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NATIONAL INTELLIGENCE DAILY CABLE

Thursday 30 March 1978 CG NIDC 78/074C

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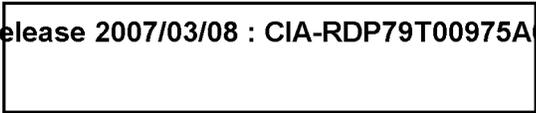
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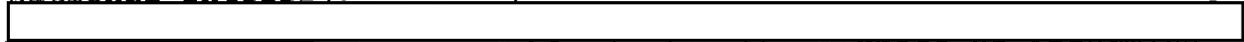
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National Intelligence Daily Cable for Thursday, 30 March 1978.



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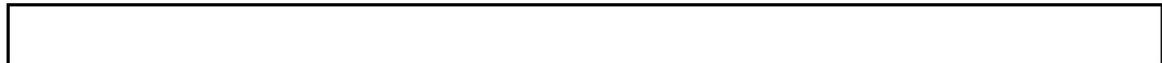
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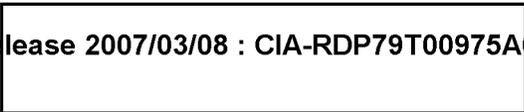


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ARAB STATES: Solidarity Moves

*[Redacted] The Arab League Foreign Ministers, meeting in Cairo this week, have renewed the mandate for the Syrian-dominated Arab peacekeeping force in Lebanon and called for Arab solidarity. An editorial published last week by an authoritative Syrian newspaper suggests that Syrian President Asad is cautiously preparing for a reconciliation with Egyptian President Sadat.*

*[Redacted] Only 17 of 22 members were represented in Cairo--Syria, Algeria, Libya, South Yemen, and Iraq boycotted the meeting to protest Sadat's peace initiative. The League renewed the mandate for Syria's peacekeeping force in Lebanon--scheduled to expire on 28 April--for another six months. Syria would have arranged with the Lebanese Government to keep its troops in Lebanon, but both Beirut and Damascus are more comfortable having the Arab League approve the presence of the Syrian troops in Lebanon.*

*[Redacted] At Saudi Arabia's behest, the ministers appointed Sudanese President Numayri to head a goodwill committee to negotiate a reconciliation between Egypt and Syria as a first step toward convening an Arab summit conference.*



*[Redacted] Syrian President Asad will probably respond cautiously to Numayri's efforts. Asad will not want to appear to the Saudis to be the major obstacle to Arab unity by ruling out a rapprochement with Sadat. Asad, moreover, may be looking for a way to end the rift with Egypt.*

*[Redacted] Romanian officials who spoke with Asad recently told the US Embassy in Damascus that he is ready to deal with Cairo once Sadat admits that Egypt's peace initiative has failed.*



