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Central Intelligence



# National Intelligence Daily (Cable)

4 December 1978

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# **Top Secret**

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ports that junior officers and enlisted men in the Air Force and Navy believe that the Shah cannot hold on much

The US Embassy has received several unconfirmed re-

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### IRAN: Situation Report

Sporadic demonstrations and violence continued in Tehran this weekend as the Shah's opponents kept up the pressure on the government. The opposition's strategy apparently is to build up pressure gradually on the Shah toward a climax on Ashura--the holiest day of the Islamic month of Moharram, which falls on 11 December this year. There appears little chance a political compromise can be achieved before then. Thus far, there are no reliable casualty figures for the three days of demonstrations.

The military is using force to break up demonstrations in the capital. US Embassy reports indicate that tanks are in the streets.

The demonstrations appear to be relatively well organized and Embassy sources report that the crowds are the largest ever seen this early in Moharram. There have been reports of scattered demonstrations and some violence in Mashhad, Bushehr, Esfahan, and other cities.

Exiled Shia leader Ayatollah Khomeini repeated his call for an end to the monarchy in a message reported by the French press yesterday. Khomeini called on soldiers to desert and oil workers to strike. Workers at Iran's major offshore joint venture--responsible for production of 425,000 barrels per day, or 7 percent of recent daily output--resumed their strike on Saturday in response to Khomeini's call.

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#### **ITALY:** Government Troubles

//There are growing signs that Italian Prime Minister Andreotti's Christian Democratic minority government may not survive into the beginning of the new year or much beyond it. Although there is still no consensus among the parties on an acceptable alternative, some Socialists and Christian Democrats apparently hope that toppling Andreotti could pave the way for a new government in which the Communists, who provide Andreotti parliamentary support, would be less influential. The Communist leadership seems inclined to continue backing Andreotti, but maneuvers by the other parties appear to be feeding discontent among those Communists who think their party is gaining little from the present arrangement.//

//The Communists would play a critical role in determining the outcome of a governmental collapse. Party chief Berlinguer is coming under mounting pressure from within his party to deliver tangible benefits to justify its support of the Prime Minister. Communist support of a new government would probably depend on whether the party could negotiate an arrangement increasing its influence in the governing process. Lacking such a guarantee, Berlinguer would be under heavy pressure to point the party back toward the opposition or to push for a new election--alternatives most parties consider undesirable at this point.//

//The Socialists reportedly plan to launch an attack on Andreotti at the party's central committee meeting on 12 December. Meanwhile, the parties will be engaged in 25X1

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intensive maneuvering, and some hint of the Communists' posture may emerge from their central committee meeting today.



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BRIEFS

Namibia

African representatives at the UN will probably ask for mandatory sanctions against South Africa today when the Security Council meets to hear Secretary General Waldheim's report on his talks with South African Foreign Minister Botha. The UN meeting will coincide with the first day of voting in Namibia. On Saturday, Waldheim said Pretoria informed him that South Africa would not comply with the UN plan for Namibia unless it was accepted by the election winners, although Botha did pledge not to grant them sovereignty automatically.

In Namibia over the weekend, South African police cracked down on the internal wing of the South-West Africa People's Organization, detaining six principal SWAPO leaders after two bombings in Windhoek injured 15 persons. Police also arrested some 30 SWAPO demonstrators protesting the election.

# Pakistan

The split, announced last week in the Pakistan Muslim League--the largest member of the six-party Pakistan National Alliance--could lead to a cabinet reshuffle and further complicate President Zia's efforts to return Pakistan to civilian rule. Zia has promised a national election for next October and recently offered to transfer full power to the Alliance--the only political group that supports him--"even without elections" if it could be transformed into a single united party.

The split follows months of bickering within the Muslim League's leadership. The President of the party claims the continued support of most members; only one of the League's five cabinet ministers, however, remained loyal to him, raising questions about his faction's future role in the Pakistan National Alliance and the coalition government.

The party president could quit the Alliance and establish his own opposition coalition for the election next year. This would reduce the Alliance to a grouping of five small parties and a splinter Muslim League group and would make it difficult for Zia to transfer any political responsibility to the Alliance before the election.

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#### Vietnam-Kampuchea

Radio Hanoi yesterday reported the formation of a Kampuchean United Front for National Salvation at a conference in a "liberated zone" in Kampuchea. The conference allegedly elected a 14-member Central Committee headed by Hen Somrim, a former member of the Kampuchean Communist Party, and called for a popular uprising against the Pol Pot regime.

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# Syria-Egypt

The Syrian Government has halted all trade with Egypt, according to the authoritative Syrian newspaper *al-Thawra*. The newspaper asserted that the trade ban resulted from the resolutions of the Arab summit in Baghdad early last month, but there is no evidence that the attendees agreed on general trade sanctions against Egypt. any sanctions were to be implemented only if Egypt signed a peace treaty with Israel and after the Arab foreign ministers met in Iraq.

Syria's unilateral move may be intended to underscore President Assad's role in opposing Egypt's policies; to warn Egypt of the seriousness of Arab opposition to a unilateral peace treaty with Israel; and to set an example that other Arab states might follow.

Trade between Egypt and Syria is very small, and no crucial commodities are involved. Last year, Egypt imported \$20 million worth of goods from Syria, only 0.4

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#### BOLIVIA: Problems for Padilla

The one-week-old government of Bolivian General David Padilla may soon face serious political problems as a consequence of its sudden decision to remove former President Banzer as ambassador for engaging in political activities. If Banzer, who already has been nominated as a presidential candidate in the election promised for next year, is exiled, conservative military officers who respect Banzer and are upset by Padilla's initial moves as President may move against Padilla.

Padilla's decision to form an alliance with a group of junior officers who favor holding an election on 1 July 1979 doubtless marks him as a turncoat to his conservative colleagues in the Army. The junior officers now occupy important posts, and Padilla will have to make substantial concessions to them or find a new base of support.

Padilla has won the support of the major political parties by promising an early election, but he will soon be under pressure to revise electoral procedures to prevent fraud and to allow campaigning to begin immediately. The politician most likely to win an open contest is leftist former President Siles Zuazo, who was the leading civilian candidate in the vote count in July before that election was annulled. Siles Zuazo is regarded by many military leaders as a dangerous radical.

Further complicating Padilla's prospects is Banzer's announcement that he intends to participate in the political process. Padilla will have to handle Banzer carefully. The former President is widely respected; his seven-year term as chief executive brought stability and a considerable measure of economic development to the country. Banzer has wide support among conservative military officers who would find him a palatable alternative to Siles Zuazo.

The chief preoccupation of all Bolivian presidents since independence has been to stay in power, and Padilla will be no exception. Much will depend upon his ability in the coming months to build a firm base of support within the armed forces, his primary constituency. 25X1

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percent of total Egyptian imports. Egyptian exports to Syria in 1977 amounted to \$28 million, about 1.3 percent of the country's total exports.

# Ghana

Head of State General Akuffo announced last Thursday that he has reversed himself and will now allow political parties to play a role in his plans for a return to civilian government. He also said he has appointed a representative constituent assembly to begin reviewing a proposed new constitution. Akuffo's announcement means that the beleaguered and increasingly unpopular regime has succumbed to popular pressure despite its fear of a return to divisive politicking that has undermined previous governments.

His move is a bid to stave off the complete collapse of public confidence. It may give him some breathing space to deal with the same mounting problems--labor unrest, corruption and mismanagement, inflation, and a crumbling economy--that led to the overthrow of General Acheampong in July.

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