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NATIONAL INTELLIGENCE DAILY CABLE

Thursday 29 December 1977

CG NIDC 77/301C

[Redacted box]

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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 Thursday, 29 December 1977

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

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Turkey

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ISRAEL: Begin's Peace Proposals

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[redacted] Israeli Prime Minister Begin's strong defense of his peace proposals before the Knesset yesterday was an effort both to blunt domestic criticism and to buttress his negotiating position. Begin took an especially tough line on the West Bank. He insisted that his proposal for local self-rule offered the "only possible way" to resolve conflicting claims to the area and warned that no agreement would be possible if this problem remains unsettled.

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[redacted] By raising the possibility of failure, Begin seemed to be both defending the need for Israel to make concessions and warning President Sadat that Egypt would need to show greater flexibility on the Palestinian question. Indeed, Begin maintained that he had responded adequately to Sadat's peace initiative and that this is borne out by the support his proposals have gained from US Government leaders and the US Jewish community.

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[redacted] By characterizing his West Bank proposal as an interim solution that is subject to review, Begin may well have been reflecting a belief that the difficult problem of determining the ultimate status of the area can be sidestepped in the current negotiations.

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[redacted] Begin insisted that he has done his part and that it is now Egypt's move. He is aware that Sadat is still counting on the US to put pressure on Israel to be more forthcoming. Begin clearly tried yesterday to discourage the Egyptians from believing Israel would buckle to external pressure, or that such pressure would even materialize.

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[redacted] Begin's speech was also aimed at political supporters who have denounced his peace proposals as too concessionary. He also sought to reassure those who fear he may be planning even more extensive concessions. The sharpest attacks on his proposals so far have come from Begin's supporters on the extreme right--the religious Gush Emunim zealots and hardliners in the Likud bloc associated with the annexationist Land of Israel Movement. The hawkish Yediot Aharonot, Israel's largest daily newspaper and a long-time ally of Begin's, recently accused the Prime Minister of "going to his own Munich."

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25X1 [redacted] For the most part, however, Begin retains strong political and public support for his peace efforts, as was demonstrated by the Knesset's vote of 64 to 8 yesterday in favor of his proposals. There were 40 abstentions on the vote, most of them coming from the Labor Party.

25X1 [redacted] Despite sharp attacks from Labor Party hawks, including former Prime Minister Meir, who are worried about the future status of Labor-affiliated settlements in the occupied territories, Labor Party leader Shimon Peres soft-pedaled his criticism of Begin's proposals. In response to Begin's speech yesterday, in fact, Peres offered qualified support for the government's peace policy and praised the Prime Minister for his ability to revise 25X1 long-held assumptions and make difficult decisions. [redacted]

CUBA: Reaction to US Criticism

25X1 [redacted] *The Cuban Government's criticism of recent US declarations on Cuban military involvement in Africa is becoming increasingly strident. Havana remains interested in an improved relationship with the US, but it maintains its longstanding position that Cuba's relations with other nations are not negotiable.*

25X1 [redacted] President Castro's speech of 24 December before the closing session of Cuba's National Assembly contained the strongest rejection so far of US statements on Cuban activities in Africa. The Cuban leader reaffirmed his interest in continuing to normalize relations with the US, but he pointedly warned that US insistence on a Cuban disengagement from Africa will only increase hostility between the two countries.

25X1 [redacted] Havana's rhetoric on this issue has steadily escalated since mid-November. At first, the Cubans protested only in diplomatic channels in order to emphasize their interest in normalizing relations with the US. Then, in early December, Castro told several US reporters that Cuba would not negotiate the withdrawal of its troops from Africa in order to achieve better relations with the US. Castro refrained in this interview from criticizing US policy and he reiterated Cuba's desire for improved ties. He probably selected the National Assembly forum for his latest statements in order to emphasize his unyielding position.