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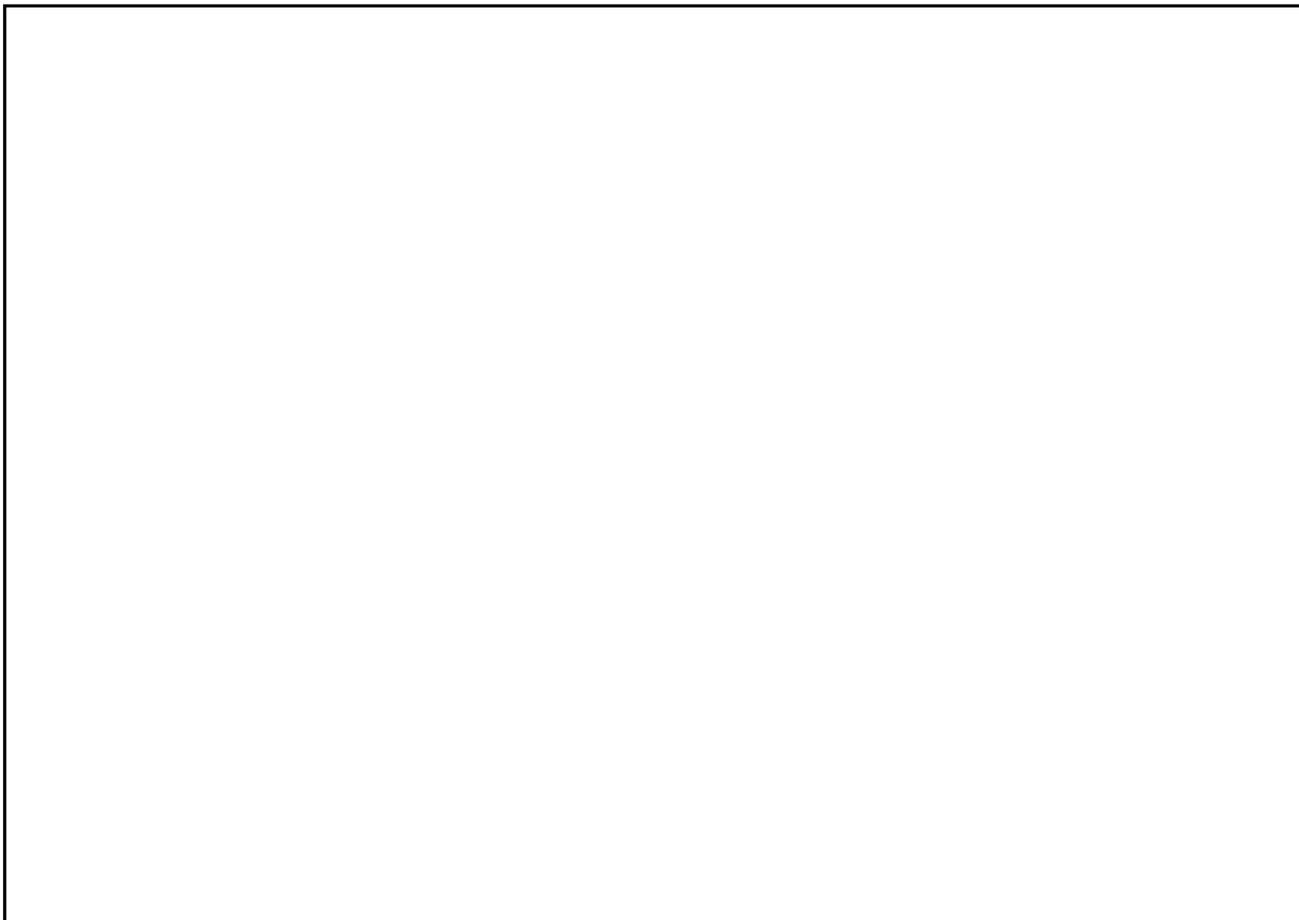
[redacted] An editorial in the authoritative Damascus newspaper *Tishrin* on 20 March noted that Israel had "missed an historic chance" for peace by failing to respond adequately to Sadat-- an indirect admission that his initiative, although naive, was a positive step. In a subsequent discussion with Embassy officials, the editor of *Tishrin* argued that Sadat had briefly raised Arab hopes for peace but that Israeli intransigence now required Arab solidarity.

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[redacted] The editorial article may be another indication that Asad is preparing to mend relations with Egypt. Asad has refrained from responding in kind to Sadat's personal attacks on him. He remains convinced that the Sadat initiative is going nowhere and that ultimately Sadat will have to admit failure.

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**USSR: Energy and Policy Shift**

25X1 [ ] Soviet leaders apparently decided on an important shift in Soviet energy policy at the December 1977 Central Committee plenum. This new policy calls for a crash program to concentrate oil industry resources in West Siberia at the expense of older producing regions in an attempt to avoid a slump in oil production. The priority attached to the program is indicated by Premier Kosygin's visit last week to West Siberian oil producing centers. Oil production in the older regions is already beginning to slide, and reporting of fuel shortages has increased greatly.

