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NATIONAL INTELLIGENCE DAILY CABLE

Wednesday 11 January 1978

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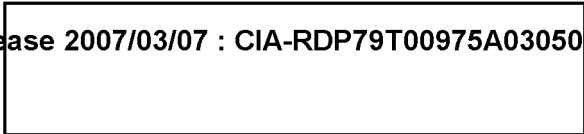
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National Intelligence Daily Cable for Wednesday, 11 January 1978.

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

CONTENTS

CHINA-VIETNAM-CAMBODIA: Relations	Page 1
ITALY: Political Strategies	Page 1
EAST GERMANY - WEST GERMANY	Page 3
CHILE: Referendum Perspective	Page 5

25X1

OAU-ETHIOPIA-SOMALIA: Report Page 9

LESOTHO: Surrounded by Apartheid Page 10

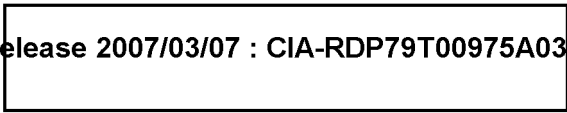
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NORTH YEMEN: Government Changes Page 12

BRIEF: Page 14

Nicaragua

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CHINA-VIETNAM-CAMBODIA: Relations

25X1 [redacted] //The Chinese are drawing back somewhat from their public tilt toward Phnom Penh in their coverage of the Vietnam-Cambodia conflict. The move probably results from Peking's desire to avoid a further decline in Sino-Vietnamese relations and to make clear China's preferences for a negotiated settlement of the dispute. Privately, however, the Chinese continue to express support for Cambodia.//

25X1 [redacted] This week, Peking for the first time printed long-standing Vietnamese charges that Cambodia was guilty of border violations. Earlier Chinese press accounts of Hanoi's position had excised Vietnamese references to Cambodian forays into Vietnam. Peking continues to give more prominence to Cambodian charges of Vietnamese aggression.

25X1 [redacted] Despite Hanoi's private assertions that China encouraged Cambodian aggressiveness, the Vietnamese also appear to be anxious to avoid further straining their relations with Peking. The signing of a Chinese-Vietnamese trade agreement in Peking yesterday underscores the desire of both sides to keep relations on an even keel.

25X1 [redacted] Foreign Minister Nguyen Duy Trinh's effusive greeting of China's Ambassador to Bangkok Chai Tse-minh on Monday and the subsequent spectacle of Ambassador Chai vying with his Soviet counterpart to introduce Trinh at a Thai reception that evening also suggests that neither Hanoi nor Peking wants Cambodia to separate them further--a development they believe would serve only the interests of Moscow. [redacted]

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ITALY: Political Strategies

25X1 [redacted] Each of Italy's three major parties, anticipating the early fall of the Andreotti government, will hold a strategy session in the next few days to prepare for negotiations

[redacted]

*over the government's successor. Whatever the makeup of the latter, the Communists are certain to emerge with a broader and more direct role--although still probably without formal inclusion in the cabinet. Nearly all political leaders are against an early parliamentary election, but that may be the only solution if the politicians fail to find a formula that meets the Communist demand for new concessions without aggravating internal Christian Democratic differences to the point of risking a split in the party.*

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[redacted] Andreotti's position has weakened markedly since Communist leader Berlinguer's pre-Christmas demand for membership in an emergency government. The reasons are not only Berlinguer's evident seriousness but also the acceleration in recent weeks of various trends that have been pushing the Communists and Christian Democrats toward closer cooperation.

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[redacted] The impression has grown rapidly, for example, that the country's problems, particularly in the areas of public order and the economy, require a stronger government. Meanwhile, the growing disarray in the Socialist Party has led Christian Democrats increasingly to view it as an unreliable partner. At the same time, the Communists have been cooperating with the government and conveying the impression that they are evolving away from orthodoxy.

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[redacted] All of this, combined with the desire of leading Christian Democrats for Communist support in the next presidential election, has led to a sharp decline in Christian Democratic resistance to closer collaboration with Berlinguer's party.

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[redacted] Christian Democratic leaders may face their toughest job in selling such ideas to lower level officials in their own party. More than 60 of the party's 398 legislators, for example, have signed an open letter against any new concessions to the Communists.

