



**Directorate of
Intelligence**

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Near East and South Asia Review



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14 August 1987

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*NESA NESAR 87-019
14 August 1987*

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**Near East and
South Asia Review**

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Articles**UAE-Iran: A Question of Business Over Politics**

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The United Arab Emirates pursues a policy of accommodation and nonconfrontation with Iran to deter Iranian aggression. Despite its pro-Iraqi stance in the Iran-Iraq war and its support for Gulf Cooperation Council regional security initiatives, shared economic interests will act as a strong deterrent to a deterioration in UAE relations with Iran.

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Iraq: Seeking To Improve Its Manpower Resources

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Iraq's significant population disadvantage is a weak link in its strategy of combating Iran's war of attrition. In the aftermath of heavy casualties earlier this year, Iraq is taking steps to reallocate its manpower to improve economic performance and keep up military force levels.

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Syria-Turkey: Kurds and Border Security

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The tenuous Syrian-Turkish reconciliation, which has been strained by Kurdish attacks in southeast Turkey this year, was bolstered by Turkish Prime Minister Ozal's visit to Damascus in mid-July. Syria hoped to demonstrate good faith by promising to help secure the border with Turkey from Kurdish insurgency.

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Lebanese Forces Militia Gaining Momentum

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Samir Ja Ja, leader of the Christian Lebanese Forces militia, appears increasingly determined to achieve preeminence in Lebanon's Christian community. Although Ja Ja is likely to seek to limit the potential fallout of his initiatives, his actions could provoke another major crisis in Beirut.

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[Redacted]

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Lebanon: Hizballah's Future and Its War on the West

[Redacted]

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[Redacted]

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[Redacted] the radical pro-Iranian Shia Hizballah is facing the end of its "heroic age" of easy successes, and a divisive debate on future strategy is under way within the group. Although this thesis is well grounded, we believe it overstates the differences within Hizballah and is premature in predicting a split.

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[Redacted]

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Israel: Gush Emunim Fights for Its Soul

[Redacted]

23

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[Redacted]

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Gush Emunim, Israel's leading prosettlement lobby, is split between "moderates" who are staunchly prosettlement but opposed to vigilante activity and more radical figures who sanction confrontation with Palestinians in the occupied West Bank. The growing split in the Gush will further the decline in its influence in the National Unity government.

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Israeli Political Goals in Latin America

[Redacted]

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[Redacted]

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Israel's political aims in Central and South America are intrinsically linked to its overall foreign policy goals of building international acceptance and reducing its diplomatic isolation. Israel has provided military and technical assistance in exchange for Latin American political support, and it will make a maximum effort to preserve these ties.

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Jordan: Undercurrent of Discontent

[Redacted]

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[Redacted]

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Latent antigovernment discontent exists in Jordan among a vocal minority of the non-Palestinian segment of the population. The Jordanians' unhappiness with government policies is not widely shared despite their efforts to generate broader public support among Palestinians and Muslim fundamentalists.

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Jordanian Army Maintenance Problems Mounting

[Redacted]

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[Redacted]

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Jordan's Army maintenance program, long considered a model for the Arab world, is experiencing severe problems that threaten to undermine the operational readiness and effectiveness of the armed forces. The deficiencies are serious and widespread and include poor management, spare parts shortages, and funding limitations.

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Libya: Qadhafi's Fascist Friends [redacted] 39

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Tripoli's contacts with ultrarightists are much less extensive than its ties to leftist groups and would seem to conflict with Qadhafi's professed revolutionary ideology and "antifascism." Yet these groups are willing to promote Libyan goals by various means, including propaganda, political action, and, in some cases, violence.

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Morocco: Hassan Calls for EC Membership [redacted] 45

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Despite King Hassan's announced intention to seek admission for Morocco to the European Community, he almost certainly knows that the EC will reject the application. He probably hopes to use the bid to remind the Europeans of his country's importance and to prod them to accept closer economic and political ties to Rabat.

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Arab States-Afghanistan: Resistance to Rapprochement [redacted] 47

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Kuwait probably will try to use its current position as chair of the Islamic Conference Organization to soften the Conference stand on Afghanistan, but a dramatic change is unlikely. Most members of the organization are deeply suspicious of long-term Soviet motives in Afghanistan and remain firmly opposed to the Soviet presence there.

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Insurgent Supply Caravans to Northern Afghanistan: Trucking It [redacted] 51

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The Jamiat-i-Islami—one of the two largest insurgent groups and the predominant group in northern Afghanistan—plans to increase the share of its supplies delivered by truck to the area this year. Although the availability of trucks is improving, they are still in short supply, and the insurgents have only limited funds to obtain them.

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Pakistan: New Shia Political Party Formed [redacted] 53

