacted] Moscow's perception of the importance of long-range cruise missiles has evolved significantly in recent years. The Soviets clearly perceive a US advantage in this area and appear to be concerned with the resulting US bargaining leverage. [redacted]

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ZAIRE: Mobutu's Reform Agenda

25X1 [redacted] *Zairian President Mobutu announced a number of political and economic changes last Friday. The measures depart from previous policies and will not be easily or quickly put into practice. In announcing these measures, Mobutu in effect was acknowledging the weaknesses and criticisms of his government that came to the surface during the Katangan invasion of Shaba, as well as basic economic problems that were aggravated by the fighting.*

25X1 [redacted] Changes in the army, which carried out a sluggish campaign against the Katangans, headed Mobutu's agenda. He announced that he would take over the general staff, and he appointed the senior staff officer, General Babia, as the senior field officer. Babia had temporarily assumed the latter position following the failure of his predecessor to mobilize an effective defense against the Katangans.

25X1 [redacted] Political observers in Kinshasa expect Mobutu eventually to overhaul the entire command structure of the army in order to attack what he sees as the army's chief problem, a lack of capable leadership. He will probably appoint new leaders from among those who proved themselves during the Shaba fighting, carry out a force reduction, and try to improve the military's logistic and communications capabilities.

25X1 [redacted] The political changes include direct election on a regional basis of most members of the official party's political bureau; heretofore they have all been appointed by Mobutu. The representatives will be required to live in their regions. Mobutu himself intends to stand for re-election in November, although he is not required to do so by the constitution. He also established the office of prime minister, naming Mpinga Kasenda, a leading party official, to that post yesterday.

25X1 [redacted] Mobutu said he intends to decentralize the economy and allow regional autonomy in economic affairs, as opposed to the tight controls now exercised from Kinshasa by the President and his circle of economic planners. He set up new departments to concentrate on regional development and higher education, two areas in which criticism of his government has increased lately. He also announced that he would undertake changes in the judiciary.

25X1 [redacted] Mobutu's speech, while short on details, announced changes that a reform group within his government has been advocating for some time. The reformers drove home their concerns to the President during the early days of the Shaba incursion, when his position seemed shaky. They apparently convinced him that only substantial changes could strengthen his government's ability to withstand similar threats in the future.

25X1 [redacted] Of all the changes announced, the political ones will be the easiest to implement. All they require is a stroke of the pen and the selection of capable people, who are available.

25X1 [redacted] Economic and military problems will not be as easily overcome. Zaire's economic weakness will impede forward movement in both areas, although well-planned programs probably would attract foreign assistance and private investment. With inflation now running annually at 60 percent and a \$200- to \$300-million balance-of-payments deficit projected for 1977, Mobutu is starting from a shaky base. Many old-line military officers, moreover, will resist or try to undercut reforms in order to salvage their own careers. [redacted]

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ZAIRE: Prime Minister Kasenda

25X1 [redacted] *President Mobutu's choice of Mpinga Kasenda as Zaire's prime minister is politically astute. As director of a school run by the ruling party, Kasenda has been, after Mobutu, the party's leading theoretician and policy planner. His position has kept him removed from the political infighting and factionalism that embroiled many other candidates whom Mobutu might have been considering.*

[redacted] The new prime minister will absorb much of the criticism that would otherwise be directed at Mobutu if the political and economic situations do not improve. Even so, the candor Kasenda has shown in dealing with the President in the past and the respect Mobutu has accorded him suggest that the two men will work closely together and that the prime minister will not simply be Mobutu's "yes-man."