25X1 [redacted] At the same time, the Cuban Government has attempted to demonstrate its continued interest in better relations with the US. Castro and the Cuban media have not yet criticized President Carter directly, and Cuba recently made a conciliatory gesture regarding political prisoners. Following the visit of two US congressmen earlier this month, Havana announced that it would allow three former political prisoners--including a US citizen and a dual national--to emigrate to the US and that it would release one other US citizen in the near future.

25X1 [redacted] Cuba's economic requirements are the primary motivation for normalizing relations. In Castro's eyes, however, these needs are secondary to his search for influence in the Third World.

25X1 [redacted] Cuba's "internationalist" activities represent an effort to break down its isolation. Cuba is also seeking to enlist allies in sufficient numbers to exert political or economic influence on the US on Cuba's behalf. Finally, by achieving a position of leadership in the Third World, Castro is attempting to increase his flexibility in dealings with the USSR.

25X1 [redacted] Castro believes that appearing to submit to US pressure would seriously undermine his claim to a leadership role among the nonaligned nations. [redacted]

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CHILE: Opposition to Pinochet

25X1 [redacted] //Two members of Chile's four-man military junta--Air Force Commander General Leigh and Navy Commander Admiral Merino--strongly oppose President Pinochet's decision to hold a referendum on 4 January. According to the US Embassy, the two officers believe the results will be regarded as a vote of confidence in the President, and that this will enable him to achieve more power at their expense and perhaps even to dissolve the junta.//

25X1 [redacted] The two junta members have clashed with Pinochet over policy on other occasions, but heretofore they have tried to avoid an open break. General Leigh has tried to portray himself as a moderate on human rights issues, but both he and Merino have backed the suppression of dissidents.//

25X1 [redacted] //We expect Pinochet to obtain the endorsement he seeks from Chilean voters in the referendum. We have no evidence that opposition to him among some government and business elements is widespread or that the loyalty of army and police forces has eroded. Any effort to unseat Pinochet would fail without such support.//

25X1 [redacted] //Pinochet's appointment of a new comptroller general yesterday, shortly after the incumbent ruled the referendum illegal, was clearly designed to head off efforts to postpone or scrap plans for the balloting. [redacted]

POLAND: Stark Food Situation

25X1 [redacted] *Food supplies in Poland may be lower now than during the holiday period last year, according to the US Embassy in Warsaw, and the mood of Poles standing in lines is increasingly surly. Shortages will undoubtedly become more acute and consumer grievances will continue.*

25X1 [redacted] Although increased food supplies began to appear in Warsaw and other cities two weeks before Christmas, they were apparently insufficient to reduce the lines substantially. In some stores, the only meat available was sausage--the staple of the average person's meat diet. Prized hams were for the most part held back for a select few. There were, however, increased supplies of coffee and citrus fruits on the shelves.

25X1 [redacted] For months, meat has been unusually scarce in Poland, coffee practically unavailable, and citrus fruits available only sporadically. Despite sizable imports of animal feeds and the regime's efforts to encourage farmers to produce more meat, meat production is not likely to increase in the next 12-18 months. Even under favorable weather conditions, meat production by 1980 probably will only slightly exceed the record 1975 level.

25X1 [redacted] Government blunders in agriculture are in large part responsible for the current meat shortages. Many private farmers--who produce about 80 percent of Poland's meat--have become dependent on imported feeds to sustain their livestock herds because of Poland's poor harvests. The government, however, has

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not matched the higher prices of imported feeds with increases of livestock procurement prices. Facing a profit squeeze, many farmers cut back on their herds beginning in 1975, and this has curtailed livestock output in 1975-77.

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[redacted] The government could have avoided the worst of the meat problem if it had let meat prices, frozen at unrealistically low 1966 levels, rise gradually over the years. But the regime procrastinated because it feared an adverse consumer reaction. If Warsaw now decides to increase meat prices, it will have to do so gradually in order to avoid a repetition of the June 1976 unrest that forced the government to rescind an announced average 69-percent price hike. Gradual increases of meat prices will not have much effect on demand, and consumers will remain dissatisfied for some time.

