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NATIONAL INTELLIGENCE DAILY CABLE

Saturday 15 October 1977 CG NIDC 77/240C

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National Intelligence Daily Cable for Saturday, 15 October 1977.

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

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CONTENTS

LEBANON: Situation Report Page 1

25X1



SYRIA: Political Problems Page 4

PAKISTAN: Internal Politics Page 5

TURKEY: Cabinet Resignation Page 6

SPAIN: New Amnesty Law Page 6

CZECHOSLOVAKIA: Dissident Trials Page 8

CAMBODIA-THAILAND: Border Clash Page 8

NICARAGUA: Guerrilla Attacks Repulsed Page 9

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[Redacted]

LEBANON: Situation Report

25X1 [Redacted] //Recent information tends to confirm a
25X1 hardening of the Palestinian position on withdrawal from south
Lebanon.

[Redacted] As
a result, the deployment of Lebanese forces to the south sche-
duled for this weekend may be delayed.//

25X1 [Redacted] //Moderate Palestinian leaders probably
still intend eventually to abide by the withdrawal stipula-
tions of the Shaturah accords, but recent developments have
caused them to delay. They believe Israeli leaders and their
Christian allies in the south are deliberately impeding im-
plementation of the agreement. In their view, unilateral Pales-
tinian withdrawal at this time would be seen as bowing to
Israeli pressure and would give rightwing Christians an op-
portunity to expand their hold in south Lebanon.//

25X1 [Redacted] //The apparent change in the Palestinian
position may also reflect a temporary tactical shift by Syria
to avoid the appearance of bending to Israeli pressure. It
seems unlikely that Palestine Liberation Organization chief
25X1 Yasir Arafat would take such a stand if Syria opposed it.

[Redacted]

25X1 [Redacted] //The reasoning behind the Palestin-
ian decision, it is clearly tactical. It could upset plans
to move ahead this weekend with further deployments of Lebanese
army units to southern Lebanon. This in turn might lead to more
serious violations of the cease-fire, despite claims by Fatah
leaders that Palestinian "rejectionists" have agreed to a mili-
25X1 tary stand-down in the south.

[Redacted]

BRAZIL: Geisel Strengthens His Position

25X1 [Redacted] Brazilian President Geisel has strengthened
his political position at least temporarily as the result
of his dismissal this week of Army Minister Frota, who had en-
gaged in political intrigue against Geisel's orders. Although

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[Redacted]

[REDACTED]

it is not Geisel's style to overreact or to conduct purges, his concerns regarding the presidential succession could prompt him to make other changes in key military assignments.

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[REDACTED] //Geisel fired Frota after a right-wing politician, probably acting in collaboration with Frota, publicly announced that he was supporting Frota as Brazil's next president. Geisel had repeatedly warned his military subordinates not to campaign or to encourage political activities on their behalf. Relations between Geisel and Frota, moreover, have never been good.//

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[REDACTED]

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[REDACTED] The swiftness and restraint of the President's actions will impress his military subordinates, including those who [REDACTED] criticized many of his policies. This is the second time Geisel has sacked a four-star general for failing to follow orders; in January 1976 he summarily replaced the influential commander of the 2nd Army in Sao Paulo after a civilian died in military custody. Although Frota reportedly is now under house arrest, this may well be a precautionary move as there are no indications that Geisel is contemplating further disciplinary action.

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[REDACTED] //Frota's fall from power removes one of the two principal contenders to succeed Geisel, but the other leading candidate, intelligence chief General Figueiredo, may be asked to resign--especially if he continues his political maneuvering--in order to appease those in the military who had supported Frota.//

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[REDACTED] In any case, Geisel's reassertion of his authority over the army, his most important political constituency, could give him the freedom to pick whomever he chooses as his successor--a luxury that none of his military presidential predecessors have had. [REDACTED]

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[REDACTED]

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[redacted]

SYRIA: Political Problems

25X1 [redacted] Syrian President Asad's anti-corruption campaign has intensified a power struggle within his inner circle that he may be trying to contain by ordering increased security measures in Damascus. US officials in Syria do not believe a coup is likely [redacted]

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25X1 [redacted] the defense force headed by Asad's brother Rifaat Asad--which is the main prop of the regime--has been in a high state of alert for unexplained reasons at least since the first few days of this month. The US defense attache, moreover, has observed a buildup since late last week around the Damascus military airfield by units believed to be part of Rifaat Asad's defense force. Some special forces units attached to the airborne forces are also reported to be on alert.

25X1 [redacted] The US Embassy believes the alerts and troop movements constitute nothing more than an anti-coup exercise ordered by the President to demonstrate his control. [redacted]

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25X1 [redacted] President Asad probably did order the alert of the special forces--units led by a key military commander loyal to Asad but in intense competition with Rifaat Asad. It is not clear, however, that the President is directing his brother's actions, and Rifaat may in fact have deployed some of his troops on his own authority.

25X1 [redacted] The current tensions are a result of the anti-corruption campaign launched by President Asad in August to quiet popular discontent over corruption at high levels. The President probably has no intention of extending that campaign to his brother, whose corruption has made him an object of general opprobrium among virtually all other regime supporters.