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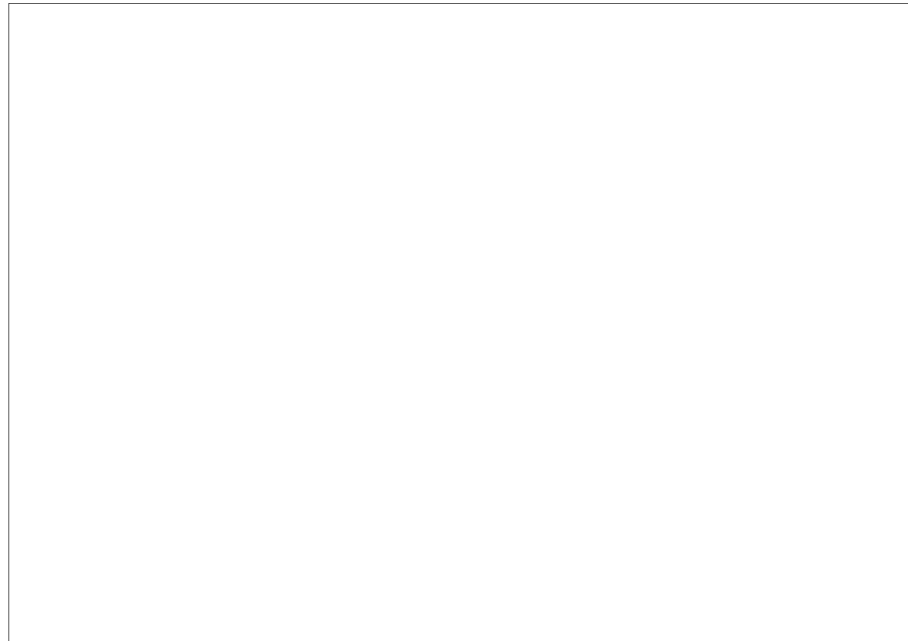
The Movement for the Establishment of Shia Jurisprudence (TNFJ) has become a political party to press Shia religious demands more effectively. The TNFJ may resort to violence in its effort to overcome Sunni resistance, but the small number of Shias in Pakistan will prevent it from becoming a major threat to the government.

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India: Dissidents and Drugs



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India's border zones are a natural smuggling arena and a traditional sanctuary for regional dissidents. New Delhi is growing more aware that uncontrolled drug trafficking could disrupt regional relations by providing funds to antiregime elements, disrupting efforts to increase border security, and encouraging official corruption.



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Erratum

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Some articles in the Near East and South Asia Review are preliminary views of a subject or speculative, but the contents normally will be coordinated as appropriate with other offices within CIA. Occasionally an article will represent the view of a single analyst; an item like this will be designated as a noncoordinated view.



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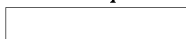
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Articles

UAE-Iran: A Question of Business Over Politics 


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The United Arab Emirates pursues a policy of accommodation and nonconfrontation with Iran to deter Iranian aggression. The UAE relies heavily on its shared economic interests with Iran, particularly its trade ties, to pacify Tehran's hostility. The UAE calculates that Tehran would prefer not to jeopardize the valuable commercial relationship and psychological outlet the emirates provide for Iran's foreign exchange- strapped and war-weary population. In contrast to Kuwait and Saudi Arabia, the UAE's less visible support for Iraq has also tempered Tehran's hostility. 

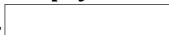
UAE leaders are not naive about Iranian motives in the region. As their country increasingly has become a target of Iranian military attacks and subversion, the UAE has toughened its military posture against Iran and enhanced ties to like-minded neighboring states, the United States, and the Soviet Union. UAE officials, however, are especially cautious in dealing with the United States to avoid provoking Iran. Growing disagreement within the federation over how to deal with an increasingly hostile Iran is straining interemirate relations and could weaken the federation and its support for initiatives undertaken by the Gulf Cooperation Council (GCC). 

Economic Ties

The UAE benefits from an active economic relationship with Iran and believes that trade and joint commercial interests are major points of leverage that can be used to mollify the Iranians. Dubai and Sharjah are major transit points for a wide range of Iranian imports and a major stopping point for Iranian tourists. Dubai, for example, reexported to Iran goods worth almost \$600 million in 1986. Official statistics obfuscate the extent of the close


commercial ties, however, and press reports indicate that the unofficial trade far exceeds official transactions. 

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The free market system and liberal export tax regulations in Dubai and Sharjah allow Iran to earn hard currency and meet the demand for goods not available in Iran. Dhows shuttle between Dubai, Sharjah, and Bandar-e Abbas every day loaded with Iranian pistachios and carpets for the UAE and gas stoves, refrigerators, and power generators for Iran. According to press reports, Tehran has set up companies in these two emirates specifically to tap the foreign exchange holdings of expatriate Iranians. Banks jointly owned by representatives from Tehran and expatriate Iranians will allocate quotas for any Gulf-based Iranian with mixed payment in foreign exchange and Iranian rials. 

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Trade with Iran has experienced cyclical swings linked to Iranian regulations as well as its tight foreign exchange situation, sparking tension between Iran and the various emirates. Periodically Tehran raises import duties, temporarily inducing trade recessions in Dubai and Sharjah. Press reports indicate that protests from the UAE's Iranian community to the Iranian Commerce Ministry have influenced Tehran's decision to relax its restrictions. 

