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NATIONAL INTELLIGENCE DAILY CABLE

Saturday August 21, 1976 CI NIDC 76-197C

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NATIONAL SECURITY INFORMATION
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DIA review(s) completed.

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National Intelligence Daily Cable for Saturday August 21, 1976.

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

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KOREA: Interagency Situation Report

25X1 [redacted] The Daily prints the text of the National Intelligence Situation Report on Korea as of 2:00 am produced by an inter-agency group.

25X1 [redacted] At 6:00 pm EDT August 20, a UN Command work party of 38 US and 60 South Korean personnel entered the Joint Security Area at Panmunjom to cut down the tree at the site where North Korean personnel had two days earlier killed two US officers.

25X1 [redacted] Some 20 North Korean soldiers were in the immediate area but did not interfere. Another 50 or so watched from across a nearby bridge. The work party cut down the tree and removed two illegal North Korean barriers.

25X1 [redacted] The operation was completed, and the work party cleared the Joint Security Area in about one and one half hours. No US backup forces had to be committed.

25X1 [redacted] As the operation concluded, the North Koreans passed a message through Military Armistice Commission channels demanding that the "reckless provocation" cease and that all troops be removed from the area. The UN Command responded that the tree had been cut down and the work party had left the scene.

25X1 [redacted] Subsequently, the North Koreans requested a meeting of the two principal Military Armistice Commission members. This meeting, which convened at 10:45 pm EDT, was the scene of a conciliatory North Korean statement to the effect that the August 18 incident was "regrettable." The North Korean spokesman promised that his side "will never provoke first."

[redacted]

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25X1 [redacted] A North Korean press article commenting on Air Force Day, August 20, stated that the air force was in "full combat posture."



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[redacted] About two hours after the removal of the tree, a helicopter carrying the Task Force Commander was hit by small arms fire while airborne about 1,000 meters (1,100 yards) east of Panmunjom. one round struck the tail rotor pylon; there were no casualties, and no fire was exchanged.

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[redacted] We do not consider this significant or even necessarily related to the task force operation. Such incidents happen routinely when the North Koreans believe our aircraft approach too close to their positions.

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[redacted] The UN Command actions in the wake of the August 18 North Korean attack on US and Republic of Korea personnel in the Joint Security Area, as well as the rapidity of the various US military deployments to the Korean area, should give Pyongyang pause. Our response, for example, must have convinced North Korea that it risked an unwarranted military escalation. It would thus be reasonable for the North Koreans to reassess briefly both their position and that of their adversaries.

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[redacted] Pyongyang's basic policy stance will, however, probably remain unchanged. It is committed to finding a way to rupture US - Republic of Korea security ties and will put much effort into portraying the US as the prime instigator of instability on the Korean Peninsula.

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[redacted] Pyongyang doubtless perceives that it will have a number of good opportunities toward this end in coming months, for example, during the US election campaign and the UN debate on Korea this fall. We would expect, therefore, that North Korea will continue to stage provocations from which it expects to extract political and diplomatic mileage. [redacted]

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LEBANON: Situation Report

25X1 [] Heavy shelling between forces in east and west Beirut continued yesterday, despite efforts by Christian Phalangist leader Jumayyil and former prime minister Saib Salam to halt the bombardment. The heaviest exchanges occurred in the southern suburbs between forces in the Christian district of Ayn Rummanah and the Muslim stronghold of Chiyah; central Beirut where many foreign embassies are located is also coming under increasingly heavy fire.

25X1 [] The Christians--presumably excluding the Phalangists--apparently are trying to keep leftist and Palestinian forces tied down in Beirut so that they cannot reinforce their positions in the mountains east of the capital. The leftists announced yesterday that they have strengthened their forces in the mountains, claiming that this has caused the delay in the long-awaited Christian campaign in that area.


25X1 [] Christian temporizing is more likely the result of some hitch in their coordination with the Syrians, who are supposed to provide artillery support for the offensive. President Asad has been reluctant to undertake any fresh military moves against the Palestinians, presumably because of increasing domestic unhappiness over his Lebanese policy and the international attention recently focused on the plight of Palestinians at Tall Zatar.

25X1 [] Asad may now calculate that his next move must help Syria achieve its goal of transferring power from President Franjiah to Ilyas Sarkis. The Syrians may therefore be stalling the Christians in order to extract a firm guarantee that Franjiah will step down when his term officially expires on September 23.

