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NATIONAL INTELLIGENCE DAILY CABLE

Thursday 28 September 1978 CG NIDC 78/227

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National Intelligence Daily Cable for Thursday, 28 September 1978.

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

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Pakistan

CHINA-US-VIETNAM: Relations

25X1 [redacted] //Recent comments by Chinese officials suggest that Peking does not now favor the normalization of relations between the US and Vietnam. The Chinese apparently have come to believe that Vietnam would try to use diplomatic ties with the US to mask its close alignment with the USSR and that any US aid to Vietnam that might result from normalization would only relieve the Soviet economic burden. China has not warned, however, that US-Vietnamese normalization would seriously affect its own relations with the US.//

25X1 [redacted] From the end of the Indochina war until early this year, the Chinese appeared to support US-Vietnamese normalization in the hope that it would offset growing Soviet influence in Hanoi. //As the dispute between China and Vietnam escalated this summer, however, some Chinese officials began to convey different signals. Since late August, comments on US-Vietnamese normalization have been uniformly negative. One Chinese diplomat has said that normal relations between the US and Vietnam would "falsely" present Vietnam's foreign policy as independent rather than as "dictated by the Soviet Union."//

25X1 [redacted]
25X1 [redacted] Vice Premier Teng Hsiao-ping, moreover, told Japanese newsmen early this month that aid to Vietnam is a "waste of money" and asserted that the USSR is "instigating" Vietnam to obtain aid from the US, Western Europe, and Japan.

25X1 [redacted] //One diplomat linked the normalization issue to US criticism of Cambodia's human rights record by saying that Cambodia's "internal difficulties" are a direct result of the threat Vietnam poses with Soviet assistance. He said it would be wrong for the US to move closer to Vietnam without taking this into consideration.//

25X1 [redacted] //China has apparently concluded that a prolonged period of Sino-Vietnamese hostility is in the offing, that Soviet influence in Vietnam will grow, and that Chinese interests therefore lie in isolating Hanoi. Although Chinese officials are not warning that US-Vietnamese normalization would seriously affect China's relations with the US, they do appear intent on making their preference clear to Washington.//

BRAZIL: Troubles for Opposition

[redacted] //The opposition candidate in Brazil's presidential election, General Euler Bentes Monteiro, may be planning to withdraw before the balloting by the electoral college on 15 October. The move would not affect the outcome--a government victory is virtually assured in any event--but the succession process would lose an important if largely symbolic part of its democratic trappings.//

[redacted] Both the moderate and radical wings of the opposition party now appear to have serious qualms about Euler's campaign. From the outset, many of the moderates harbored fears of formally taking on the official candidate, Joao Baptista Figueiredo, and many either did not vote on Euler's nomination at all or voted against him. The radicals, on the other hand, have become disillusioned with Euler because of his relatively cautious campaign.

[redacted] Until recently, Euler and the party seemed prepared to go ahead in the face of almost certain defeat. By capitalizing on popular dissatisfaction with the regime, they hoped to improve the already good prospects for opposition candidates in November's congressional races. They also apparently hoped to influence the government somewhat by constantly raising vital issues to which the official candidate would have to respond. To some extent, they seem to have succeeded; some observers believe, for example, that the regime issued its political reform plan sooner than it would have without opposition pressure.

[redacted] The party, however, may have made a serious mistake by abstaining from the recent congressional vote that approved the reform plan--which does advance the cause of political liberalization to some extent. The opposition contended that the changes did not go far enough, but in the eyes of many Brazilians it appeared to be obstructing the very kind of progress it advocated.

[redacted] Political survival now is uppermost in the minds of a number of opposition leaders, and they may be pressing Euler to desist rather than face ignominious defeat next month. These leaders believe it is now in their interests to stop struggling. In fact, one prestigious politician who much earlier had proclaimed himself a potential opposition candidate has, in effect, joined the Figueiredo camp. Those opposition leaders who hope to have any influence whatsoever with the next government are undoubtedly now scurrying to mend fences. [redacted]

SOUTH AFRICA: Political Problems

25X1 [] A parliamentary caucus of South Africa's ruling National Party today designates a prime minister to succeed John Vorster, who announced his resignation a week ago. Whoever is named is likely to adhere to existing government policy for the foreseeable future. National Party policies are evolved by consensus, and the party leaders tend to be more conciliators than innovators.