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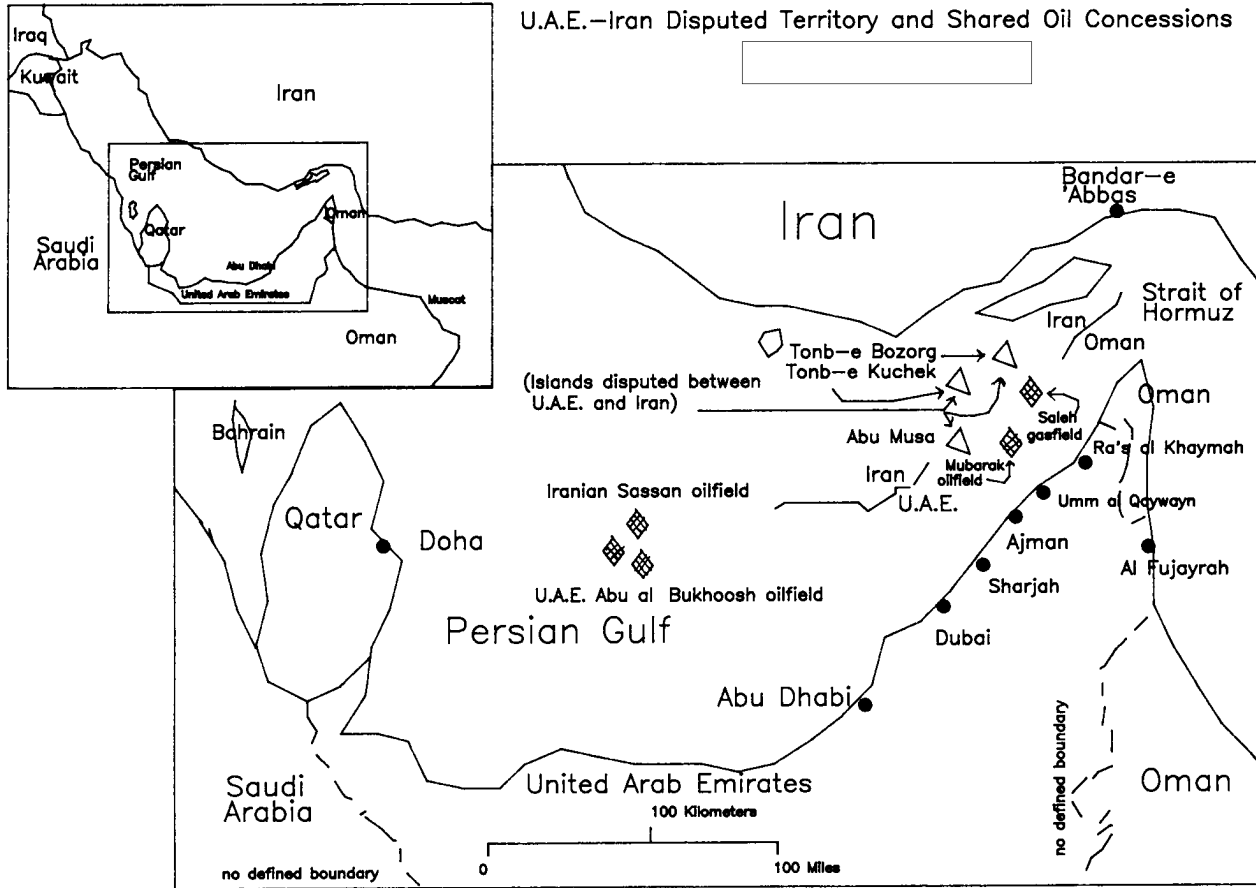
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Shared oil concessions between Iran and Abu Dhabi, Dubai, and Sharjah also augur for a good working relationship. Iran has signed cooperative agreements with each except Dubai. According to the US Embassy in Abu Dhabi, Iran's revenues from the

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fields shared with Dubai and Sharjah are minimal. Iran's production from the field it shares with Abu Dhabi has been suspended since the Iraqis bombed the Iranian platform in November 1986, but when fully exploited it can yield up to 70,000 b/d, according to the US Embassy. Although the individual emirates control the production of the fields shared with Iran, Tehran is careful not to jeopardize its cut of the revenues. [redacted]

Political Pressures From Tehran

The UAE, unlike Kuwait and Saudi Arabia, has escaped much of Tehran's most strident rhetoric and has not been the focus of Iranian attacks or terrorism. Iran's close economic ties to various emirates of the federation, the UAE's less visible support for Iraq, and low-key relations with the United States have been factors mitigating Tehran's hostility. [redacted]

Nonetheless, Iran has not completely exempted the UAE from its campaign to weaken the Gulf Cooperation Council and Arab support for Iraq. Tehran has initiated and kept up a high level of diplomatic activity with the UAE. Iranian visitors to the UAE have stressed the good ties the UAE and Iran have enjoyed for many years while insisting that the UAE maintain a neutral position in the Iran-Iraq war. The US Embassy reports that most recently Tehran has sought President Zayid's intervention to persuade Kuwait to cancel its reflagging operation with the United States, reminding him that the UAE should not follow Kuwait's lead if it wants to maintain good relations with Tehran. Zayid, for his part, has

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Key Iranian Visitors to the United Arab Emirates Since 1986

	Visitor	Purpose
30 August 1986	Petroleum Minister production	Briefed Dubai officials on cuts from non-OPEC Aqazadeh members.
29 November 1986	Deputy Foreign Minister Lavasani	Denied Iranian involvement in attack on Abu al Bakhoosh.
4 January 1987	Lavasani	Met UAE President Zayid; urged boycott of Islamic Conference in Kuwait.
30 January 1987	Commerce Minister Jafari	Stressed positive impact of trade relations with Dubai officials.
6 March 1987	Deputy Petroleum Minister Ardabili	Discussed technical and policy coordination of shared Mubarak oilfield with Sharjah; also met with UAE President to urge production cuts by UAE.
23 April 1987	Deputy Intelligence Minister Atabqi and Lavasani	Worked out release of Iranians in Sharjah; met with Zayid to express opposition to superpower involvement in Gulf and Kuwaiti reflagging plan.
31 May 1987	Foreign Minister Velayati	Third visitor in May to warn against superpower presence in region.
14 June 1987	Velayati	Returned for protocol reception but no official talks.
20 June 1987	First Deputy Foreign Minister Besharati	Visit canceled at last minute; no reason given.

been firm with Tehran, defending Kuwait's sovereign right to protect its interests and pointing out that Iran has been responsible for heightening tension in the region. [redacted]