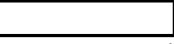
25X1 [] The Syrians may also want to avoid altogether any move that would upstage Franjiah's departure and the momentum it could give to serious negotiations. Asad recently obtained approval from his senior military advisers, however, for a renewed military offensive in Lebanon should it be necessary to force a settlement.



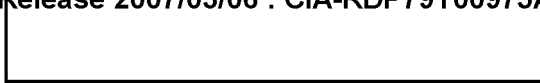
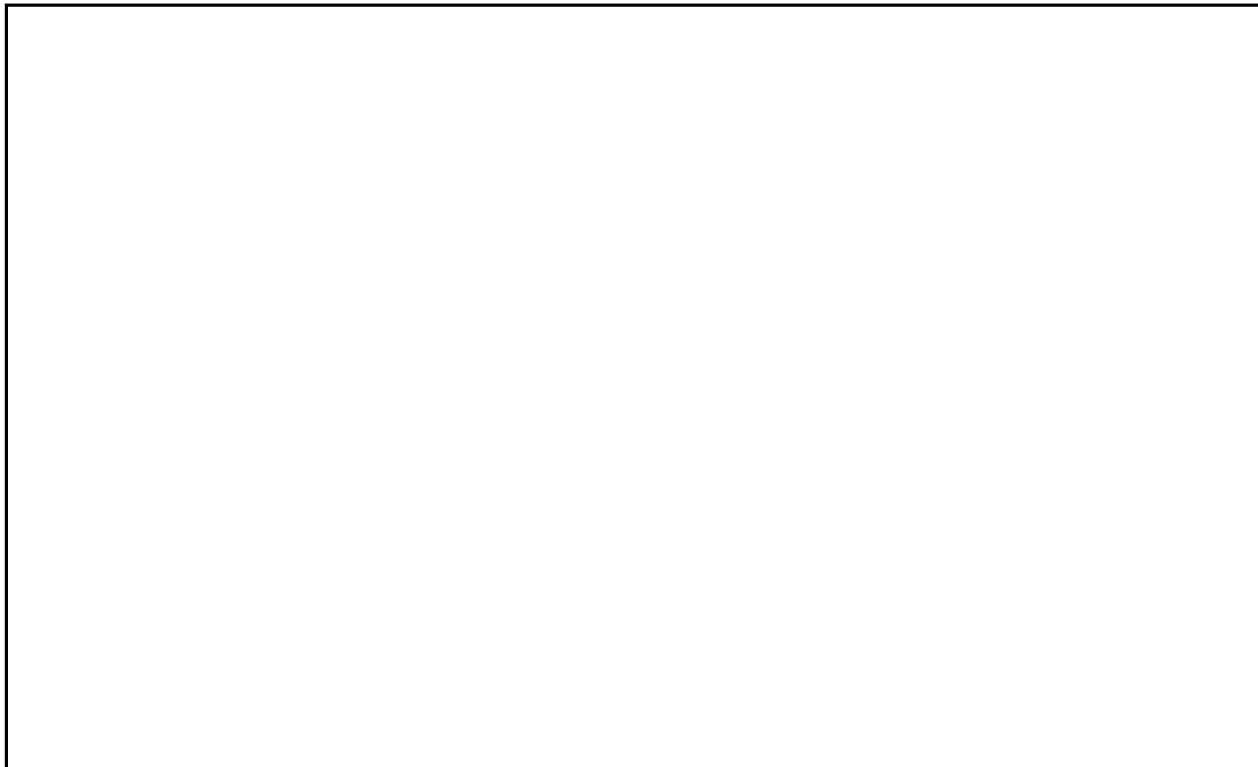
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 Sarkis met with Franjiyah on Thursday to discuss arrangements for the transfer of power. Sarkis apparently intends to travel to Damascus with other Christian leaders and the speaker of parliament, presumably to discuss Syria's role in the inauguration. Sarkis' travel plans apparently prompted leftist charges yesterday that the president-elect has already promised Damascus that he will continue to allow the presence of Syrian troops in Lebanon.

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 Preparations for an Arab League summit conference are continuing despite the fact that only eight members have approved the request for the meeting; eleven members must agree to attend before the conference can be held. Syria has not given its reply. Camille Shamun, speaking in his new capacity as Lebanese Foreign Minister, announced yesterday that Lebanon would participate if the conference were held in an Arab capital that has remained neutral in the Lebanese war; he specifically ruled out Cairo as a site for the meeting.

