

Top Secret

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NATIONAL INTELLIGENCE DAILY CABLE

Tuesday 16 May 1978 CG NIDC 78/114C

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NATIONAL SECURITY INFORMATION
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ITALY: Local Elections Report

25X1 [redacted] Italy's governing Christian Democrats have made substantial gains, and the Communist Party has suffered its first significant electoral setback in years, in scattered local elections held Sunday and Monday. With about 80 percent of the votes counted, the Communists have lost nearly 9 percent compared to the 1976 parliamentary election. A loss of this magnitude is certain to spark intense debate among Italian political leaders over the implications for national politics; electoral patterns in recent years have shown a consistent trend toward the left. Italian politicians have generally drawn together since the murder of Aldo Moro, but the election results--particularly if duplicated in local contests later this month and in June--could make it more difficult for Christian Democratic and Communist leaders to justify cooperation to their respective supporters.

25X1 [redacted] Only 10 percent of the electorate was involved, but the elections--mostly in small towns--were the first meaningful test of voter sentiment since the Communists' sharp advance in the 1976 parliamentary contest. It is not unusual for the Communist vote in local elections to be about 1 to 2 percent below the party's total in the same areas during the preceding national parliamentary contest. In this election, however, the Communist vote dropped from 35.6 percent to about 27 percent, suggesting the Communists were justified in fearing that they might be lumped together with the violent left in many voters' minds, despite the party's strong support for the governments' antiterrorist policy.

25X1 [redacted] The Communists attributed the result to a "profound wave of emotion" favoring the Christian Democrats after Moro's death. While it clearly is too soon to draw any firm conclusions about whether the vote indicates any basic shifts in voting patterns, the result is nevertheless likely to intensify debate in the Communist Party over the pros and cons of Berlinguer's cooperation with the government.

25X1 [] With more than 42 percent of the vote, the Christian Democrats scored nearly a 4 percent gain over their 1976 tally in the same areas. That performance, coupled with the Communists' losses, may embolden Christian Democrats who prefer confrontation with the Communists to Moro's policy of gradual accommodation. With the Communists looking vulnerable, some Christian Democrats will at least raise the question of whether to push for an early parliamentary election.

25X1 [] At this point, there appear to be considerable obstacles to such an election, such as probable Communist opposition and a full calendar of pressing parliamentary business. In addition, little time is left to arrange a new election because President Leone cannot dissolve parliament after he enters the last six months of his term on 24 June.

25X1 [] The Socialist vote of around 13 percent, up about 4 percent since 1976, will raise Socialist hopes that the party is coming out of a period of electoral stagnation. Socialist chief Craxi has been hinting at a desire for some kind of new alliance with the Christian Democrats.

25X1 [] Small contests due to be held soon--Sicilian local elections on 28 and 29 May and two northern regional elections in late June--will take on added importance as possible indicators of the public mood. []

National Intelligence Daily Cable for Tuesday, 16 May 1978.

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

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Dominican Republic

ZAIRE: Situation Report

25X1 [redacted] The Katangan rebels' incursion into Zaire demonstrates that they may have learned some valuable lessons from their similar invasion last year. Although the attacks pose a potentially serious threat to President Mobutu's ability to maintain Zaire's territorial integrity, the attacks are not an immediate threat to his rule. The Katangans have halted a Zairian counterattack and retain control of most of the key mining town of Kolwezi. The ability of Zaire's Army to repulse the invaders and the President's success in obtaining external assistance may, in the long run, determine whether Mobuto can continue to rule.

25X1 [redacted] The invasion appears to be a well-conceived, coordinated attack on pre-selected objectives. In 1977 the rebels attacked along the Dilolo-Kolwezi railroad and moved eastward toward Kolwezi, but their drive petered out before it reached their objective. Last year's attack began during the rainy season--a factor that usually favors guerrilla forces.

25X1 [redacted] This year, however, the Katangans' initial attack was aimed directly against Kolwezi--a target of strategic and symbolic importance. In addition, the Katangans apparently decided to strike at the end of the rainy season. Their timing may indicate they have the capability for more conventional warfare.