In general the UAE does not reciprocate Iranian official visits, preferring to deal with Tehran's representatives in the UAE. According to the US Embassy in Abu Dhabi, no UAE official has visited Iran since 1985 when the Minister of State for Foreign Affairs Rashid Abdallah returned convinced of Iran's inflexibility on the Iran-Iraq war. The US Embassy reports that Tehran has repeatedly tried to entice UAE President Zayid and Abdallah—as chairman of the Gulf Cooperation Council—to visit, but they have declined. Although the UAE maintains a two-man embassy in Tehran and a one-man consulate in Bandar-e Abbas, the US Embassy reports that those diplomats do not have good access to Iranian officials. [redacted]

Iran has also tried to exploit the longstanding personal rivalries and interemirate tensions to weaken UAE support for Iraq and the GCC. Iran's meddling in the recent coup attempt in Sharjah demonstrated to UAE officials that Tehran is capable of influencing domestic politics. When Abd al-Aziz attempted to oust his brother and ruler of Sharjah, Sultan, in June, Iran reacted quickly and issued an official statement in support of Sultan, known for his pro-Iranian flirtations. The US Embassy reports that Iranian officials based in the UAE worked behind the scenes to assist Sultan during his temporary exile in Dubai. Sultan's replacement would have hindered Iran's strategy of playing Sharjah and Dubai against Abu Dhabi and the other emirates with which Iran has cooler relations. [redacted]

The presence of a sizable Iranian and Iranian-origin population, especially in Dubai and Sharjah, provides Iran with other options to influence the UAE.

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UAE Relations With Iraq

Like most other Gulf Arab States, the UAE has adopted a pro-Iraqi stance, but over the years it has decided that support for Iraq's war efforts is not worth the risk of jeopardizing its economic interests with Iran or provoking Iranian aggression. UAE financial aid to Iraq has rapidly declined from a high of almost \$1.5 billion in 1980 to zero this year. According to the US Embassy, UAE officials have pleaded financial hardship when asked by Iraq to renew economic assistance. At this time the UAE appears willing to give only political support to Iraq under the auspices of the Gulf Cooperation Council (GCC) and the United Nations. [redacted]

The UAE has been increasingly concerned that Iraqi attacks on Iranian targets will involve them involuntarily. UAE officials have told US Embassy officials, however, that, if Iraq needed emergency landing rights during an attack on Iran, the UAE would be compelled to assist Iraq. The UAE probably realizes that Iraq offers the only possibility of thwarting Iranian expansionism and that in the long run it must side with Baghdad. [redacted]

The UAE's lackluster support has annoyed the Iraqis, who view the emirates as the weakest link in the GCC and the most vulnerable to Iranian-inspired subversion. Baghdad has also been miffed by what it viewed as an ungrateful UAE response when, earlier in the war, it tried to force Tehran to disavow its claims to the islands jointly held by the UAE, creating considerable discomfort among UAE leaders who hoped to avoid antagonizing the Iranians. Moreover, the Iraqis are suspicious of Iran's close ties to Dubai and Sharjah, believing that this link has helped Iran weather serious economic crises and provided them with some technical equipment. [redacted]

Although not all 100,000 ethnic Iranians support Khomeini's regime—many are Sunnis, and others have settled in the emirates to escape the revolution—the potential exists for terrorism among this population. An Iranian terrorist cell and arms cache

were discovered in Sharjah in 1985, with members who were traced to the office of the ruler himself, according to the US Embassy. Dubai authorities have also confirmed that they continue to deport young Iranians involved in the illegal possession of small arms and the distribution of political leaflets. [redacted]

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Beefing Up Security

UAE officials are aware that they are not exempt from Iranian aggression. The Iranian air attack on Abu Dhabi's Abu al Bakhoosh oil platform in November 1986 demonstrated to UAE officials their vulnerability. The Abu al Bakhoosh attack and Iranian attacks on shipping in UAE territorial waters have stiffened the UAE's military posture and cast doubt on the efficacy of its accommodationist policy. [redacted]

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In the wake of the attack, the UAE tried to beef up its defensive capabilities. As an interim measure, Dubai lent Abu Dhabi its Swedish-made RBS-70 missiles, and the crews to man them. The US Embassy reports that the UAE fired on an Iranian helicopter that recently violated UAE airspace over the Abu al Bakhoosh oilfield. After searching several months for an ideal offshore air defense missile system, Abu Dhabi recently purchased Soviet SA-14 shoulder-fired missiles. [redacted]

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The UAE is also enhancing its security by strengthening ties to Iran's non-Arab neighbors, Turkey and Pakistan. From the UAE's perspective, Turkey and Pakistan, which maintain good relations with Iran, offer some international clout to check Tehran's revolutionary expansionism. UAE relations with these countries are based on common interests regarding Iran as well as strong personal bonds between President Zayid and Presidents Evren of Turkey and Zia-ul-Haq of Pakistan. [redacted]

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The UAE supports GCC efforts to present a common front on important political issues and cooperates with other members to raise the Council's international and regional profile. Like other GCC members, the UAE believes that a strong, forward-looking, and

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cohesive organization will help deter Iranian attacks. The US Embassy reports that UAE officials are concerned that GCC commitments to a more confrontational posture against Iran may drag the UAE into an avoidable conflict. [redacted]

[redacted] at the GCC ministerial meeting in Jiddah in July, the UAE's position on the Kuwaiti reflagging operation appears to have been guarded, despite the GCC's endorsement of Kuwaiti measures to protect its shipping. President Zayid has told US Embassy officials that he disagrees completely with Kuwait's approach but will respect Kuwait's decision. [redacted]

UAE sensitivities in dealing with Iran are especially apparent in the extent of support the UAE has been willing to give to US policies in the Gulf. The US Embassy reports that UAE officials expect US assistance in dealing with Iran primarily because it is in the US interest to do so. Although UAE officials privately say they appreciate Washington's willingness to help protect Gulf shipping, they have been reluctant to be more conspicuous in their relationship with the United States. On the other hand, Zayid has indicated that it would be a serious setback for US credibility in the region if the United States withdrew from the protection agreement with Kuwait. UAE support for the US position in the Gulf includes:

- Support for an enforceable UN resolution on the Iran-Iraq war.
- Permission for US Middle East Force vessels to make limited port calls to resupply consumable goods.
- Approval for emergency overflight privileges for US fighter aircraft with concurrent notification.
- Continuing discussions with Saudi Arabia on overflight privileges for the US and Saudi AWACS missions in support of the US protection plan for reflagged Kuwaiti tankers. [redacted]

Divided Over Iranian Policy

Despite the UAE's efforts to pursue a nonconfrontational policy, disagreement is growing between the emirates over how to deal with an increasingly hostile Iran. Dubai and Sharjah are especially eager to maintain their lucrative commercial ties to Tehran and have tended to adopt

more accommodationist policies. Dubai, which agreed to assist Abu Dhabi in improving security at the Abu al Bakhoosh oilfield, insisted that it would not similarly protect its own equally vulnerable offshore oilfields. According to the US Embassy, Dubai authorities argued that to do so would unnecessarily provoke Tehran. [redacted]

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Sharjah, which has had closer ties to Iran than any other emirate, especially seeks to get along with Iran since it shares Abu Musa island, which Iran seized in 1971 and continues to dominate politically and militarily. Moreover, Sharjah has been deferential to Iranian views on oil production policy for the shared Mubarak oilfield near Abu Musa. Sharjah's ruler Sultan has overlooked Iran's military buildup on Abu Musa island and has encouraged greater cooperation with Iran on oil, factors that almost certainly contributed to Zayid's decision to back the attempted coup in June. [redacted]

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Abu Dhabi, on the other hand, seeks to maintain more distant relations in part because it has limited commercial ties to Iran and a smaller Iranian population than either Dubai or Sharjah. The US Embassy reports, for example, that Abu Dhabi's oil company has issued an order that no refined products produced by Abu Dhabi can be sold to Iran except through intermediaries and only after prior notification. President Zayid is careful to keep emirate differences over Iran in mind when charting the federation's policies toward the Gulf and has kept internal bickering to a minimum. Nevertheless, faced with an increasingly belligerent Iran, each emirate may begin to chart its own policy, weakening the unity of the federation and heightening interemirate tensions. [redacted]

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Prospects

The UAE is unlikely to change its pro-Iraqi stance in the Iran-Iraq war, although we expect it will look for ways to accommodate Iran. Shared economic interests will continue to act as a strong deterrent to a significant deterioration in relations. The UAE's meager military and security capabilities as well as its

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large Iranian population will constrain UAE leaders from undertaking actions that might provoke the Iranians. As long as the UAE appears to withhold overt support for US, Kuwaiti, or Saudi initiatives in the region, Tehran will restrain its activities. Nonetheless, Tehran will maintain political pressure and keep open the option of military action or terrorist activities to ensure a cooperative UAE. [redacted]

Heightened tensions in the region and the UAE preference to avoid confrontation with Iran will test the UAE's commitment to the GCC. We believe emirate differences over Iran will limit the UAE's enthusiasm for joint GCC security initiatives that might be viewed as provocative. Collectively, the emirates will continue to look to the GCC to provide limited military and security benefits. Individually, the emirates are leery of closely coordinated GCC programs, believing they would be overwhelmed by other GCC members with greater military or financial strength. [redacted]

The UAE will try to maintain a low profile in its relations with the United States to avoid antagonizing Tehran. A more aggressive Iranian attitude or a widening of the Iran-Iraq war might force the UAE to turn to the other GCC states and the United States for help, but UAE leaders would almost certainly continue efforts to ease tensions with Iran. We would expect the UAE to support a more visible US presence in the region but stop short of granting facilities or pre-positioning rights to US forces. Further intimidation by Iran probably would encourage the UAE to seek additional US arms and security guarantees as evidence of the US commitment, but UAE officials would resist overt military cooperation in US military operations in the region. [redacted]

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Iraq: Seeking To Improve Its Manpower Resources [redacted]

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Iraq's significant population disadvantage is a weak link in its strategy of combating Iran's war of attrition. In the aftermath of heavy casualties earlier this year, Iraq is taking steps to reallocate its manpower to improve economic performance and keep up military force levels. Civilian measures include transfers of government employees and layoffs to reduce the bloated government work force. Shifting of personnel from the militia and security forces to the Army along with continuing recruitment are intended to maintain sufficient forces at the front. [redacted]

Military Manpower Disadvantage

Iraq suffers from a significant manpower disadvantage in its war against Iran. Despite rough parity in the number of soldiers at the front, Iraq draws its manpower from a population only one-third the size of Iran's. Iraq's roughly 750,000-man Army represents about 5 percent of its population, comparable to a 12-million man Army in the United States. Moreover, Iraq is attempting to defend nearly the entire 1,200-kilometer border against Iranian attack, whereas Iran—less concerned about Iraqi ground attacks—can concentrate its forces where it sees fit. [redacted]

The Iraqi regime and civilian morale are extremely sensitive to the number of war casualties. Outside the Kurdish areas, nearly every family has suffered a war casualty. Moreover, the loss of income and recent reductions in death benefits to families have increased the Iraqis' personal economic burden from the war. In contrast, the Iranian leadership's ability to call on vast numbers of Iranians willing to die on the battlefield appears to have made the regime far less concerned with its casualty count. [redacted]

Baghdad's need to minimize casualties has, in large part, determined its ground strategy. Iraq generally forgoes large offensives and counterattacks that would incur heavy casualties. Instead, Baghdad is pursuing a defensive strategy, seeking to contain Iranian ground attacks in hopes that Tehran eventually will become