25X1 [ ] This January, for the first time in more than two decades, plan fulfillment figures for oil and natural gas were omitted from local newspapers. The USSR has taken similar steps in the past with agricultural reporting when crops were particularly bad.

25X1 [ ] Discrepancies in official Soviet oil production data are also surfacing. A high-level official in the Ministry of Petroleum Industry recently told two US officials that 1977 oil production was only 10.86 million barrels per day rather than the 10.92 million officially reported in all of the major newspapers. He also said that 1978 output would be some 11.35 million barrels per day rather than the 11.5 million called for in the annual plan. Growth of oil production, however, is already slowing noticeably, and we doubt that even the lower target can be attained this year.

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[ ] Since the beginning of the year, debate on energy policy has heated up. Newspapers are focusing on investment allocation in the oil and gas industries, and a Soviet official recently told a visiting US legislator that conservation policy has also become a topic of lively debate among top policymakers. Such discussion of energy policy reflects Moscow's belated appreciation of the enormous and rapidly rising costs of developing West Siberia's oil, gas, and coal resources to replace the dwindling supplies west of the Urals.

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[ ] Soviet oil industry officials have been arguing since the early 1970s over whether to give priority to drilling to maintain output in the older producing fields of the Urals-Volga region or to drilling in West Siberia where production is still rising. Confronted by large cost increases in the oil industry, the Soviet economic leadership decided three or four years ago to commit relatively more capital investment, drilling rigs, and crews than might have seemed justified to maintain oil output in the older producing fields.

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[ ] This policy was apparently changed at the Central Committee plenum last December. The new policy calls for concentrating resources on oil and gas development in Tyumen Oblast. Drilling crews already are being moved from the Urals-Volga region to work in Siberia.

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[ ] The new crash program--implicitly attributed to President Brezhnev--represents a major political victory for advocates of accelerated West Siberian development and a defeat for those--including Gosplan Chairman Baybakov and perhaps Kosygin--who had resisted this course of action in the past. The shift also reveals the seriousness with which the leadership views the USSR's present energy situation.