[redacted] Kasenda, 39, received a PhD in political science from the University of Bordeaux and is Zaire's leading specialist in constitutional law. He has been director of the party school since it was established in 1974 and a member of the political bureau of the party since 1972. [redacted]

ANGOLA: Situation in Cabinda

[redacted] *//Insurgents in the Angolan exclave of Cabinda have suffered a number of reverses in recent weeks at the hands of Cuban and Angolan troops. Nevertheless, the Cabindan separatists are still able to launch small-scale harassment activity against Angolan and Cuban forces, despite difficulties within the guerrilla movement and a problem in securing outside aid.//*

[redacted] *//After receiving more than 2,000 Cuban reinforcements in May, Angolan government troops were able to regain ground lost during the spring and to drive Cabindan guerrillas out of the north. The Cuban-Angolan task force recaptured Buco Zao and Belize in late May and drove the guerrillas from their provisional headquarters near the Zairian border in early June.//*

[redacted] *//Government pressure in the north apparently prompted the guerrillas to shift their focus to central Cabinda where they claim to have made some gains. They say they overran two towns and attacked a regional military headquarters in late May.//*

[redacted]
[redacted]
[redacted] Last month, a splinter group that claims to control two of the movement's five military districts in Cabinda announced the "dismissal" of the president of the movement and also announced

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the formation of an alternative political bureau. The leadership dispute, however, will probably not interfere with the guerrillas' ability to harass government forces. [REDACTED]

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EAST GERMANY: Socialist Plenum

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[REDACTED] *Familiar economic themes dominated the plenum late last month of East Germany's ruling Socialist Unity Party. Party leaders also used the opportunity to paint a favorable picture of East Germany's relations with West Germany and other Western countries. The absence of direct criticism of the US on human rights issues or on US proposals at the East-West meeting in Belgrade indicates that East Germany's strong reaction early last month to the President's report to Congress on human rights probably is no longer being pursued.*

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[REDACTED] The Politburo's report to the plenum repeated concern voiced earlier this year by party leader Honecker that the East German economy is feeling the effects of higher prices for goods from both the West and the East. There was a hint of frustration with Moscow in the report; the Soviet Union is East Germany's primary source of raw materials and oil, and these Soviet products have had the greatest price increases in the countries belonging to the Soviet-led Council for Mutual Economic Assistance. At the same time, however, the Soviet Union has allowed East Germany to run large trade deficits in 1976 and 1977 to help cover these price increases.

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[REDACTED] In order to achieve economic growth targets despite planned cuts in imports from the West, party leaders again stressed the need to substitute domestic goods for imported materials. They also repeated their call for higher economic efficiency in order to increase production of goods of export quality. The party gave no sign of changing its firm commitment to stable domestic prices for basic consumer goods and services.

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[REDACTED] The plenum gave particular attention to the electronics industry, on which East Germany is depending to help improve industrial productivity. Scientific and technical research and development in this industry have received top-level attention. Since the plenum, both party chief Honecker and Prime Minister Stoph have held special meetings on the subject. [REDACTED]