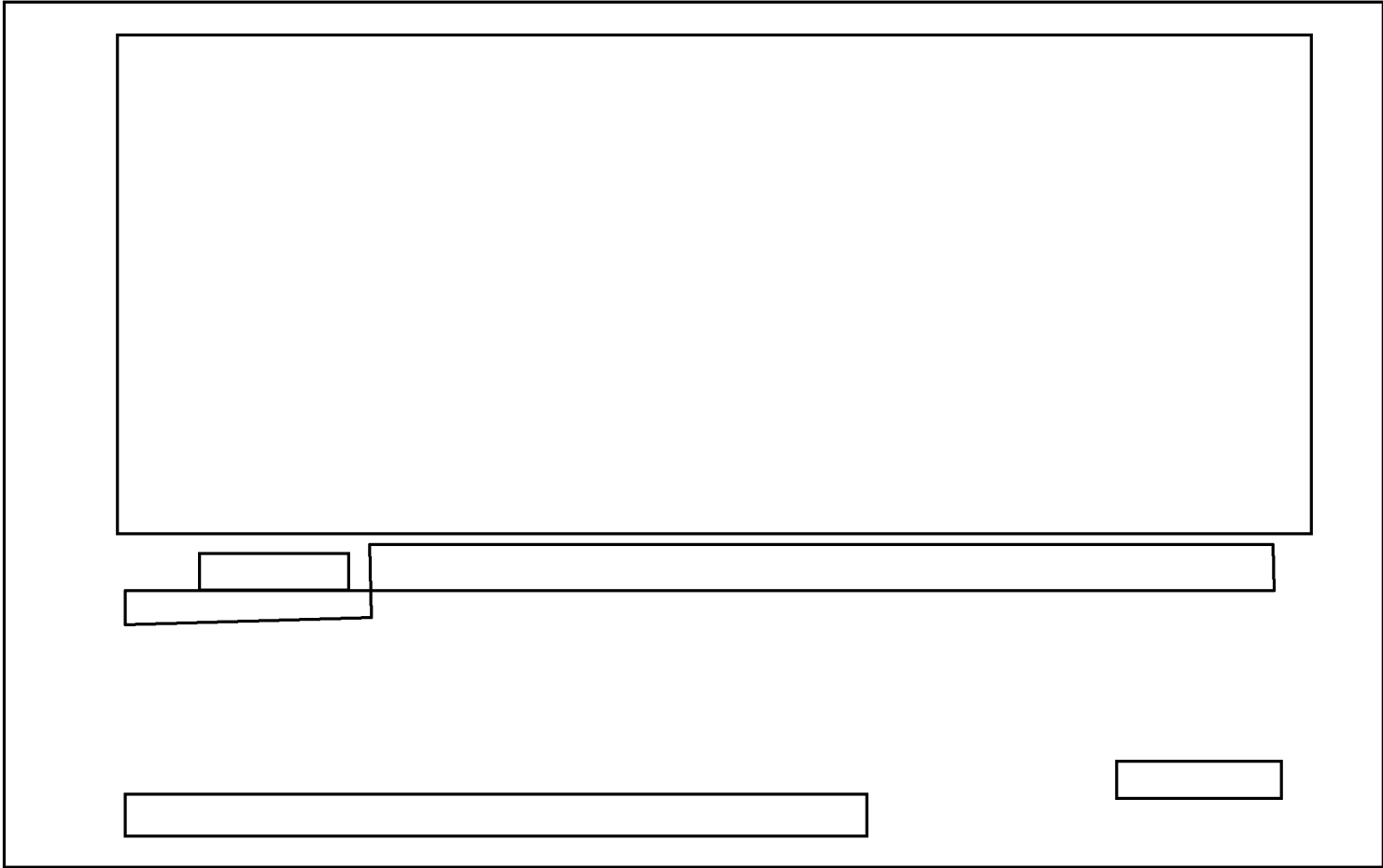
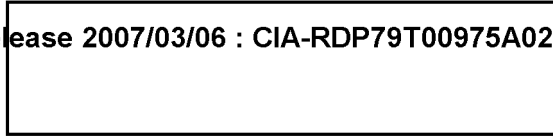
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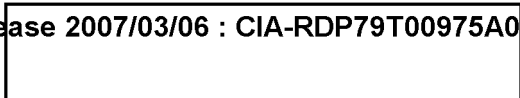
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CUBA: Courts US Companies