25X1 [redacted] As a result of his hands-off policy, Asad faces a dilemma: how to give the corruption campaign credibility and chasten rival factions within the regime without forcing some

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[Redacted]

of them into a corner where they might combine and turn on him. For the moment, he still appears in control of the situation, but it is uncertain in the present confusion whether he can keep the power struggle among Rifaat and other factions within the military and the Baath Party within acceptable limits. [Redacted] 25X1

PAKISTAN: Internal Politics

25X1 [Redacted] //The recent decision by Chief Martial Law Administrator Zia-ul-Haq to postpone the election in Pakistan has created no serious problems so far for the military government, despite unhappiness among politicians on both sides. The move was directed primarily at former Prime Minister Bhutto, whose party is divided on how to respond.//

25X1 [Redacted] One of the party's factions, headed by Bhutto's wife, appears to favor putting as much pressure on Zia as possible; this faction may have been behind recent demonstrations against the election postponement and against a court decision to revoke bail for Bhutto, who is to be tried on several charges including murder. Party conservatives, on the other hand, are reluctant to confront the military at this time.

25X1 [Redacted] Zia continues to assert that he will hand over power to civilians as soon as possible, but his plans for doing so are vague. The US Embassy in Islamabad believes that decisions are being made with little forethought, with Zia relying on his instincts and on the advice of a few senior military officers and civil servants.

25X1 [Redacted] //The Pakistan National Alliance, which expects to defeat Bhutto in the next election, has generally supported Zia's actions, but demands by its leaders that Zia set a definite date for the election reflect suspicions that Pakistan is headed for a prolonged period of military rule.//

25X1 [Redacted]

25X1 [Redacted]

TURKEY: Cabinet Resignation

25X1 [redacted] //Turkish Defense Minister Sadettin Bilgic resigned yesterday, and there is speculation in Ankara that the Foreign Ministry and some lesser portfolios may also change hands because of the domestic and foreign policy problems besetting Prime Minister Demirel's fragile three-party coalition.//

25X1 [redacted] //According to the Turkish news service, Bilgic is resigning to devote more time to his duties as deputy chairman of Demirel's Justice Party. Other ministers may follow suit if they are offered party leadership posts at a party meeting this weekend. The difficulties facing the government apparently have made the cabinet portfolios less attractive.//

25X1 [redacted] //Foreign Minister Caglayangil has often complained that he is worn out physically and emotionally by the task of representing a weak coalition government. His departure, however, is not at all certain. The US Embassy in Ankara reports that there are indications the Turkish Government is contemplating some initiatives in the disputes with Greece. If such moves are in the works, Demirel would probably want to retain Caglayangil, a moderate on Turkish-Greek relations.//

25X1 [redacted] //The man most frequently touted as Caglayan-gil's successor is Energy and Natural Resources Minister Kamran Inan, who is a hard-liner on relations with Greece. Inan is quite popular in eastern Turkey, the stronghold of the Islamic-oriented National Salvation Party, Demirel's troublesome coalition partner. His appointment would suggest that domestic political considerations still outweigh foreign policy questions in Demirel's calculations. [redacted]

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SPAIN: New Amnesty Law

25X1 [redacted] The Spanish parliament yesterday overwhelming endorsed a broad amnesty law that will particularly benefit Basque prisoners accused of terrorist crimes. The new law--a compromise between the government and the opposition parties--is likely to strengthen Prime Minister Suarez politically and



could facilitate the current negotiations over autonomy for the Basque regime. It will anger rightists, however, and increase pressure on the government to enact harsh antiterrorist laws.

25X1 [redacted] This widening of previous amnesty laws has long been a key demand of leftist and regional parties. Pro-amnesty demonstrations in the Basque provinces in particular have repeatedly led to violent clashes with the police, triggering rightist charges that the new era of political toleration has resulted in a breakdown of public order.

25X1 [redacted] The strife in the Basque provinces has hindered progress toward greater Basque autonomy. The new law--hailed by one Basque leader as "the culmination of the aspirations of our people"--is likely to ease the task of government and Basque negotiators currently seeking an agreement along lines similar to that worked out recently for Catalonia.

25X1 [redacted] The law provides amnesty for political crimes committed before the parliamentary election of last June as long as the goal of the perpetrators was the establishment of public freedoms or regional autonomy. Political crimes committed before 6 October will be included if they did not involve serious violence against persons. The amnesty also applies to workers and soldiers dismissed for political reasons, conscientious objectors, press law offenders, and military men who fought for the Republic during the civil war.

25X1 [redacted] The law will help Suarez--whose party falls just short of a majority in the lower house--to win the support of Basque and Catalan centrist deputies, and help free the Prime Minister from the politically damaging necessity of seeking rightist support for key legislation. It will also help to dispel the growing popular impression that the government is drifting and unable to take decisive action.

25X1 [redacted] At the same time, however, the amnesty will probably add fuel to rightist allegations that the Suarez government is incapable of standing up to dangerous pressures from the left and the regions, and may increase pressure by rightist military leaders on Suarez and King Juan Carlos to restore public order.



