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NATIONAL INTELLIGENCE DAILY CABLE

Wednesday 16 August 1978 CG NIDC 78/191

**NATIONAL SECURITY INFORMATION**

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State Dept. review completed

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National Intelligence Daily Cable for Wednesday, 16 August 1978

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

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SAUDI ARABIA: Camp David Meeting

25X1 [redacted] Saudi Arabia has been explaining its support for the trilateral talks at Camp David to key Arab leaders and trying to persuade them to withhold comment on the meeting between Egyptian President Sadat and Israeli Prime Minister Begin until the outcome is known.

25X1 [redacted] Intelligence chief Prince Turki al-Faysal returned to Saudi Arabia on Monday after visiting Jordan's King Hussein, Iraqi strongman Saddam Husayn, Syrian President Assad, and Palestine Liberation Organization chief Yasir Arafat. Prince Turki told US Ambassador West that his mission had been to explain Riyadh's position to the other Arabs and to convince them that President Carter's involvement as a "partner" in the negotiating process ought to be recognized and appreciated. He acknowledged that the Saudi decision to offer public support for the meeting had not been an easy one.

25X1 [redacted] The Saudi intelligence chief admitted that his arguments had not met with much success. His overall impression was that the Arabs felt that little would be accomplished at Camp David. He said the general feeling is that, despite unanimously high regard for President Carter's sincerity, the US would not in the final analysis have the will to exert the necessary pressure on Israel to achieve the two basic conditions for peace--withdrawal from occupied territories and Palestinian self-determination.

25X1 [redacted] Prince Turki did claim to have persuaded Assad not to say anything to detract from the summit and to take a "wait-and-see" position on the talks. The government-controlled Syrian press, however, has strongly criticized the Camp David meeting.

25X1 [redacted] Yasir Arafat reportedly agreed personally to refrain from further remarks on the summit but said he would have to take up the matter of the PLO's official position with the organization's Central Committee. [redacted]

USSR-JAPAN: Reaction to Treaty

25X1 [redacted] //Initial Soviet and Chinese reaction to the signing on Saturday of the Sino-Japanese friendship treaty has contained few surprises. In Japan, Prime Minister Fukuda appears to be reaping anticipated political dividends.//

25X1 [redacted] //Soviet media have denounced the Sino-Japanese treaty in predictably harsh language, but thus far no high-level Soviet official has commented. The Soviets have reserved most of their reproach for arch-rival China, which they believe will try to use the treaty to draw Japan into active cooperation against Soviet interests in Asia and the Pacific. Moscow appears to be especially concerned that the treaty could serve as a basis for similar agreements between China and some Southeast Asian states and could therefore undermine Soviet efforts to contain Chinese influence.//

25X1 [redacted] //The Chinese, meanwhile, have greeted the signing of the long-stalled treaty as a "positive" step toward peace in the Asia-Pacific region, and insisted that "only Soviet social imperialism is not happy." An editorial in *People's Daily* on Monday dwelt on the dangers posed by Soviet "hegemonism" and applauded the inclusion of the anti-hegemony clause in the treaty. The Soviets stress that Japanese efforts to qualify the anti-hegemony clause have not diminished the anti-Soviet nature of the accord.//

25X1 [redacted] //Tokyo, meanwhile, anticipates some concrete form of Soviet displeasure, but no serious problems in bilateral relations. Indeed, Japanese reaction to the signing of the treaty has been almost universally favorable. All political parties, with the exception of the Japanese Communist Party, have endorsed early ratification, which should be completed by late

next month. The media have also been highly laudatory; they have termed the negotiations a diplomatic success and concluded that Prime Minister Fukuda is now in an even stronger position for re-election as party president--and in essence, prime minister--this December. Tokyo's business leaders hope the treaty will facilitate further expansion of economic ties between Japan and China.

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RHODESIA: Military Showdown

*A military showdown between the Zimbabwe African National Union and the Zimbabwe African People's Union---the two partners in the Patriotic Front--may be inevitable in the opinion of a high-ranking ZAPU official. The official believes that ZAPU forces are better armed and better disciplined than their counterparts in ZANU, and that they are better fighters and would quickly win any confrontation.*

In a "surprisingly frank" conversation recently with US Embassy officials in Lusaka, Zambia, the ZAPU official, a close confidant of leader Joshua Nkomo, stated that efforts to achieve military and political unity between the two groups have been dormant since late 1977. The official laid the blame for lack of unity on ZANU, particularly its military chief of staff, who has purged the organization of all senior officials advocating closer cooperation with ZAPU.