[redacted] //Cuba has stepped up direct contacts with US companies, despite its public statements playing down the importance of the US market.//

[redacted] //Since last October, the Cuban government has financed visits by representatives of at least eight US companies to explore bilateral trade possibilities once commercial relations between the two countries are re-established. It has tentatively scheduled visits by five additional companies within the next couple of months and has continued to communicate with a number of other US firms.//



25X1 [redacted] //In at least one instance, Cuba has requested a company to waive its claim for compensation for nationalized properties in return for future access to the Cuban market. The Cubans have also hinted at the possibility of management contracts and joint ventures.//

25X1 [redacted] //These Cuban actions appear to be an effort to undermine the US business community's support for the embargo. Cuba can now obtain most of the products it desires from the US through US-owned foreign subsidiaries, but lifting of the embargo would give the Castro government a psychological victory. [redacted]

GREECE-TURKEY: Situation Report

25X1 [redacted] The UN Security Council could reconvene early next week to consider a draft resolution on the Aegean controversy between Greece and Turkey.

25X1 [redacted] The draft, which is being formulated jointly by the US, the UK, France, and Italy, has been the object of tough bargaining with the Greek and Turkish foreign ministers who are in New York. The drafters have sought to find compromise wording that would satisfy the Greeks without unduly angering the Turks.

25X1 [redacted] The Greeks have lobbied for a strongly worded document calling for a cessation of seismic research in disputed areas and for equal emphasis on bilateral negotiations and international adjudication as means of settling the dispute.

25X1 [redacted] The Turks have called Greece's appeal to the Council unwarranted. At first, they argued that the Council should simply recapitulate the positions of the two sides without a formal resolution. They then concentrated on changing the wording of the draft, particularly its indirect reference to Turkish actions in the Aegean and to the International Court of Justice.

25X1 [redacted] The compromise resolution apparently will call for restraint and for negotiations aimed at a peaceful settlement of the dispute. It will also take note of The International Court.

25X1 [redacted] In Athens and Ankara, meanwhile, the leaders of the two countries traded charges on the potentially volatile question of the status of the Greek islands near the Turkish coast. The Greeks sent armed forces to the islands in violation of international treaties following the announcement of Turkish claims to part of the Aegean shelf. Turkish Prime Minister Demirel declared on Wednesday that the islands "cannot remain armed." Greek Prime Minister Caramanlis yesterday took strong exception to Demirel's statement. [redacted]

25X1 [redacted]

NAMIBIA: Independence Date

25X1 [redacted] The statement publicized by the South African government this week setting December 31, 1978 as the target date for Namibian independence and providing for a future interim government is an agreement only in principle and leaves crucial issues dealing with the territory's future unresolved.

25X1 [redacted] The US embassy believes South Africa put pressure on white conservatives in Namibia to agree to the statement in an effort to avert any further attempts at the UN to impose the terms of Namibian independence. Early this year the Security Council set August 31 as the deadline for South Africa to relinquish control of Namibia.

25X1 [redacted] According to the statement, which was issued by a committee of the multiracial constitutional conference that South Africa set up last September, an interim government will be established only after a constitutional "foundation" has been agreed upon. Complicated negotiations on a number of matters of interest to South Africa must also be successfully concluded before the interim period begins.

25X1 [redacted] During the interim period, the details of the constitution will be worked out and preparations made for a transfer of power to a permanent government.

25X1 [redacted] Black and mulatto representatives at the conference reportedly hope a multiracial interim government can be established by March 1977. They have the support of white moderates, but white conservatives who at this time still control the Namibian branch of the ruling National Party, are not reconciled to losing control of the territory.

25X1 [] A showdown among whites will come at a congress of the party branch beginning next Tuesday. Moderates, led by Dirk Mudge, the deputy chairman of the party branch and chairman of the committee that issued the statement, reportedly hope to wrest leadership of the party from the conservatives.

25X1 [] Mudge believes that Prime Minister Vorster will not intervene on behalf of the conservatives in Namibia. The conservatives have powerful allies in the South African government, however, and the party congress could become acrimonious, forcing Vorster to intervene more directly than he has to date.