Iran-Iraq: Population, Casualties, and Recruitment

Population. *Iraq's population is about 17 million, compared with Iran's 50 million. The regime's goal is to increase, or at least maintain, Iraq's already high 3.6 per cent population growth rate. Iran's population growth rate, however, probably is slightly lower.* [redacted]

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Casualties. *The US Embassy estimates that about 150,000 Iraqis have been killed since Baghdad launched the war in 1980. This figure is equivalent, in proportion to population, to a loss of about 2.2 million in the United States. Total Iraqi casualties—killed and wounded—are about 450,000, 2.6 percent of the population. Iran's roughly 750,000 casualties represent 1.5 percent of its population.* [redacted]

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Recruitment. *Iraq has had to draw off large numbers of potential civilian workers to supply its armed forces. Iraq's 750,000 man Army totals about 25 percent of its work force. Since the war began, practically all male graduates of Iraq's universities have gone directly into the armed forces. Iran's Army, although only slightly smaller, comprises 6 percent of its 12 million person work force.* [redacted]

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exhausted and end the war. Iraq's failure to regain territory lost at Al Faw last year or to counterattack more aggressively around Al Basrah earlier this year was primarily motivated by its unwillingness to absorb high casualties. [redacted]

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Civilian Labor Shortage

Iraq's lack of a developed economic base outside its petroleum industry and its rigid economic structure have led to worker shortages and misallocations in its

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work force. Despite its advanced oil sector, Iraq is primarily an agriculture-based economy that has not developed a sufficient number of skilled workers. Many jobs that require specialized skills cannot be filled by otherwise well-educated Iraqis. Iraq's centralized, tightly controlled economy further aggravates the mismatch between jobs and workers because it directs labor to politically important areas—such as watchdogs for the ruling Ba'th Party—rather than where workers can contribute the most to output. [redacted]

The drain of Iraqi males into the military since the outbreak of the war in 1980 has severely worsened shortages. The majority of Iraq's unskilled work force is at the front. Those remaining at home are generally unwilling to perform manual labor. Baghdad has alleviated some of the shortages by increasing opportunities for Iraqi women and relying more on foreign workers. [redacted]

Iraqi industrial and agricultural activity and development continue to suffer from inadequate numbers of farmers, technicians, managers, and service workers. According to the US Embassy in Baghdad, the Oil Ministry is relying on foreign firms to oversee crucial oil export pipeline projects. According to international bankers, Iraq's only commercial bank, the Rafidain Bank, suffers from a shortage of skilled technocrats needed to manage Iraq's finances. The Embassy also reports that the need to replace military medical personnel either killed or overworked is draining the supply of civilian doctors. [redacted]

Efforts To Improve Manpower Allocation

Baghdad is reallocating part of its civilian work force to reduce government spending and improve economic performance. Press reports indicate about 2,000 workers in government-owned industries have been laid off since April. The US Embassy reports that thousands more white and blue collar workers face dismissal, early retirement, or reduced salaries and benefits. In palmier days the regime built up and then maintained a bloated, generally well-compensated government work force to employ well-educated Iraqis. Foreign workers and women have been targeted in this first round of cutbacks, according to

press reports. To weaken potential opposition to the dismissal of government workers, Iraqi President Saddam Husayn abolished public-sector unions early this year. [redacted]

The reallocation is intended to move workers out of unproductive positions into jobs that contribute more to the economy. Saddam has stated that those laid off will find similar jobs in the private sector. Many workers, however, probably will have to accept lower paying or more physically demanding jobs. We believe that many workers are also likely to be pressed into military service. [redacted]

Military Moves

Over the past several months, Baghdad has reallocated part of its military personnel as well. The US Embassy in Baghdad reports that the internal security forces and the Popular Army are both being reorganized, probably to reallocate men to the Army. According to the Embassy, these forces have come under scrutiny because Saddam believes they have become bloated by thousands of men seeking to avoid duty at the front. The Popular Army—rarely used in combat over the past year—probably will be reduced in size and confined to its original role as a militia guarding civilian installations and party officials. [redacted]

The regime also has increased conscription since the loss of Al Faw in February 1986 to shore up units depleted by casualties and to reinforce units in areas where it expects Iran to attack. To combat the more active Kurdish guerilla threat, the Embassy reports that the regime has redeployed forces from the front to the Kurdish areas in the north. This shift includes part of Iraq's elite strategic reserve, the Republican Guard. Baghdad has also moved former rear area personnel into frontline duty. Recent conscription efforts have included press gang tactics using road blocks and patrols to capture men avoiding military service, according to the Embassy. The Embassy also reports that Saddam's callup of university students and teachers last year—albeit for training only—was aimed at emphasizing that all Iraqis should be ready to contribute to the war effort. [redacted]

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Longer-Term Measures

Iraq is pursuing longer-term measures to alleviate its civilian labor shortage and offset the threat posed by Iran's numerical superiority in manpower:

- *Acquiring technology. Baghdad is seeking Western technology to preserve its decisive military edge over Iran in air and ground weapons. Baghdad also wants more sophisticated technology—especially from the United States—to improve productivity.*
 - *Improving worker skills. Iraq is seeking to raise the skills and scientific knowledge of workers by emphasizing education and training. According to the Iraqi press, a top priority of the Industry Ministry in 1987 is to increase the number and quality of training courses for managers.*
 - *Greater female participation in the work force. To replace Iraqi males, the regime has turned to women. According to Iraqi press reports, about 27 percent of the total work force is female, one of the highest levels in the Arab world. Iraqi women are employed as doctors, engineers, air traffic controllers, managers, and farmers. The Ba'th Party has long encouraged women to seek employment.*
 - *The use of foreign workers. Despite the departure of many foreigners because of fewer development projects and remittance restrictions, Iraq still relies on about 1 million foreign workers to sustain agricultural and industrial activity. Foreigners are employed as health service managers, factory and oilfield technicians, construction workers, farmers, and military advisers.*
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Outlook