[redacted]

The government, in fact, has in hand a draft law that would grant the police special powers of search and detention. The political opposition is opposed to the bill, which it says is harsher than the last antiterrorist measures passed by Franco. [redacted]

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CZECHOSLOVAKIA: Dissident Trials

25X1 [redacted] *four prominent dissidents arrested in January will go on trial on Monday. Similar stories during the summer proved false, but the specificity of the present reports suggests that they may be well-founded.*

25X1 [redacted] The authorities presumably would like to sentence the dissidents as a lesson to other malcontents, but the timing of the trial is surprising, given the recent opening of the Belgrade conference on European security and cooperation. This suggests that the regime:

- Has decided to discount a bad press and criticism at the Belgrade conference, and may in fact believe it can document improper contacts between the dissidents and Western officials or intelligence agencies.
- Waited for the opening of the Belgrade conference in order to make it clear to the dissidents that they cannot rely on outside pressure to protect them.
- May be trying to put psychological pressure on the dissidents, and may further delay or postpone a trial.

25X1 [redacted] Some dissidents, meanwhile, have tried to build their own pressure on the regime by asking Presidents Tito and Giscard to intervene with the Czechoslovak government on behalf of the accused. [redacted]

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CAMBODIA-THAILAND: Border Clash

25X1 [redacted] *//Intense fighting broke out yesterday along the southern Thai-Cambodian border. Cambodian troops reportedly crossed the frontier and attacked a Thai military unit and a*

[redacted]

village. This may be the largest Cambodian attack against Thailand since fighting began two years ago. It follows several recent Thai attempts, including diplomatic demarches in Peking, Vietiane and the UN, to establish a dialogue with Cambodia on settling their border disputes.//

25X1 [redacted] //Some 300 heavily armed Cambodians reportedly attacked a Thai marine company in the Ban Hat Lekt area near the southern coastal border, the scene of minor skirmishing last November. They apparently overran Ban Hat Lekt and captured two police outposts. The Thai responded by sending in two naval patrol boats to shell Cambodian positions; they also rushed a marine battalion from Chanthaburi to reinforce their troops in the Ban Hat Lekt area. The fighting apparently is still going on, but the stronger, better-equipped Thai forces should be able to drive the Cambodians back across the border.//

25X1 [redacted] //The Cambodians now have some 10 combat regiments along the entire border. The Thai have moved additional combat troops and aircraft to bases in the area but still do not have enough troops to patrol the frontier adequately. The Thai navy is patrolling the coastal area and monitoring Cambodian ships in the Gulf of Thailand. [redacted]

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NICARAGUA: Guerrilla Attacks Repulsed

25X1 [redacted] *The guerrilla raids on Thursday in Nicaragua were probably designed to goad the government into taking repressive action and thus negate its recent efforts to improve its image on human rights. An angry National Guard high command has already ordered more aggressive counterinsurgency measures, and the government may publicly charge Cuba with complicity in the attacks. President Somoza, however, will probably try to resist reimposing martial law.*

25X1 [redacted] Members of the Sandinist National Liberation Front launched two widely separate attacks against the National Guard, reportedly killing 10 military and three civilians and leaving 10 soldiers wounded. These were the first significant actions by the guerrillas since an assault on the home of a cabinet minister in December 1974.



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[redacted] //One attack occurred near the Costa Rican border. An elite guard company was airlifted to the area and is using planes and helicopters to track down the guerrillas. A spokesman for the guard said troops will continue hot pursuit into Costa Rican territory if necessary.//

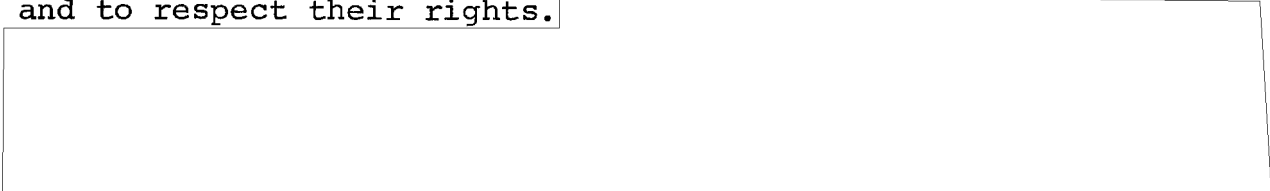
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[redacted] The other encounter took place near the Honduran border. The Sandinist group there is reportedly trying to cross into Honduras, and the hot-pursuit policy may be followed in this area as well.

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[redacted] //As part of its efforts to improve its reputation on human rights, the Somoza government recently lifted martial law, which had been imposed after the 1974 assault. Somoza has also ordered the guard to stop torturing prisoners and to respect their rights.

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[redacted] //The hot-pursuit policy could cause problems between Nicaragua and the two neighboring countries; one incident on the Costa Rican border has already received wide press coverage. Costa Rica, however, may extend some measure of cooperation. Although the Costa Ricans will probably not extradite guerrillas who have made their way back across the border, Minister of Security Charpentier has already said publicly that he has sent reinforcements to the border and that Costa Rica will not allow its territory to be used for guerrilla strikes.

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