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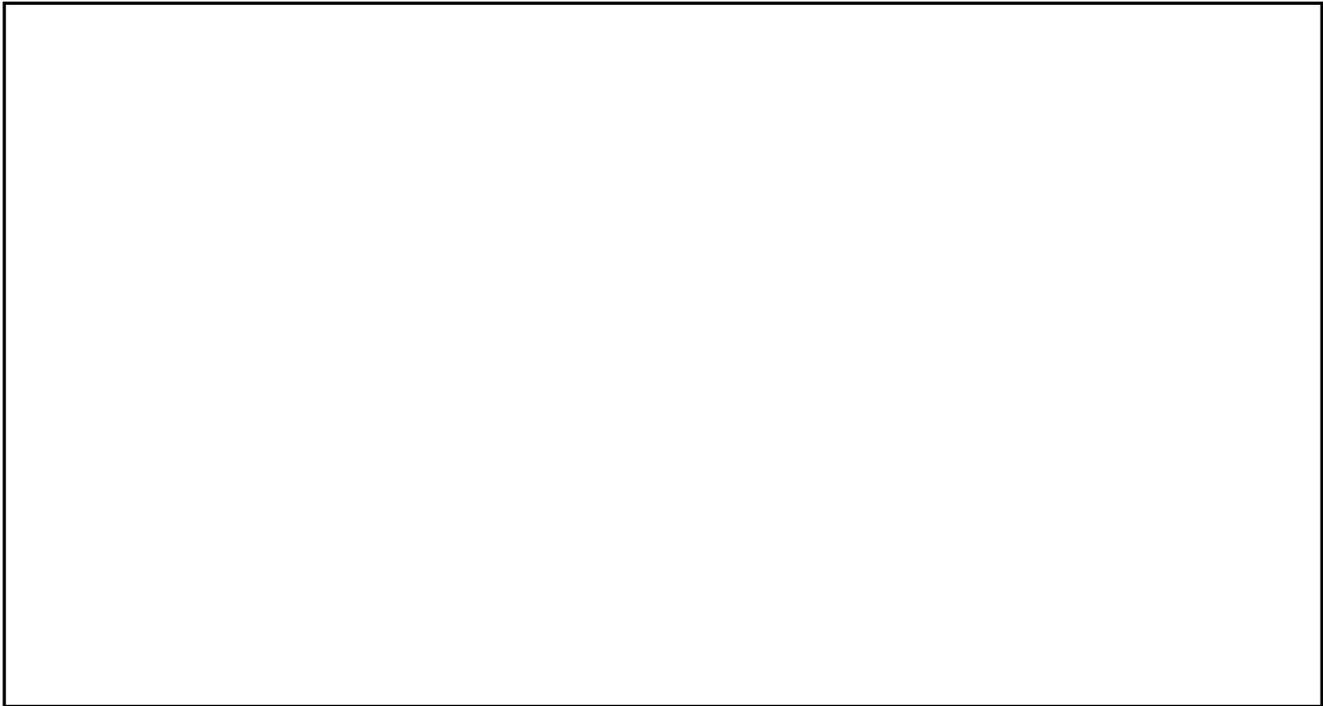
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SOUTH KOREA: Assembly Resolutions

25X1 [] *South Korea's ruling and opposition parties, in an unusual display of cooperation, joined forces yesterday and passed two National Assembly resolutions. One of the resolutions requests the US to delay its troop withdrawals until after it has undertaken measures to assure Seoul's security. The other suggests that the US curtail "anti-Korean propaganda activities" in the US Congress and the press. The parties also passed "recommendations" that ventured into policy areas usually considered President Pak's exclusive preserve in recent years; they urged Pak to extend clemency to political prisoners and called for steps to prevent the recurrence of developments overseas that could embarrass South Korea.*

25X1 [] Few South Koreans believe that the Assembly measures will have a great impact on policy in Seoul or Washington. Even so, the more moderate opposition members of the Assembly reportedly think they have had more of a voice during the current session than has been the case in several years. This probably is true, not because the opposition is much stronger or the Assembly has suddenly become a more potent representative body,

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but because Pak has recently seen more to be gained from cooperation with the opposition and felt strong enough himself to accept a somewhat greater opposition role.

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[redacted] Pak--who has not publicly opposed US troop withdrawals, although he has called them unwise--appears to have directed that his party support the Assembly's resolution on withdrawals in part to prevent the opposition from pressing the measure on its own and gaining domestic political advantage. At the same time, he probably welcomed the withdrawal resolution as a demonstration of the breadth of South Korean concern about US force reductions and the resolution on anti-Korean statements in the US as a vehicle for venting resentment over US criticism.

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[redacted] Pak probably had some reservations about allowing his party to endorse the Assembly's recommendations on clemency and on improving South Korea's overseas operations. Government spokesmen have indicated for some time, however, that the South Koreans imprisoned for the so-called Myongdong protest manifesto may be released, provided they show repentance and the action is not portrayed as the direct result of external pressure. The clemency resolution may indeed signal a new government readiness to make some concessions, but it does not commit Pak to any specific course of action. [redacted]

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