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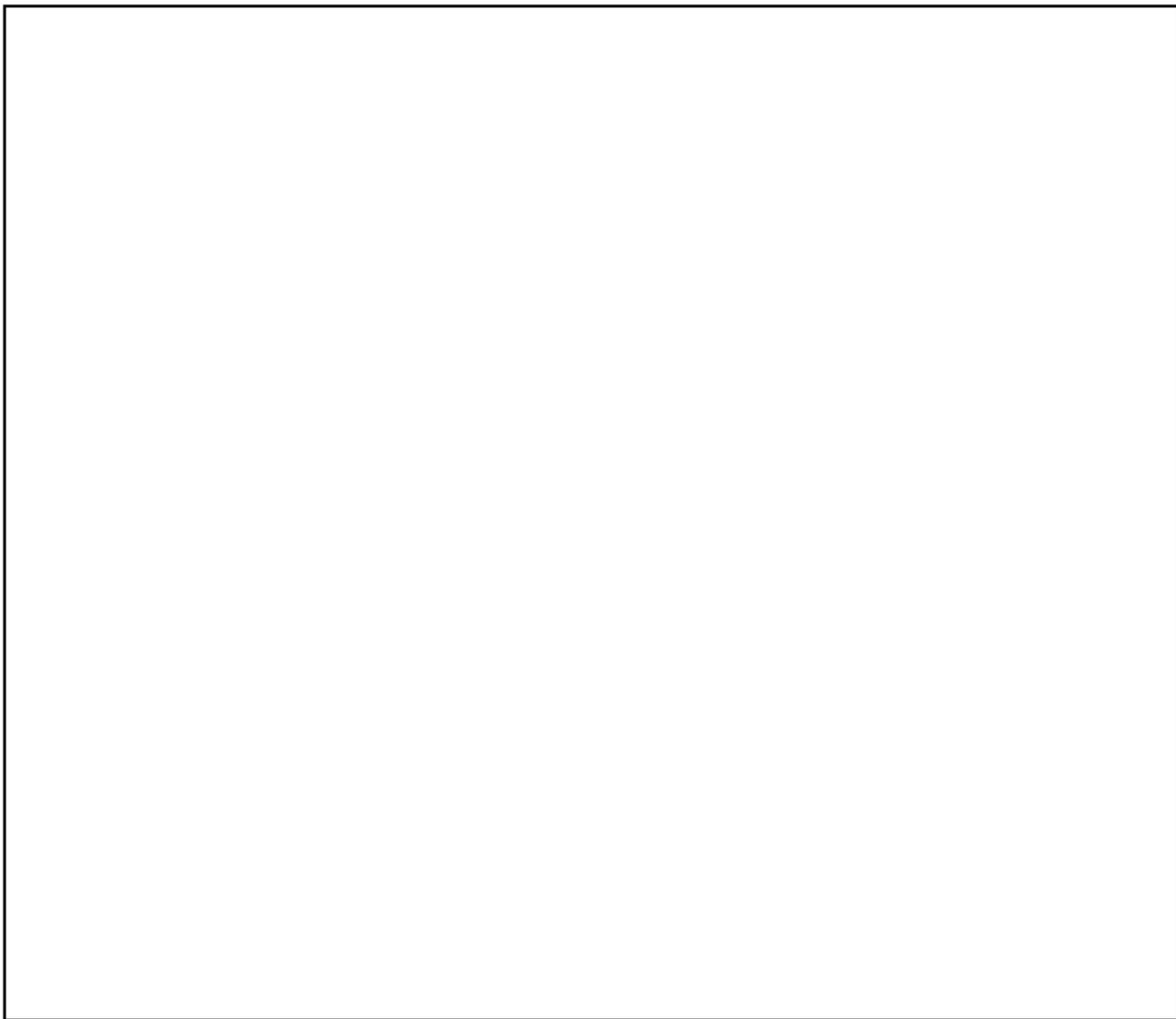
[ ] The stepped-up campaign to develop West Siberian oil and gas faces two major problems. Given the tight constraints on the supply of drilling rigs and skilled crews, assigning more resources to this region will inevitably force the older producing regions to do with less leading to a more rapid falloff of production in those areas.

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[ ] At the same time, Moscow's past failure to create an adequate infrastructure in West Siberia will greatly reduce the effectiveness of increased investment. The Soviets have not

yet created the production and support structure required to develop the many smaller and less productive fields from which much of West Siberia's oil output must come in future years now that Samotlor, the USSR's largest field, apparently has peaked. The region's huge gas deposits are served by almost no infrastructure. [redacted]

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## GHANA: Union Government Referendum

25X1 [redacted] *Ghanaians will decide in a referendum today what form of government is to replace General Acheampong's six-year-old military regime. They are to vote for or against Acheampong's proposed nonparty, "union" government--which he sees as a way of perpetuating his rule. A "no" vote could be interpreted as favoring a return to party politics. Opposition to Acheampong has recently grown to the extent that union government could be defeated in an honest referendum. Anti-regime demonstrations and violence are likely if union government is approved by a majority large enough to confirm opposition suspicions that the vote is rigged.*

25X1 [redacted] Under Acheampong's concept, Ghana's new governmental system would be a partnership between civilians and the army aimed at avoiding party politics. //Acheampong clearly aspires to become president under the system, which also calls for a vice president and a unicameral legislature--all directly elected on a nonpartisan basis. If union government is approved, Acheampong's next step will be to set up a commission to draft a new constitution by October.//

25X1 [redacted] //Popular opposition to Acheampong has grown in recent weeks; it is led by the People's Movement for Freedom and Justice, which represents the followers of several well-known politicians and is headed by retired General Afrifa. He was a key participant in the coup that overthrew President Nkrumah in 1966 and was a leader of the military regime that ruled until 1969 when it returned power to a civilian government.//