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[redacted] Warsaw's attempts to satisfy consumer demand by importing large amounts of feed grains and soy bean meal as well as some meat have added to the already heavy strains on Poland's hard-currency balance of payments. The country probably will also need continued sizable grain imports at least through 1980. Because it fears dangerous flareups of popular discontent, the government would most likely cut other hard-currency imports before sacrificing necessary grain imports. [redacted]

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FRANCE - WEST AFRICA: Fighting

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[redacted] //France has confirmed that French-piloted Jaguar combat aircraft are participating in the fighting against Polisario Front insurgents in Mauritania; Paris has denied Polisario claims that two of the Jaguars have been shot down. Fighting in Mauritania has apparently slackened this week, but neighboring Senegal where the French planes are based is taking steps to increase its security against possible Polisario raids.//

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[redacted] //French Foreign Minister Louis de Guiringaud waited until the eight French hostages released by the Polisario Front were safely back in France last Friday before announcing that the French have been involved in the fighting. France has used the Polisario capture of French citizens and the threat of additional seizures as justification for increased French military activity in Mauritania.//

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25X1 [redacted] //There have been no Polisario attacks reported in the past few days; the front probably is reassessing its tactics in the light of French involvement in combat operations. Polisario spokesmen say their forces have shot down two French Jaguar fighter-bombers over Mauritania this month. [redacted]

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25X1 [redacted] //Morocco has made some minor troop redeployments, but there are no indications that it plans to augment the 5,500 troops it now has in Mauritania and Western Sahara.//

25X1 [redacted] //Dakar is becoming more concerned that the Saharan dispute may spill over into Senegal. [redacted]
25X1 [redacted] the use of Senegal for French air operations into Mauritania may encourage the Polisario Front to mount reprisal attacks.//

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25X1 [redacted] Senegalese and Mauritanian military and civilian officials have held several joint meetings to coordinate their strategies against the Polisario. As a result, Senegal is moving to strengthen its forces along the border with Mauritania, to conduct more frequent patrols, and to improve military communications. [redacted]

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EC: Denmark Assumes Presidency

25X1 [redacted] //Denmark's turn to lead the EC Council of Ministers begins 1 January. The six-month term does not allow for more than slight shifts in tone or emphasis; nonetheless, the Danes will seek maximum impact, emphasizing the international role of the EC presidency as well as their own priorities.//

25X1 [redacted] //Increasing the influence of the small West European nations in world forums has been a goal of Danish Prime Minister Jorgensen for some years. He has been particularly concerned that the EC--not just the large West European powers--be present at international economic summit conferences. Denmark will press hard for such a conference with a strong EC role during the Danish tenure.//

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[redacted] //Denmark will also press for expansionary Community economic policies in the hope that they might generate increased Danish exports to the larger and stronger EC members, thereby boosting the Danish economy. The Danes also favor wider membership in the European joint float to promote exchange-rate stability and to further monetary union.//

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[redacted] //Denmark will urge Community financing of energy projects as an important means to economic revival. Although Denmark does not now have nuclear power plants, it is interested in supplanting imported fossil fuels, which supply 99 percent of Danish energy consumption, and will urge adoption of policies on uranium supply and nuclear waste disposal.//

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[redacted] //Jorgensen wants to see the EC move toward more cooperation with the other Nordic nations, as well as with Austria and Switzerland, which are economically, politically, and socially close to the Nine but which for a variety of reasons choose not to join the EC. He, like other EC leaders, will remain apprehensive about the EC shift to the south but will not oppose membership for Spain, Portugal, and Greece.//

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[redacted] //Copenhagen has given public support to the restructuring of the Community's Common Agricultural Policy, but the Danes will probably not press this complex issue.//

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[redacted] //Negotiations for the renewal of the EC aid and preferential trade venture--the Lome Convention--will begin during Denmark's tenure. Copenhagen would like to see most aid from Community members to developing countries handled under EC auspices and will push for better planning and coordination. Denmark will press for more industrial cooperation ventures with the developing countries as well.//