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[redacted] Most of the signers are reform-minded first termers who were elected largely on the basis of their anti-Communist views. They are trying to convince the party leadership to try a new election before taking another step toward the Communists that would be extremely difficult to reverse. Top Christian

Democrats see a strong possibility of gains in an election, but they argue that the Communists would hold their own or gain slightly and that the balloting would solve nothing.

25X1 [ ] The Socialist leadership, meanwhile, will meet on Friday and the Communist Central Committee will convene early next week to evaluate the Christian Democrats' official posture. The Socialists are also pushing for Communist inclusion in the government, but their ability to affect matters will be hindered by an internal power struggle that has been forcing party chief Craxi to devote most of his energy to keeping his job.

25X1 [ ] For their part the Communists have said little officially since Berlinguer's demand for a cabinet role. Signs continue to appear, however, that the communists will take less; they now place the emphasis on merely obtaining a demonstrable "change" in the government. Membership in the Parliamentary majority may therefore satisfy them.

25X1 [ ] Berlinguer's tough talk has probably raised high hopes among the party rank and file, and he may now feel it necessary to demonstrate that he has at least a toe hold in the cabinet. In that event, he might press for the inclusion in the cabinet of several "technicians" who are close to--but not necessarily members of--the party.

25X1 [ ] The coming round of meetings will help clarify the terms on which the interparty negotiations will proceed. The bargaining is hardly under way, but at this point the Communists stand a better-than-even chance of moving closer to formal share of power than at any time since their expulsion from the government in 1947. [ ]

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#### EAST GERMANY - WEST GERMANY

25X1 [ ] *East Germany yesterday closed the East Berlin office of the West German news magazine Der Spiegel. The closure follows the refusal last week to accredit a Spiegel correspondent newly assigned to East Berlin, and is clearly intended as retaliation for Spiegel's publication on Monday of part two of a purported "opposition manifesto" that contained biting personal attacks on top-level East German officials, including party chief Erich Honecker.*

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[ ] The manifesto is said to have been composed by East German party members opposed to the political and economic policies and "bourgeois" lifestyles of top East German and Soviet leaders. Highlights of the second part, concerning the East German internal situation, include:

- Charges that workers and peasants pay for the "ineptitude of the bureaucratic apparatus" with a standard of living lower than that in the West.
- Claims that workers must support an "immense host of good-for-nothing parasites in the party apparatus."
- Biting attacks on Honecker and other top leaders, who are accused of having "shamelessly corrupted and enriched themselves," and of being "clowns" and "girl chasers."
- Charges that party discussions consist merely of "personal adulation by lickspittles" instead of constructive dialog.
- Allegations of mismanagement of the economy, including a defective price system that precludes rational planning, and poor quality products.

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[ ] The East Germans have charged *Spiegel* with "wicked slander" of East Germany and its allies and with "deliberate attempts to poison relations" between Bonn and East Berlin. The East Germans nevertheless continue to express their desire for good relations with Bonn and are keeping their anger focused on *Spiegel*. East Berlin offices of other West German media remain open and are unlikely to be closed unless bilateral relations worsen seriously.

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[ ] The West German Government is protesting the actions against *Spiegel*, which violate journalistic arrangements contained in the Treaty on Basic Relations but will seek to limit the damage to relations. Bonn's press spokesman made clear there will be no retaliation against East German correspondents.

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[ ]

## CHILE: Referendum Perspective

25X1 [ ] //The endorsement of the Chilean government's position in the national referendum last week was a clear personal victory for President Pinochet that exceeded his own expectations. The turnout was exceptionally heavy--about 5.4 million of almost 6 million eligible voters, with 75 percent favoring the government's rejection of the UN resolution censuring Chile for human rights violations.//

25X1 [ ] //We have no evidence that the government employed fraud in the plebiscite. The government position was carefully worded to appeal to the strong nationalism of the Chileans; Pinochet thereby assured himself of an overwhelming advantage against those groups that urged a negative vote.//

25X1 [ ] //Pinochet's victory will consolidate his support within the military, particularly the army, where doubt about his judgment and leadership was beginning to spread and will reaffirm his preeminent position in the junta. As a result, he will have a freer hand in many areas.//