25X1 [redacted] //Movement leaders maintain that if union government is defeated, Acheampong should resign immediately and install an interim government that would quickly return

Ghana to genuine civilian rule. Acheampong has stated publicly that he will abide by the results of the referendum, but he insists that he will not retire before the scheduled return to constitutional rule in 1979.//

[redacted] The armed forces and police were allowed to vote ahead of schedule last week so that they could maintain order Thursday. Movement representatives who monitored that voting reportedly did not observe significant evidence of fraud or intimidation. [redacted]

RHODESIA: Large Battle with ZANU

[redacted] The Rhodesian press reported yesterday that government security forces early this week routed a 100-man guerrilla unit of the Zimbabwe African National Union in fighting in eastern Rhodesia. ZANU issued a communique in Mozambique in which it claimed that some 600 guerrillas were involved in "one of the biggest battles of the war" some 60 kilometers inside Rhodesia. The guerrilla faction was almost certainly exaggerating concerning the number of men involved.

[redacted] The Rhodesian military command has denied reports of an unusually large battle; it said that one of its regular army patrols discovered and overran a ZANU base camp south of Umtali. [redacted]

[redacted] We cannot confirm that a major battle occurred. ZANU has had difficulty carrying out large-scale raids, and its forces usually perform poorly against Rhodesian soldiers. Nevertheless, ZANU may be infiltrating additional guerrillas and political cadre into the border area in an attempt to convince black Rhodesians to oppose the internal settlement. [redacted]

[redacted]

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## NAMIBIA: Status of Settlement Talks

25X1 [ ] //The Western contact group for Namibia plans to present today a revised settlement proposal to the South African Government and to the leaders of the South-West Africa People's Organization. Since the talks concerning Namibia in New York in mid-February, informal discussions have cleared up some problems, but neither South Africa nor SWAPO has significantly modified its principal objections to the Western plan for bringing Namibia to independence under UN auspices. Although both sides apparently want to continue negotiations, South African Prime Minister Vorster is under mounting pressures to take measures that would be unacceptable at the UN.//

25X1 [ ] //The principal substantive problems that were clarified when the five Western foreign ministers met with both sides in New York concern the size and location of the residual South African military force, the proposed UN military force, and Walvis Bay, the only deepwater port on the Namibian coast.//

25X1 [ ] The SWAPO leaders now apparently will accept a South African residual force of 1,500 men, but demand that the South Africans be restricted to one base near the southern border of Namibia. The South Africans, however, still appear unwilling to reduce their force much below 3,000, to abandon eight forward bases along the Namibian border with Angola and Zambia, or to withdraw all troops shortly after an election.

25X1 [ ] //Neither side appears ready to accept the Western proposal that the size of the UN peacekeeping force be decided by the UN Secretary General. SWAPO wants a much larger UN force than the South Africans would accept.//

25X1 [ ] The SWAPO leaders have also demanded, as a condition for a truce, that South Africa renounce its sovereignty over Walvis Bay. The South Africans insist that its status is not negotiable, although they have offered assurances that the garrison there will not be reinforced during a transition period and that Namibian residents will be permitted to vote in a preindependence election.

25X1 [ ] //Since mid-February South African Government spokesmen have hinted that they might adopt some parts of the Western settlement plan, even if the Western diplomatic initiative fails to achieve a truce with SWAPO.//

25X1 [ ] In mid-March Vorster met with prominent white residents of Namibia who want to revert to the Turnhalle independence program that was shelved last April at the behest of the Western contact group. The Turnhalle multiracial conference had called for a constituent assembly to be elected from legislative bodies for each of the territory's 11 ethnic groups. According to a South African diplomat, Vorster rebuffed the white hard-liners' request to cancel his plan to hold a direct, territory-wide election for a constituent assembly in accordance with the Western proposal.