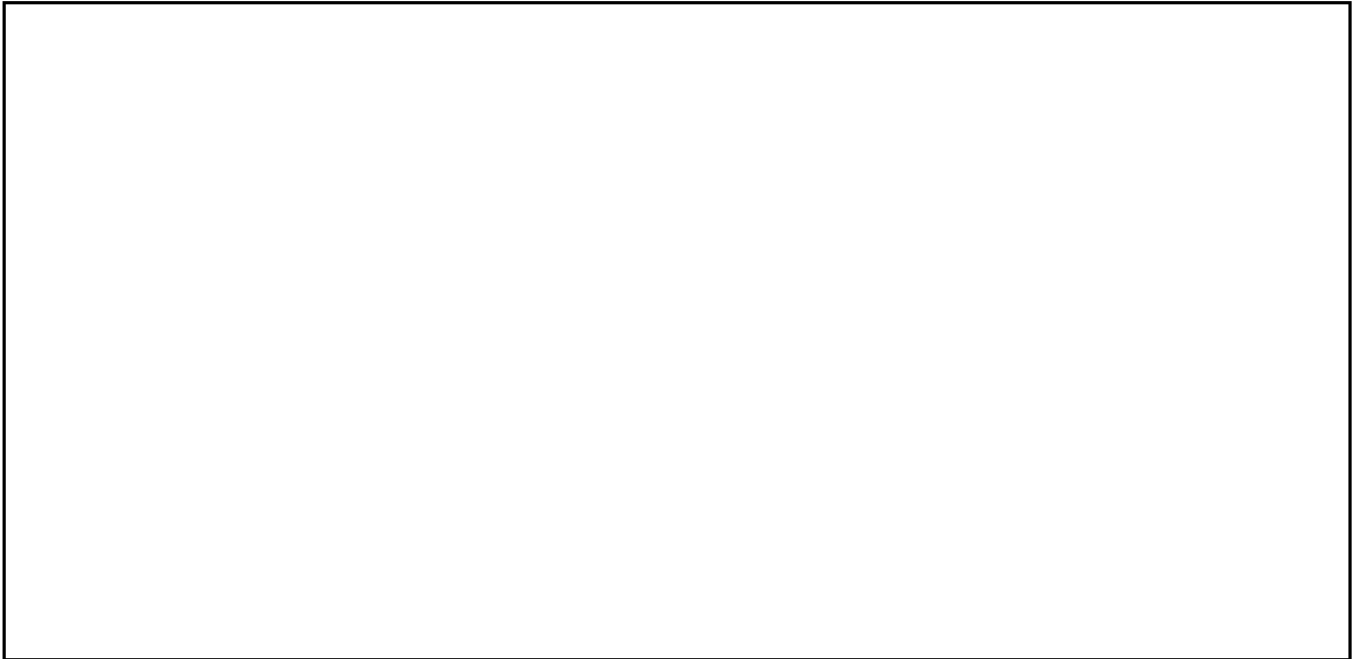
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[redacted] //Denmark will also use its prominent position to speak for Greenland, which is scheduled to receive home rule next year. Greenland benefits from EC association, but it is fearful that adoption of an EC fisheries policy without modification will threaten its largest source of income. Denmark will urge the EC to make special rules for the Greenland fishing zone so that dependence on fishing will not force Greenland to loosen its ties with the EC. [redacted]

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BRIEFS



Turkey

25X1 [redacted] The Turkish National Assembly voted Tuesday to place a censure motion on its agenda, and a vote of confidence could take place on Saturday. Assembly Speaker Karakas has called for debate of the motion to begin today.

25X1 [redacted] Parties in the governing coalition have protested that the speaker did not wait the constitutionally required two full days between inscription on the agenda and debate. The coalition members will probably try other delaying tactics. [redacted]

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