Manpower constraints will remain a weak link in Iraq's strategy to outlast Iran, although Iraq's economic advantages over Iran in other areas are likely to widen over the next several years. For example, Baghdad's oil export capacity will increase by 500,000 b/d over the next several months as its expanded pipeline through Turkey becomes fully operational. Baghdad also plans to build a second, 1 million b/d pipeline through Saudi Arabia to be completed in 1989. Additional oil revenues will allow Iraq to maintain its large edge in military equipment.

Iraq's recent manpower shifts indicate it is preparing for several more years of fighting. Continuing casualties and the prospect of further Iranian assaults will be a constant threat to troop strength as well as morale. The loss of experienced soldiers and inadequate training of new recruits probably will erode the combat effectiveness of some units.

As long as the drain of young Iraqis into the military continues, civilian labor shortages will persist. Efforts to improve worker skills and productivity are unlikely to have a significant impact soon. The exodus of foreign workers since 1986 because of foreign exchange cutbacks places even greater demands on Iraq's limited labor pool.

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Syria-Turkey: Kurds and Border Security [redacted]

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The tenuous Syrian-Turkish reconciliation, which has been strained by Kurdish attacks in southeast Turkey this year, was bolstered by Turkish Prime Minister Ozal's visit to Damascus in mid-July, the first ever by a Turkish head of government. Despite its inability to obtain satisfactory guarantees on water flows from the Euphrates River, Damascus hoped to demonstrate good faith by promising to help secure Syria's border with Turkey from Kurdish insurgency. The accord, however, merely provides a general framework for improving bilateral security and economic cooperation. Damascus retains ties to the anti-Turkish Kurdish Workers' Party (PKK) and may become less willing to maintain the security arrangement in the absence of meaningful concessions by Turkey on water issues. [redacted]



Turkish Prime Minister Ozal (left) discusses bilateral issues with Syrian Prime Minister Kasm during his July visit to Damascus. [redacted]

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Syrian President Assad is eager to portray Ozal's visit as a success and probably viewed the event as a political triumph, since it was the first visit of a European head of government since a European Community decision last November discouraging high-level contacts with Damascus. Indeed, Assad made discreet concessions on security matters to Turkey before Ozal's arrival to counter Syria's political and economic isolation. Although the Syrian concessions are revocable and largely cosmetic, Assad probably hoped these presummit moves would deter Turkey from joining in Western sanctions and lay the groundwork for an Ozal visit:

- The removal of all PKK camps near the Syrian-Turkish border to the Bekaa Valley in Lebanon and ordering PKK elements in Syria to be more discreet. These orders came after a PKK raid on 7 March in the southeastern Turkish province of Mardin in which eight civilians were killed, [redacted] [redacted] According to the US Embassy in Damascus, last year the Syrians extradited to Turkey several PKK members who escaped from Turkish prisons and fled to Syria. The Syrians also relocated Turkish refugees from northern Syria to Damascus, [redacted]

- Alerting the border guard to stop suspected assailants from crossing into Syrian territory following an attack in mid-June on a village in southeastern Turkey that resulted in the death of 30 civilians. [redacted] Damascus was apparently embarrassed by news of the attack and ordered Syrian security forces to fire on Kurds fleeing over the border. [redacted] [redacted] Syrian Military Intelligence told PKK officials in June that it could no longer afford to offer assistance and suggested they ask the Soviets to aid Kurdish activities in Turkey.
- Approval of a meeting between governors from the neighboring provinces of Al Hasakah in Syria and Sanliurfa in Turkey to discuss border security. According to the US Embassy in Damascus, the Syrian governor candidly admitted at the meeting that Kurdish militants were at large in Syria. In mid-April Syrian Military Intelligence Director Ali Duba and a delegation of Syrian security officials met with their Turkish counterparts in northern Syria to discuss ways of countering cross-border operations by Kurdish insurgents. [redacted]

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Water for Border Security

The question of the division of Euphrates water has poisoned Syrian-Turkish relations since the 1960s when both countries began their ambitious hydrological programs. Over the years Syria and Turkey have touted their respective programs as symbols of national development and a means of achieving economic self-sufficiency. [redacted]

So long as Turkey proceeds with plans to expand its hydrological projects along the the Euphrates River, Syria will continue to fear that such projects will substantially reduce the volume and quality of the water flowing south into Syria, thus jeopardizing its own hydrological schemes. Turkey has repeatedly assured Syria that the annual water flow will not be affected, but Syria probably fears that, without firm agreements, it will become increasingly vulnerable to Turkey's control of the Euphrates headwaters. [redacted]

[redacted]

- Ordering the departure several days before Ozal's arrival of PKK chief Abdullah Ocalan, whom the Turks have sought to extradite. [redacted]

[redacted]

Results of Ozal's Visit

Syria's desire to cast Ozal's visit as a success deterred Damascus from pressing the Turks on longstanding grievances over Euphrates water flow. Damascus refrained from criticizing Ozal's offer to supply Syria with only 500 cubic meters per second of water, although this was the same offer that Syrian Prime Minister Kasm rejected during talks in Ankara last year, according to the US Embassy in Ankara. Instead, Assad offered to make further concessions on support for Kurdish rebels, an issue that he believes may be his best bargaining chip to bring the Turks to terms on Euphrates water. Assad agreed to a security