25X1 [redacted] The Katangans are probably aware that the Zairian Army has increased its strength in Shaba Province during the past year, but they may also believe, with some justification, that these forces lack the necessary materiel and logistical support to repulse a concerted, well-planned invasion. [redacted]

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25X1 [redacted] The residents of Shaba Province and the government have a history of mutual antagonism and distrust. Local residents are reported to be sympathetic toward the invaders. The Zairian Army, critically short of materiel and plagued by inefficiency, low morale, and deficient leadership, will probably not be able to turn back the invaders without assistance from other nations.

[redacted] There are conflicting reports over whether Katangan rebels have finally captured the town of Mutshatsha. This attack may be part of a Katangan plan to sever the road and rail link between the hard-pressed Zairian Army units at Kolwezi and Zairian garrisons near the Angolan border.

[redacted] Katangans control most of Kolwezi, including the airfield and foreign residential sectors. The Katangans halted a Zairian counterattack that attempted to retake the town and apparently hope the presence of a large number of foreign civilians there will prevent the Zairians from launching air raids or a major ground assault against the town. There are about 3,000 Europeans and 75 Americans in the Kolwezi area.

[redacted] The loss of Kolwezi airfield significantly reduces the Zairian Air Force's capability to support ground troops in the area. The Zairians reportedly lost several Italian-made fighter aircraft, two helicopters, one transport, and several utility aircraft at the airfield. To offset this loss, the Air Force has sent four additional Mirage-5 fighters to the Kamina air base. The six Mirages now at Kamina may be the only fighter aircraft available to the Zairians.

[redacted] While the rebels initially posed no threat to whites in the area, the US Embassy in Kinshasa reports that they are becoming increasingly hostile. The insurgents have executed at least two Europeans, and at least one other European casualty has resulted from the rebels' random firing. The rebels are also shooting from some Europeans' homes. The civilian population of Kolwezi is reported to be very nervous.

[redacted] If the rebels consolidate their hold on Kolwezi, they may threaten Lubumbashi, which has a population of over 100,000 and is the largest city in Shaba. The Zairian Government continues to deny that the rebels have captured Kolwezi, and President Mobutu complained to Ambassador Cutler that statements to the press by the US State Department concerning Zaire's military situation aid the rebels. The insurgents have not yet made any demands either for an independent Katanga or for the overthrow of Mobutu.

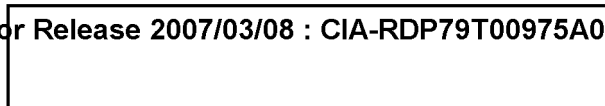
25X1 [redacted] We do not know whether the French and the Moroccans-- who aided Zaire during last year's invasion--would be willing to intervene again. The French are involved in several other African hotspots. Moroccan forces are already stretched thin by their fighting with Polisario guerrillas.

25X1 [redacted] Although Zaire's backers may view that country as an anti-Communist bulwark in central Africa, they may also be unwilling to send annual expeditions to Zaire to prop up a regime whose domestic support appears to be eroding.

25X1 [redacted] While Mobutu's rule is not threatened and he remains firmly in power, the performance of his army over the next few days and his ability to gain external assistance may in the long run determine his future. [redacted]

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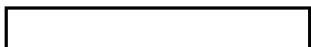


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ETHIOPIA-US: Bilateral Relations


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 //Ethiopia may be attempting to signal the US that it desires improved relations. While the apparent overture may represent nothing more than an effort by Chairman Mengistu's regime to exploit superpower rivalry, it could over time pave the way for at least a partial restoration of the US position in Addis Ababa.//


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 //Foreign Minister Feleke told the US charge late last week that Ethiopia, after many months of consideration, has officially agreed to the posting of a new US Ambassador to Addis Ababa. Feleke also indicated Ethiopia's belief that the US could play a positive role in the Eritrean situation "by counselling your Arab friends" to cease military support for Eritrean insurgents.//

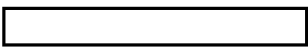
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 //The charge described the meeting as the most friendly since his arrival in Addis Ababa some six months ago. He said the Foreign Minister emphasized that Ethiopia valued its traditions of independence and sovereignty and would not be a "stooge" of anyone--perhaps a reference to Addis Ababa's Soviet and Cuban mentors.//