According to the official, clashes between ZANU and ZAPU guerrillas occur frequently inside Rhodesia. ZANU guerrillas have infiltrated ZAPU's areas of operation and have encouraged the populace to inform on the ZAPU guerrillas.

The official accused Tanzanian President Nyerere of intervening with Mozambican President Machel to keep ZAPU from operating out of Mozambique, which ZANU regards as its private base of operations. ZAPU has long wanted to open a front in eastern Rhodesia by operating from Mozambique.

ZAPU officials have long felt that a military confrontation with ZANU would take place once the two groups returned to Rhodesia. ZAPU has spent the past year or so attempting, with Soviet and Cuban assistance, to build up a conventional

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military force that will be able to assert its primacy in the national defense force once a political settlement is reached.

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[redacted] We agree that widespread clashes will occur and believe that these clashes could spark high levels of civil violence. Whether this will lead to a full-scale civil war depends on a number of still unresolved factors, including the structure of the defense force in an independent Zimbabwe, the role of whites in that force, and the allocation of political power among black nationalist leaders once independence is achieved.

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[redacted]

**NIGERIA: Aid and Concern**

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[redacted] *The Nigerian Government will provide some military training for Benin as part of a recent accord aimed at reducing Benin's need for Soviet and Cuban aid. Nigeria has also begun to register concern over Soviet and Cuban involvement in neighboring Equatorial Guinea.*

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[redacted]

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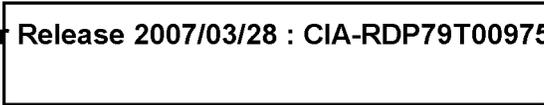
[redacted] Obasanjo's press secretary has told a US Embassy officer that Nigeria will next bring pressure on Equatorial Guinea to reduce Soviet and Cuban involvement there. Equatorial Guinea's President Masie is unlikely to respond positively and could retaliate against Nigerian contract laborers. Mistreatment of such workers two years ago led to a verbal confrontation and the evacuation by Nigeria of some 40,000 of its citizens.

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[redacted]

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DOMINICAN REPUBLIC: New President

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*[Redacted] Dominicans will be watching with guarded optimism today as Joaquin Balaguer passes the presidential sash to Antonio Guzman. Most of the influential military establishment now opposes any action to oust Guzman. The moderate Guzman will not be inclined to make any sharp changes in policy, but he will give greater priority than Balaguer did to implementing social reforms. Relations with the US are likely to become even closer as Guzman seeks aid for his country's hard-pressed economy.*

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*[Redacted] //Since the election on 16 May, Guzman's firm but restrained leadership has helped to soften the hostility between his center-left party and the conservative military, and the chances for a continuing truce have greatly improved. Most in the military now accept Guzman's victory and oppose any coup.*

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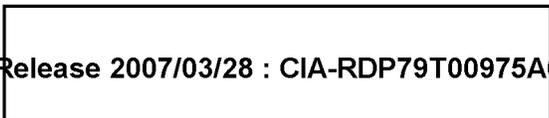
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*[Redacted] Guzman's tempered but confident performance during the difficult transition period has raised his stock as a national leader and has boosted his prestige within his broadly based party. The honeymoon, however, is liable to be short because Guzman is committed not to seek reelection and will have to contend with rival leaders jockeying to succeed him in 1982. An avalanche of eleventh-hour legislation by the outgoing Balaguer administration will also at least initially hamper the new administration.*

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*[Redacted] The need to impose fiscal restraints and other austerity measures could also quickly disillusion many of Guzman's present supporters. The largely state-controlled economy has been slumping since the drastic drop in world sugar prices in 1974 and has nearly stagnated during the troubled election period.*



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[redacted] Guzman will move very cautiously as he works toward his goals of agrarian reform, amnesty for political exiles and prisoners, social and labor legislation, a foreign investment code and, probably, a somewhat broader foreign policy. The Dominican Republic needs financial aid, and Guzman seems likely to seek a close working relationship with the US. [redacted]

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