25X1 [ ] The South Africans have backed off from Vorster's threat, made shortly before the talks in New York, to go ahead soon with a preindependence election, with or without a truce with SWAPO or UN participation in the election process. South African diplomats have recently implied that the government is still considering an early announcement of an election date, but the election may be far enough in the future to conform with the Western proposal for a four-month preelection campaign.

25X1 [ ] The South Africans may hope that persistent hard bargaining will eventually result in acceptable modifications of the Western settlement package. They also may hope that, if the talks collapse, their adopting some of the Western proposals will eventually gain Western diplomatic support for a Namibian Government that is established under South African auspices. Meanwhile, they apparently hope that some accommodations will encourage the Western members of the UN Security Council to oppose further sanctions against South Africa.

25X1 [ ] The assassination of Herero Chief Kapuuo last Monday, however, has sharply increased the pressures on Vorster to take emergency measures that would scuttle further settlement talks.

25X1 [ ] A South African diplomat told the US Embassy yesterday that the police have no firm evidence yet that Kapuuo's assailants were SWAPO agents, but white hard-liners have surmised SWAPO complicity and are calling for decisive action. Even if no evidence of SWAPO complicity emerges, the hard-liners very likely will demand rejection of the western proposal for scaling down the number of South African troops in Namibia and suppression of SWAPO's ostensibly nonviolent internal wing.

25X1 [ ]

LIBYA: Qadhafi's Speech to Egypt

25X1 [ ] //Libyan President Qadhafi--in a speech Tuesday celebrating the anniversary of the British withdrawal from Libya--offered to reconcile with Egypt despite its recent "trespasses," if it would now pursue a war strategy against Israel. The speech was intended mainly to remind the Egyptian military that Libya offers it the money, materiel, and strategic depth to fight the "inevitable" war.//

25X1 [ ] //Qadhafi dismissed as farcical the recent Arab handling of the Middle East dispute and accused Syria as well as Egypt of showing weakness and naivete in the face of Israeli expansionism. The swipe at Damascus seemed intended to underscore Qadhafi's later promise to the Egyptian armed forces of full support. Throughout the speech, Qadhafi tried to play on what he hopes is an erosion of the Egyptian military's confidence in President Sadat's peace initiative.//

25X1 [ ] //Perhaps in deference to a moratorium on propaganda said to have been [ ] arranged last month by a Libyan emissary to Cairo, Qadhafi's criticism of Egyptian President Sadat was somewhat restrained and cast in terms of Sadat's misreading of his enemies--the US and Israel. In a passage clearly aimed at Sadat, however, Qadhafi emphasized the unique historic and geographic links between Egypt and Libya and declared that an Egyptian policy hostile to Libya is foolish and contrary to the vital interests of both countries.//

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25X1 [redacted] //Most of Egypt's leading newspapers have responded to the speech in a careful way. All have emphasized that it reflects the deep split in the "steadfastness front" and is an admission that Egypt is the only real power in the Arab world.//

25X1 [redacted] //Qadhafi's renewed beating of the war drums and his overtures to the Egyptian military may have an unsettling effect on Sadat, who frequently overreacts to his troublesome neighbor. For the moment, however, Sadat may welcome and even encourage Qadhafi's posturing in order to use it against Egypt's more serious detractors. [redacted]

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25X1 [redacted]

BRIEFS

ISRAEL

25X1 [redacted] Israeli Prime Minister Begin won the show of coalition solidarity he sought during yesterday's parliamentary debate. After a lengthy session, a government-sponsored resolution expressing renewed support for Begin's peace proposals passed by a 63 to 32 vote. A resolution submitted by the opposition Labor Party that criticized the government's interpretation of UN Security Council Resolution 242 was defeated by an even wider margin, 75 to 25. The demonstration of unity was marred only by the abstention on the first vote of some dovish members of the Democratic Movement for Change. [redacted]

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25X1 [redacted]

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