25X1 [ ] //Pinochet will not hesitate to point to the referendum results as evidence of his government's legitimacy and of his own political astuteness. He has remarked that there will be no more elections or voting for a decade and evidently intends to act as though he now has a mandate for the slow transition to civilian rule that he outlined last July.//

25X1 [ ] //His remarks on presidential and congressional elections have been inconsistent, however, and he may show some flexibility on this point. The Chileans, having been allowed to exercise the vote, are now likely to be more strident in demanding greater political participation.//

25X1 [ ] //We expect no harsh crackdowns, but Pinochet will almost certainly be tougher toward his opponents in the outlawed political parties and in labor and church circles. Although he has proclaimed that the curfew and the state-of-siege restrictions will remain in force, there is a good chance that he will relax them when he thinks he has made the point that Chile is not bending to foreign pressure.//



25X1 [redacted] //Pinochet will, however, weed out dissenters within the government. He has announced his intention to reorganize the Foreign Ministry, in which a number of officials--including the Foreign Minister, Admiral Carvajal--had protested the call for the referendum. The two junta members who opposed the vote--Air Force chief Leigh and Navy chief Merino--may be forced to step aside.//

25X1 [redacted] //Leigh is still sniping at Pinochet. Although he has publicly reaffirmed his loyalty and brushed off suggestions of a split in the junta, he has confided to a few newsmen that Pinochet is becoming a power-hungry dictator. Leigh also alleged that the CIA is backing hard-liners in hopes of toppling the President.//

25X1 [redacted] //Leigh's motives are far from clear, but his statements--almost certain to leak--will make his position even more untenable. Leigh may be trying to provoke Pinochet into removing him, perhaps on the assumption that such a step would catalyze opposition within the armed services and lead to Pinochet's removal.//

25X1 [redacted] //Pinochet has stressed that his government will now adopt a more aggressive foreign policy, presumably including a harder line toward the UN and other critics.//

25X1 [redacted] //It is difficult to judge how he will play the relationship with the US. Although improved relations with Washington remain a fundamental objective of his government, Pinochet probably believes that a specific quid pro quo--such as support for Chile's requests for loans through international organizations--should be forthcoming in return for further responses on human rights issues. The Chilean approach to the US for mediation on the Beagle Channel dispute with Argentina demonstrates some hope for good relations with the US.//