25X1 [] The most pressing problem facing the new prime minister results from the South African decision last week to break off negotiations with the UN for a settlement in Namibia. The mood of the cabinet, and much of the country, appears to be one of increasing self-reliance in the face of international pressure over South Africa's foreign and domestic policies. Thus the new prime minister is unlikely to reopen negotiations on Namibia in the immediate future, notwithstanding the possibility of both internationally imposed economic sanctions and a long armed struggle with the South-West Africa People's Organization.

25X1 [] South Africans seem to feel that they could survive economic sanctions. Most businessmen, in fact, appear to believe that many countries will not honor sanctions, even if imposed by the UN. The country has been preparing for them for more than a decade and, except for petroleum products, is now about 80-percent self-sufficient.

25X1 [] Although an extended conflict with SWAPO could drain some of the country's resources and might eventually provide an opportunity for further Soviet and Cuban intervention in southern Africa, the South Africans appear to prefer that alternative to the prospect of SWAPO's gaining control of Namibia. On Rhodesia, South Africa is unlikely to change its basic policy of providing limited economic and military assistance to the transitional government and encouraging an acceptable international settlement.

25X1 [] Within South Africa, the new prime minister will have to deal with a black majority that is increasingly questioning the government's policy of denying political rights to blacks outside the "independent" black homelands. Despite the riots of the past two years, the government has

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made no genuine political concessions to urban blacks, who are gradually becoming more politically conscious. A new constitution giving some political rights to Asians and Coloreds has been an aim of Vorster's government, and its implementation will be a priority task for the new leader.

25X1 [redacted] During the last election, Afrikaans- and English-speaking South African whites joined together for the first time under the National Party banner. The new prime minister thus will inherit a unified white electorate. He will face gradually increasing white sentiment for removal of the more irritating aspects of racial discrimination, but not for dismantling the web of apartheid laws designed to guarantee the separate political development of blacks and whites. [redacted]

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PORTUGAL: Political Moves

25X1 [redacted] Portuguese Socialist leader Soares told President Eanes yesterday that the Socialists are ready to support the formation of a new government made up of people who may be party members but who would not represent their parties in the government. This formula was one of the alternatives outlined by Eanes in a speech last week.

25X1 [redacted] Soares--who has clearly moved a long way from the truculent attitude he displayed following his dismissal as prime minister by Eanes in August--says his only condition now for supporting a new government is that the Socialists must be consulted in advance about the naming of a prime minister.

25X1 [redacted] Eanes reportedly is being noncommittal toward Soares. He has told the Socialist leader that he will first exhaust the possibilities of his preferred alternative--formation of an interparty coalition government--and he has declined to respond to Soares' demand for advance consultation. According to Soares, there is no possibility of forming an interparty coalition because the parties cannot reach agreement on a common program.

25X1 [redacted] Eanes may still be smarting from the Socialists' repeated refusals to support him during the past two months, and he may balk at obtaining prior Socialist approval of a

[redacted]

new prime minister. Although he could still choose a candidate acceptable to Soares, his refusal to give ground would narrow the chances of reaching final agreement with the Socialists. [redacted]

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ITALY: Socialist-Communist Polemic

25X1 [redacted] *A sharp ideological debate between Italy's Socialist and Communist Parties reflects the tense atmosphere in which political activity has resumed following the reconvening of parliament last week. The debate was touched off by Socialist chief Craxi's allegation that the Communist Party cannot be considered democratic until it repudiates Leninism. The dispute has embittered relations between the two parties, highlighted the Socialists' internal differences, and ultimately could jeopardize the current fragile governing arrangement, which both parties support.*

25X1 [redacted] Craxi's charge is the latest effort to emphasize the Socialist Party's autonomy and project it as a political equal to the Communists and the Christian Democrats. He contends that the Communists are weakening leftist unity by clinging to remnants of Leninism--such as ties to the USSR and democratic centralism--and are thereby contributing indirectly to the political power of the Christian Democrats.