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 //Feleke's apparent bid for improved Ethiopian-US ties coincides with a decrease in anti-US rhetoric, the cessation of the most violent aspects of the regime's "red terror" campaign, and an upswing in pro-Somali guerrilla activity in the Ogaden. It also comes close on the heels of Chairman Mengistu's apparent failure, during his visits to Moscow and Havana, to persuade the Soviets and Cubans to support an all-out military push against the Eritreans at this time.//

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 //Ethiopia's decision to accept a new US Ambassador and to solicit US assistance in dealing with the Eritrean problem may simply be a ploy to press Moscow and Havana for greater support of Ethiopian policies in Eritrea. The

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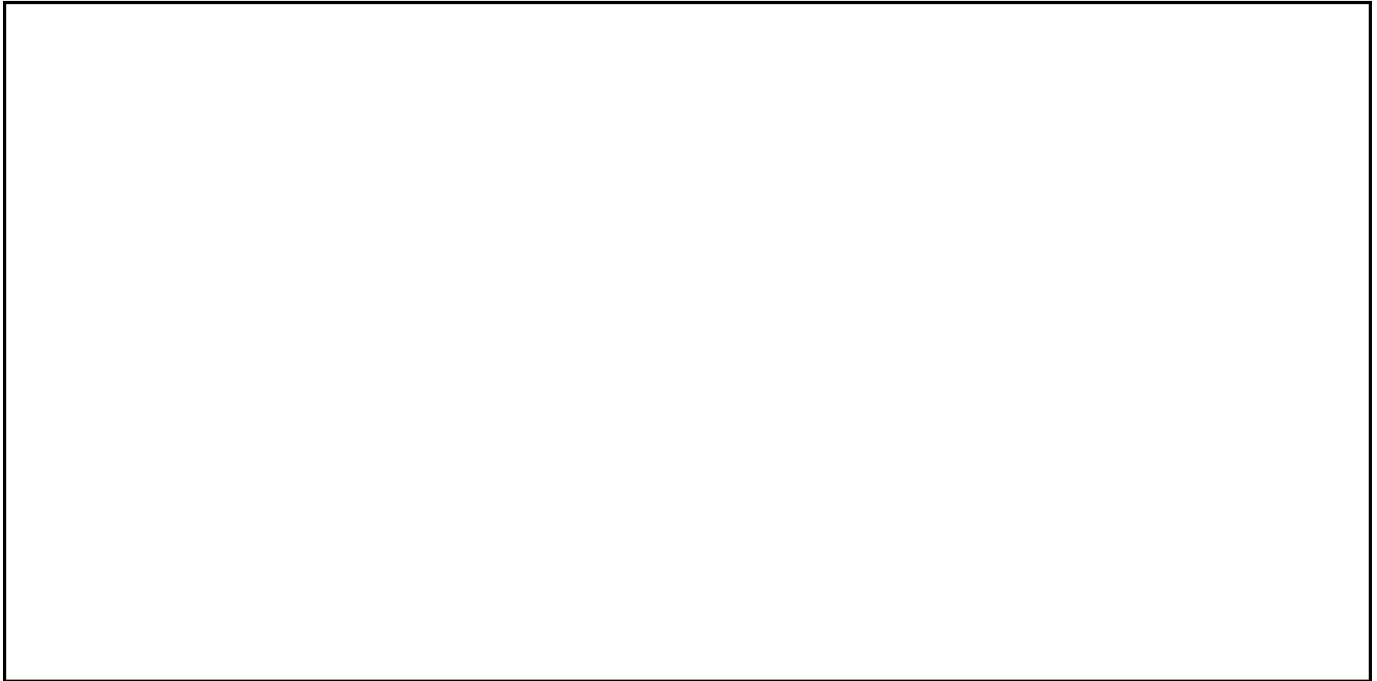
US Embassy believes that Addis Ababa's apparent desire for a thaw in relations is probably motivated in large measure by tactical policy considerations and that, at this point, Ethiopia would not reduce its heavy dependence on the Soviets and Cubans.//