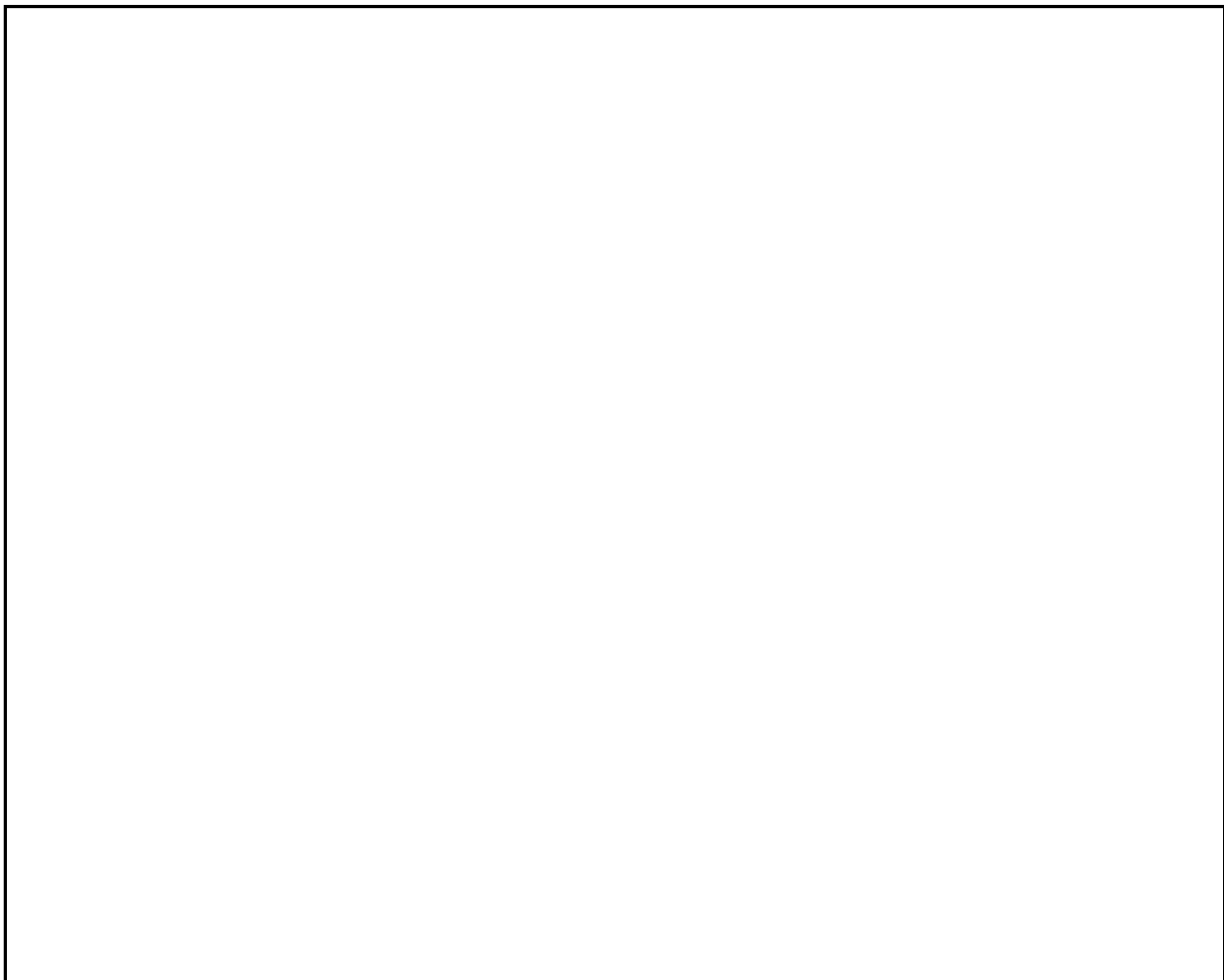
25X1 [redacted] //Chile has made substantial progress in improving its human rights practices, and most Chileans probably resent what they regard as a lack of recognition of this change. Among the improvements noted by the US Embassy as well as by the Red Cross and other international organizations are:

-- A marked reduction in reports of torture, illegal detentions, and "disappearances."

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- Considerable improvement in treatment of political prisoners. About 250 persons remain imprisoned on security-related charges.
- The release of 4,000 political prisoners over the past several years.

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OAU-ETHIOPIA-SOMALIA: Report

25X1 [redacted] Secretary General Eteki of the Organization of African Unity told the US Charge in Addis Ababa on Monday that the OAU is helpless to mediate between Ethiopia and Somalia.

25X1 [redacted] Eteki said he now believes direct negotiations between the US and the USSR are necessary before a settlement can be reached. He suggested that the direct antagonists, Ethiopia and Somalia, and the indirect ones--"Iran, Saudi Arabia, and perhaps Kenya"--could subsequently join in the negotiations. He left no doubt that the OAU secretariat considers Somalia the aggressor and that Ethiopia has every right to defend its territorial integrity.

25X1 [redacted] Eteki, a Cameroonian, has long been pessimistic about the OAU's ability to bring about a peaceful solution. His views would probably not carry much weight, however, in the event that the OAU special mediation committee should be reconvened. Eteki is one of the few ranking African officials to suggest that the implications of the conflict extend beyond the African context.

25X1 [redacted]

LESOTHO: Surrounded by Apartheid

25X1 [redacted] *The recent decision of the Lesotho Government quickly to grant political asylum to Donald Woods, the banned South African editor, points up the anomalous position of a country that is both an outspoken critic of South Africa's domestic policies and totally dependent on South Africa for its survival.*

25X1 [redacted] After his escape to Lesotho, Woods and his family were able to travel on toward the UK only by a chartered flight over South African territory. Lesotho has no international airport and depends on South Africa as a transit point for all its dealings with the outside world.

25X1 [redacted] The incident will increase the pleas of Lesotho's Prime Minister, Chief Jonathan, for international aid in establishing an international airport for an air bridge over what he calls "an ocean of apartheid." Lesotho has long wanted such an airport, despite the absence of passenger and freight potential to support long-range flights. It stresses the political justification of the project as a means of lessening its dependence on South Africa.