25X1 [] The South-West Africa Peoples Organization, which is leading the insurgency against South African control of Namibia, immediately condemned the statement. There is some sentiment within the constitutional conference to invite SWAPO to participate, but thus far SWAPO has indicated it would refuse. []

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SOUTH AFRICA: Riot Situation

25X1 [] Sporadic violence and arson continued yesterday in three black townships near Port Elizabeth, but no major clashes with police were reported. Rioters Thursday spilled briefly from the townships into a white industrial area and stoned several factories before being driven back by police gunfire. The death toll now stands at 33, making the Port Elizabeth riots bloodier than those that erupted last week around Cape Town.

25X1 [] There may be renewed violence in Cape Town's townships where authorities refused students permission to attend the funeral today of those killed last week. At other townships in South Africa's Eastern Cape area, police arrested 350 student demonstrators near Queenstown and used tear gas to break up student marches in East London.

25X1 [] In the north, student activists in Johannesburg's Soweto township--where student-led demonstrations last June triggered South Africa's current racial unrest--reportedly are trying to organize an adult work boycott to begin Monday. Although sympathetic with the students' cause, many workers are

reluctant to cooperate for fear of losing their jobs, and police have armed some workers with clubs to help stand off student demonstrators in the event that they try to prevent commuters from getting to their jobs.

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[redacted] A number of industrial groups in South Africa have begun to voice open concern over the country's continued racial violence and have forwarded a variety of proposals to the government to ameliorate conditions for urban blacks who supply the bulk of the labor force. Business leaders for long have been ahead of the government in advocating some improved status for black workers but in light of their past failures to prod the government to take action they probably are not optimistic that their proposals will gain wide acceptance at the cabinet level.

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[redacted] The most sweeping recommendations were made public Thursday by the Transvaal Chamber of Industries based in Johannesburg, one of the country's most influential employer groups. A spokesman for the Chamber said the proposals had been forwarded to Prime Minister Vorster three weeks ago, and there has still been no response. The proposals in effect call on the government to overturn much of the legislation governing urban blacks. They urge, for example, limited self-government for black townships, improved housing and education, higher wages, and greater job mobility. Another group of Johannesburg businessmen recently floated a plan for improving urban black housing; the government reportedly is displaying some receptivity to that idea. [redacted]

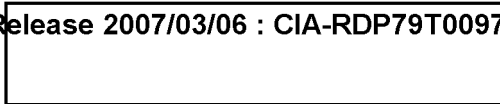
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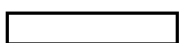
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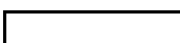
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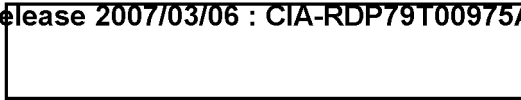


CUBA-JAMAICA: Solidifying Ties

 Recent exchanges of delegations between Cuba and Jamaica demonstrate the close ties between Prime Minister Manley's government and the Castro regime.

 Contacts between Manley's People's National Party and the Cuban Communist Party continued at a high level with the recent visit to Jamaica of a Cuban delegation headed by Political Bureau member Armando Hart. The delegation arrived on August 12 for a six-day visit. Jamaica's party Secretary General D. K. Duncan was host.

 The America Department of the Cuban Communist Party has been the principal link between the Cuban and Jamaican parties and was represented on this trip by the head of its Caribbean Section, who has become a regular visitor to Jamaica.



25X1 [] The two sides have also sought to strengthen the ties between Cuban and Jamaican youth. A one-week orientation course began recently for 100 of the 300 Jamaican youths who are scheduled to spend a year in the Cuban provinces of Oriente and Pinar del Rio learning construction techniques. Leading Jamaican leftist intellectuals, media personalities, and political activists were brought in to counsel them on the importance of discipline to national development and adaption to revolutionary culture.

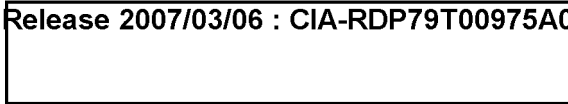
25X1 [] Members of the first Jamaican construction brigade recently returned after a year in Cuba and are likely to be integrated into the party youth organization to help in the coming election campaign.

25X1 [] As part of a separate program, 60 members of various Jamaican youth organizations left on August 4 to spend a month in Cuba as guests of the Federation of University Students and the Union of Communist Youth. The head of the Jamaican Guild of Undergraduates, who has close ties with the youth arm of Manley's party, attended the conference of the Continental Organization of Latin American Students in Havana earlier this month.