25X1 [redacted] //Ethiopian concern over continuing guerrilla activity in the Ogaden may also help to explain Feleke's remarks. Mengistu last weekend warned Somalia that his patience with its continued support and encouragement of the Ogadeni insurgency is at an end and that, unless such support ceased forthwith, Ethiopia would be compelled to take punitive military action against the Siad government. This was the strongest language Mengistu has used against Somalia since the Ethiopians and Cubans defeated Somali forces in the Ogaden in early March.//

25X1 [redacted] //The Ethiopians may hope that, by offering to improve bilateral relations, they can persuade the US to counsel Somali restraint in the Ogaden and not to supply arms to Somalia. The continuing guerrilla threat in the Ogaden constitutes a drain on Ethiopia's military resources--particularly at a time when Addis Ababa's primary attention is focused on the Eritrean front. [redacted]

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LEBANON: Failure To Form Cabinet

25X1 [redacted] *Lebanese Prime Minister Huss has withdrawn the resignation of his eight-man cabinet of technocrats that was tendered last month. The move dramatizes the failure of Huss and President Sarkis to put together an expanded "national unity" cabinet containing supporters of the country's contending factions.*

25X1 [redacted] The failure was largely the result of the obstructionist tactics of National Liberal Party leader Camille Shamun, who had insisted on a cabinet limited to members of parliament because he wanted to exclude representatives of leftist parties and candidates favored by Syria. Shamun and leftist leaders exchanged public slurs, and their polemics put an end to the somewhat more optimistic atmosphere that had prevailed after parliament adopted the generalized--and largely meaningless--"statement of principles" that was supposed to guide the new cabinet's approach to solving Lebanon's problems.

25X1 [redacted] The failure of Huss and Sarkis leaves the government back at square one, but their experiment has undoubtedly worsened the situation. Their unsuccessful effort has dramatized the paralysis of the central government in an unmistakable way.

25X1 [redacted] Parties now are more likely to take their grievances to the streets, and the relative calm that has prevailed in Beirut since the fighting in April seems likely to end. The Sarkis-Huss government had shown little initiative in dealing with the country's problems; continued drift--and deterioration in the direction of increasing violence--seem likely. [redacted]

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25X1 [redacted]

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USSR: Good Early Grain Prospects

25X1 [redacted] *Conditions in most of the USSR's winter and spring grain areas now appear good. A slightly larger than average harvest--of the winter crop--possibly as much as 60 million tons--is possible. Planting of the spring crop is behind schedule in the north European USSR, but elsewhere field*

work is proceeding normally. It is too early to forecast total grain production, but poor conditions in the next few weeks could cut winter grain prospects, and about half of the spring grain area remains to be sown.

25X1 [redacted] //Although in some areas crop conditions continue to be poor, in most regions spring weather has been generally favorable, and a somewhat larger than average winter grain harvest now appears possible. [redacted]

25X1 [redacted] [redacted] [redacted] The crop is not yet assured, however; a deterioration in conditions in the next few weeks, especially in the important eastern Ukraine and North Caucasus economic regions, could markedly reduce the winter crop.//

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25X1 [redacted] The Soviets have completed sowing about half their spring grain crop but are about 4 or 5 million hectares behind the pace of the past few years. Late snows and a wet spring caused delays in parts of north European USSR and the southern Urals region. The Soviets have completed seeding in the Ukraine, and no delays are expected in the important spring grain areas east of the Urals.

25X1 [redacted] It is too early in the crop season to forecast final production. The Soviet plan calls for a harvest of 220 million tons. Should the Soviets be able to harvest 60 million tons of winter grain, they would still have to achieve a near-record spring grain harvest in the fall to meet their goal.

25X1 [redacted] The Soviets have neared or exceeded a 160-million ton crop only twice before--159 million tons in 1973 and 163 million tons in 1976. Although conditions thus far do not preclude a harvest of this size, weather conditions from now until harvest in late summer and early fall would have to be much better than normal if the Soviets are to achieve their goal.