25X1 [redacted] The airport project is only one part of Lesotho's effort to loosen its ties with South Africa. In seeking financial help for everything from roads to hydroelectric projects, Lesotho has made frequent overtures to the US, the UK, the UN, the EC, and the Arab bloc. It has also selectively and cautiously approached several Communist countries for development assistance.

25X1 [redacted] An extremely poor country--one of the least developed in the world--Lesotho is unable to provide for its population of more than 1 million. Its chief export is labor, and nearly half its total work force is employed in South Africa.

25X1 [redacted] Despite its overwhelming dependence on South Africa for jobs, revenue, and food, Lesotho has been a harsh and outspoken critic of South Africa's apartheid policies. Lesotho has refused to recognize either Transkei, with which it shares a common border, or Bophuthatswana, the newest of the nominally independent homelands--despite its striking physical and economic similarity to both.

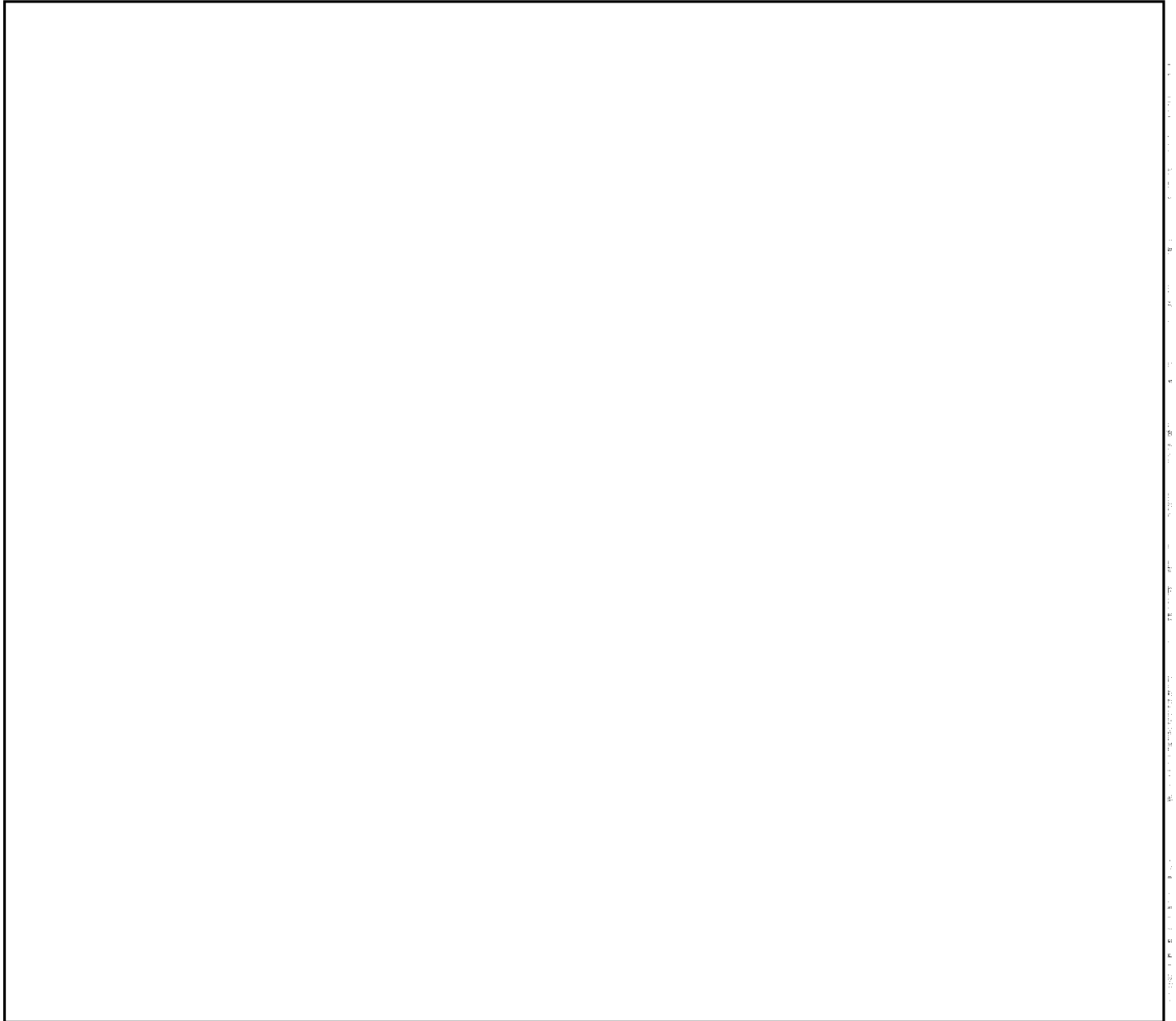
25X1 [redacted] Last year, Lesotho brought a complaint to the UN that Transkei had closed its borders, and alleged that South Africa was squeezing it economically. Such actions strengthened Lesotho's credentials as a black African state victimized by apartheid. The UN Security Council commended it for resisting South African pressure and appealed to member nations for financial, technical, and other aid for Lesotho.