25X1 [redacted] The Communists, while defending Lenin's theoretical and historical importance, say they will revise the party's stand on Leninism at their congress in March. At the same time, they are reminding Craxi that some cooperation between the two parties will be necessary to overcome Christian Democratic opposition to their positions on certain issues. They are advising him to assert Socialist autonomy by advancing his party's own solutions for Italy's practical problems.

25X1 [redacted] Craxi's thesis has raised questions among Socialist Party factions. Although many Socialists consider the debate a useful way to distinguish themselves from the Communists, they still hope to avoid a complete break with the Communist Party, the largest on the Italian left.

25X1 [redacted] The Christian Democrats, for their part, have reacted ambivalently to Craxi's initiative, welcoming the criticism of the Communists but fearing that the polemic will complicate the

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current governing arrangement and might eventually undermine it-- with no workable alternative in sight. Many Christian Democrats also have begun to worry that Craxi's efforts are calculated to draw support from their own left wing.

25X1 [redacted] Craxi's chief constraint in attacking the Communists will be the desire of all three major parties to sustain the existing government for the foreseeable future. There is no consensus on an alternative formula, and none of the parties relishes the prospect of an election. The Communists want more time to prove their own moderation as part of the governmental majority and to derive some concrete benefits from this cooperation. The Christian Democrats are uncertain whether Craxi would be reliable as an ally, and thus remain hesitant to jettison the Communists. The Socialists themselves need time to establish a credible image, resolve intraparty differences, and decide if and on what terms they would accept a new version of the center-left coalition.

25X1 [redacted] The logic of the Socialist leader's strategy nonetheless presupposes confrontations with the Communists and Christian Democrats on practical issues. Craxi will have to tread carefully if he intends to persist in his autonomist course and yet avoid some misstep leading to a premature governmental crisis that nearly all Italian politicians are seeking to avoid.

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NAMIBIA: Election Postponement

25X1 [redacted] *The South African Administrator General for Namibia has announced that the voting period for selecting a constituent assembly has been postponed from late November--the time he announced last week--to 4-8 December. The foreign-based leaders of the South-West Africa People's Organization have been calling for a boycott of the election, primarily because it is to be carried out without UN supervision. The Administrator General is seeking to convince other Namibian groups--which have threatened for diverse reasons to join a boycott--to participate in the voting.*

25X1 [redacted] Initial reactions to Prime Minister Vorster's announcement last week that South Africa would proceed without UN participation to prepare Namibia for independence indicate that the

[redacted]

election may be boycotted by all Namibian groups except the Democratic Turnhalle Alliance, which is quietly supported by South Africa. Such a boycott would further discredit the election, which the South Africans are holding despite the UN Secretary General's recommendation that it take place seven months after the UN begins to participate in a transitional program.

25X1 [redacted] Among the groups that are undecided on an election strategy are the Namibian National Front--a coalition of many ethnic-based parties--and the SWAPO Democrats, who are disaffected with SWAPO President Sam Nujoma. Both groups support the Secretary General's recommendations and have denounced South Africa's election plan. Also undecided is a group of hardline whites who oppose a UN presence in Namibia but hope that holding the election later would enable them to catch up with the Turnhalle group.

25X1 [redacted] According to the South African press, the postponement to December was primarily an attempt to accommodate the hardline white group, which has threatened to boycott unless the election is postponed until early next year. The press speculates that the group will soon announce its acceptance of the two-week postponement.

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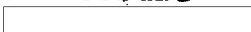
Pakistan

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 //President Zia has decided, over Foreign Ministry objections, that Pakistan will not withdraw from the Western-oriented Central Treaty Organization, 

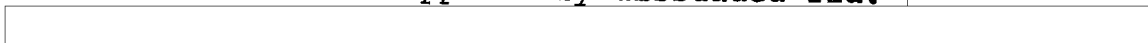
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 The Pakistanis had been seriously considering withdrawal, hoping thereby to appease the USSR and to improve their relations with non-aligned nations. They probably also were seeking to signal unhappiness over their relations with the West. Pressure from Iran and China apparently dissuaded Zia. 

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