25X1 [redacted]

EUROPE: Labor Rights in the USSR

25X1 [redacted] //West European labor organizations appear prepared to make an issue of workers' rights in the USSR. They may generate a campaign with considerable momentum and potential for embarrassing the Soviets.//

25X1 [redacted] //The World Confederation of Labor, composed primarily of Christian trade unions, last week filed a formal complaint against the Soviets with the International Labor Organization in Geneva. It charges that the USSR, in its alleged crackdown on workers who attempt to form trade unions not under regime control, has violated the ILO's conventions on workers' freedom of association and right to organize. The Soviets have ratified both conventions, adopted in 1948 and 1949.//

25X1 [redacted] //The executive board of the International Confederation of Free Trade Unions convenes tomorrow in Hamburg to consider filing complaints against the USSR and Poland. Its chief spokesman has already expressed concern that the Soviets have imprisoned labor dissidents or placed them in psychiatric hospitals. The complaint against Poland cites the Poles' detention of three leaders of an "action committee" seeking to form an independent trade union.//

25X1 [redacted] //The British and French affiliates of the ICFTU are certain to push for action by the executive board. The London-based Amnesty International--which has published much of the material the labor dissidents have smuggled out--has pressed the British Trades Union Congress to take up the dissidents' case. In France, the issue has spurred all the principal trade union confederations, including the Communist-dominated labor organization, to attack the labor policies of the Soviet bloc states.//

25X1 [redacted] //ILO Director General Blanchard, a French citizen, last week made an official visit to the USSR; he informed the Soviets in advance that he would raise the allegations that the USSR has stifled workers' freedom to organize. The complaints by the Western trade union organizations and the wide publicity the issue is certain to continue to garner in France and elsewhere will probably have a substantial negative effect on the once promising Soviet bid for broader, higher level East-West labor contacts. [redacted]

COLOMBIA: Strikes Threatened

25X1 [redacted] //A government-authorized fare increase for Colombia's heavily subsidized public transportation system has sparked widespread protests that have resulted in a score of

[redacted]

injuries and arrests. President Lopez has voiced his concern over the breakdown in public order--which may become more serious. Transportation and government workers and other labor unions are threatening strikes; the national election is scheduled for 4 June.//

25X1 [redacted] //The government's decision to implement a 12-percent fare increase on 4 May provoked students and other low-income riders into burning a number of buses. The fare hike also alienated the bus drivers union, which believes that it is inadequate to offset the cost of living increase. The union has threatened to strike unless its demands are met.//

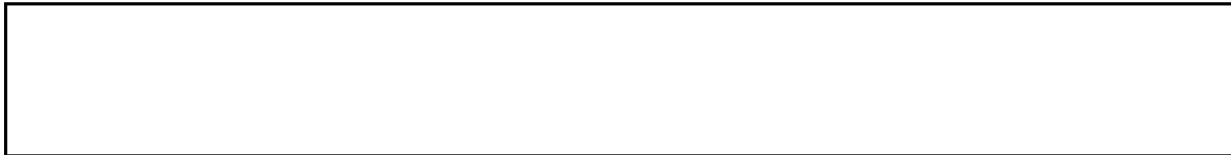
25X1 [redacted] //The labor confederations, which are disgruntled with official negotiations on labor reforms and wage increases, apparently have broken off talks with the government and may be inclined to join the other strikers.//

25X1 [redacted] //Efforts to control inflation and related wage-price negotiations have predominated throughout much of the Lopez administration. The current demonstrations and strike planning undoubtedly stem more from economic factors than purely political ones. Extensive breakdowns in public order, however, would create serious political tensions during the period leading up to the presidential election on 4 June.

25X1 [redacted]

BRIEFS

[redacted]



Dominican Republic

[redacted] Dominican President Joaquin Balaguer, who has waged a vigorous campaign for a fourth term, faces an extremely close race in today's election. Balaguer fully utilized extensive government and party resources in the final week of the campaign, and he will probably have the edge over Dominican Revolutionary Party candidate Antonio Guzman. The election campaign was relatively free of the violence and government coercion that characterized previous Dominican elections, but there is still a slight chance of government-sponsored fraud at the polls.

[redacted] The election outcome should not affect close US-Dominican relations, but tensions are high among conservative, pro-Balaguer military officers who have privately threatened a coup if the left-of-center opposition party wins. The powerful officers, however, would probably try first to work out a modus vivendi with what would likely be a cautious and restrained Guzman administration. [redacted]

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