25X1 [redacted] The effort to promote its image as an independent African member of the UN worthy of assistance recently led Lesotho, despite its total dependence on South Africa for petroleum supplies, to support a UN resolution for an oil embargo against South Africa.

25X1 [redacted] There are limits, however, to how far Lesotho will go. While it will grant political refuge to South Africans it will neither serve as a haven for guerrillas nor as a base for anti-South African terrorist operations.

25X1 [redacted] There are a few South African refugees living in the country, but they are not allowed to engage in political activity. Chief Jonathan knows that while he criticizes South African racial policies and seeks international support for Lesotho's economic development, he must continue to deal with South Africa, to which Lesotho is inextricably tied for the foreseeable future. [redacted]

25X1 [redacted]



**NORTH YEMEN: Government Changes**

*[Redacted] //Major changes in the structure of the North Yemen Government may be in the offing as Command Council Chairman Ahmad al-Ghashmi attempts to legitimize and consolidate his rule. Ghashmi will probably use the planned resignation of North Yemen's Foreign Minister to shore up his position.//*

25X1 [redacted] //Lack of popular support has been a major problem for Ghashmi since he assumed the chairmanship of North Yemen's ruling Command Council after the assassination of his predecessor in October 1977. [redacted]

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25X1 [redacted] //The reorganization may call for the establishment of a long-contemplated consultative assembly--the old legislative body was dissolved after the military takeover in 1974. The assembly probably will not be directly elected and is unlikely to have a major voice in public affairs, but it apparently will be nominally representative of Yemen's diverse society and will provide some outlet for various political views.//

25X1 [redacted] The three-man Command Council may also be replaced by a presidential system under which the vice president would act as prime minister.

25X1 [redacted] The proposed changes will be developed during the next few weeks and submitted to the Yemeni people in a referendum. The new system will stress continuity, and the referendum may provide for the election of Ghashmi as president and the current Prime Minister, Abd al-Aziz Abd al-Ghani, as vice president.

25X1 [redacted] //Foreign Minister Asnaj probably will not participate in the new government; he has submitted his resignation to take effect in March. [redacted]

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25X1 [redacted] //Asnaj's departure, however, may be partly motivated by political considerations. He does not have as much influence with Ghashmi as he had with the former leader, and he may also be apprehensive that Ghashmi's tenure will be limited. It is in fact questionable that Ghashmi has the necessary skills to maintain his current position over the longer term.//

25X1 [redacted] //In any event, Ghashmi will look for some way to gain politically from the appointment of a new foreign minister. He could, for example, offer the troublesome leader of Yemens northern tribes, Abdallah al-Ahmar, some voice in



choosing a replacement. In a further effort to gain al-Ahmar's cooperation, and perhaps to curry favor with his Saudi backers, Ghashmi could give him some symbolic post in the new government, but probably not the vice presidency as was rumored earlier.//

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BRIEFS

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Nicaragua

[redacted] Pedro Joaquin Chamorro, editor of the large daily newspaper *La Prensa* and longtime opponent of the government, was shot and killed from ambush yesterday. Neither the identity of the assassin nor his motive has yet been determined. It is unlikely that President Somoza would condone such an act.

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[redacted] Chamorro's death will remove a major and very vocal obstacle to opposition unity and the national dialogue demanded by more responsible opponents of the government. [redacted]

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