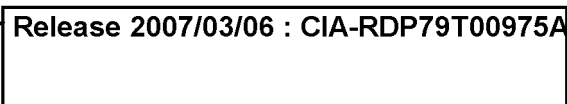
25X1 [] Cuba is also providing the Manley government with assistance in the field of public health. The first part of a Cuban medical team--likely to total some 15 members--began arriving in early August. There are now about 280 Cubans in Jamaica working in technical cooperation programs in school, housing, and dam construction, in addition to the medical project.

25X1 [] Even a church delegation representing the Cuban Council of Churches has visited Jamaica. The leader of the group tried to assure his Jamaican hosts that Christianity and socialism as practiced in Cuba are compatible.

25X1 [] The Cuban media continue propaganda efforts to discredit the Jamaican opposition both inside and outside the country by linking it to the US and to alleged US efforts to "destabilize" the Manley government. An editorial in the Cuban Communist Party newspaper *Granma* on August 6 accused the CIA "in clear collusion with the reaction grouped around the Jamaica Labor Party leadership" of undertaking "a wide-ranging plan of destabilization."



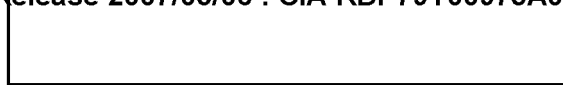
25X1 [redacted] The Cuban leadership probably hopes that repetition of the charge that the US is trying to undermine various governments in the Caribbean will heighten a climate of suspicion about US activities among the more "progressive" governments in the hemisphere. The Castro regime has been pressing hard on this theme but Jamaican officials--reacting to a strong US complaint--have generally been taking softer or more ambiguous positions. [redacted]



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ROMANIA: Playing Down Ceausescu Visit

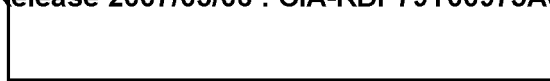
25X1 [redacted] The Romanian embassy in Moscow is privately playing down the political significance of President Ceausescu's 11-day "vacation visit" to the USSR that ended August 12. According to one Romanian diplomat, the trip, agreed upon in principle last April, was similar to those of other East European leaders.

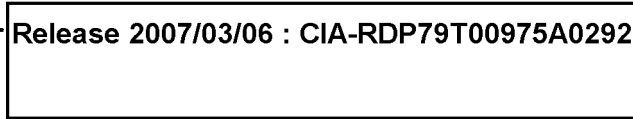
25X1 [redacted] The Romanians are guardedly optimistic about the results of Ceausescu's meeting with Soviet General Secretary Brezhnev. The meeting was reported to have been friendly and could have laid a "good basis" for a "normalization" of relations in all areas. Ceausescu, the Romanians explained, agreed to use the phrase "proletarian internationalism" in an announcement on the talks, because Bucharest gives the phrase a "slightly different meaning" than does Moscow. The Soviets use this formula to assert their leading role in the communist movement, but the Romanians' interpret it as supporting the principle of party independence.

25X1 [redacted] According to the Romanians, Ceausescu's precedent-shattering trip to Soviet Moldavia was made to dramatize that Bucharest has no "revanchist claims" on Soviet territory.


25X1 [redacted] The Romanians say that the USSR offered nothing concrete during Ceausescu's visit. They hope, however, that the Soviets will now finally agree to sell Romania some crude oil and to increase the "meager" amount of bilateral trade planned for 1976-80. [redacted] the USSR is trying to be helpful because of Romania's "serious economic problems." [redacted] the Soviets had promised to sell Bucharest some oil, and would discuss the exact amount when the bilateral economic commission meets in October.

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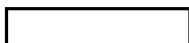




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 The Soviets may wish to delay committing themselves to increased economic aid until they are certain of the durability of Ceausescu's new amicability. By holding out the promise of additional deliveries of sorely needed raw materials, Moscow may hope to persuade Ceausescu of the rewards that could flow from a permanent improvement in bilateral relations.

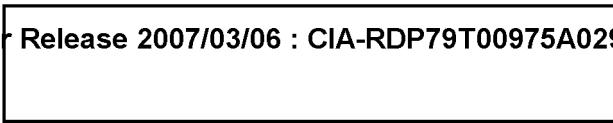
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 Ceausescu presumably intends to continue playing up to Moscow--at least for the present. At a meeting of the Romanian party's political executive committee on Wednesday, Ceausescu briefed the leadership on the results of his talks with Brezhnev. Ceausescu's colleagues expressed their determination to maintain the "upward trend" in bilateral relations.

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