The PKK and Syria

The Kurdish Workers' Party (PKK), a leftwing separatist organization, was founded in the late 1960s with the goal of establishing an independent Kurdish state in southeastern Turkey. The PKK was outlawed following the military takeover in Turkey in 1980, after which members escaped to bordering countries, including Syria. The Syrians, in keeping with their revolutionary Ba'thist dogma, have offered safehaven to the PKK as well other separatist and oppositionist organizations. Syria has given political support to the PKK by allowing its political offices and party congresses in Syria, but Damascus has disavowed any support for Kurdish insurgency in order to maintain deniability for Kurdish terrorism in Turkey. Yet Syria has helped the PKK logistically by providing its members financial support, training facilities, weapons, passports, and intelligence. [redacted]

agreement that formalizes initiatives Syria has already taken to improve bilateral cooperation on border security:

- [redacted] Syria and Turkey agreed to establish a security zone on both sides of the border which Syrian and Turkish soldiers will patrol on their respective sides. The agreement called for enhanced communication and cooperation between security forces of the two countries.

- Syrian Minister of Interior Muhammad Ghabbash and his Turkish counterpart agreed to the extradition of common criminals seeking refuge in the other country. A similar agreement was signed between the Syrian chief of the General Intelligence Directorate and his Turkish counterpart for the extradition of political criminals.

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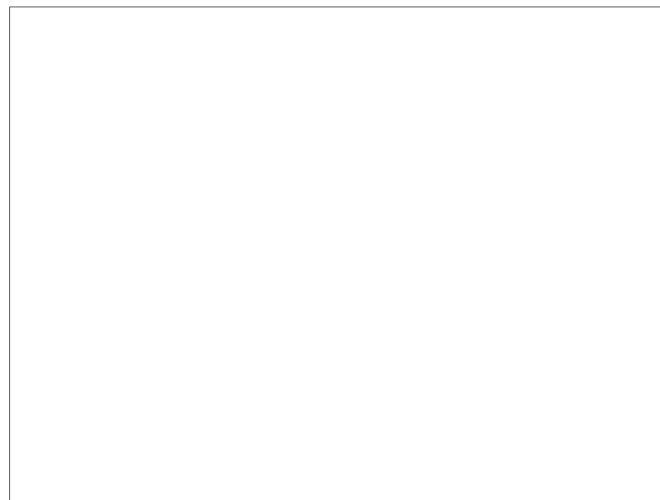
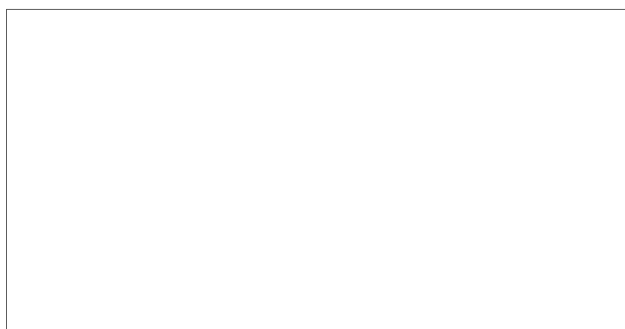
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- Finally, Syria provided guarantees that its territory would not be a safe haven for members of either the PKK or the Armenian Secret Army for the Liberation of Armenia. [redacted]

Nonetheless, Assad rejected more far-reaching Turkish proposals that would require a greater Syrian commitment to border security and controlling the PKK:



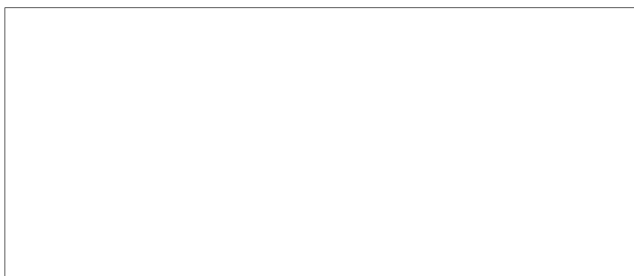
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- When pressed by Ozal to provide guarantees to close PKK camps in the Bekaa Valley, Assad said he could not control Kurdish activity or plots against Turkey which took place there.
- Syria refused to extradite Abdullah Ocalan to Turkey, claiming he has been granted political asylum, according to the US Embassy in Damascus. [redacted] other PKK members sought by Turkey may also be granted political asylum in Syria. [redacted]

Syria probably hopes that showing good faith on the security accord in the near term will yield concessions from Turkey on Euphrates water issues, and Damascus has already followed up its commitments to curtail renewed PKK activity:



Economic Opportunities

Economic agreements covered under the accord offer opportunities for greater bilateral economic interaction. An agreement in principle was reached on a joint project to construct a hydroelectric dam on the Tigris River along the Syrian-Turkish border to be called the "Dam of Peace," [redacted]

[redacted] A proposal was also made to connect Syria's northern electric grid to Turkey's southern electric grid to enable Syria to purchase electricity from Turkey and make up for current shortfalls. Finally, Turkey offered to help Syria develop its natural gas industry for eventual sale to southeastern Turkey. Syria responded that it already had an agreement with a foreign firm to explore for natural gas, but it would consider Turkey a preferred customer. [redacted]

Despite the potential benefits of joint economic ventures with Turkey, Syria's Ba'thist ideology has always placed a premium on economic self-sufficiency, and Assad would probably be reluctant to pursue any agreement that could make Syria economically vulnerable. Moreover, Assad may believe that Turkey's economic initiatives are intended to sidetrack Syrian demands on Euphrates water. Damascus may be forced to give these proposals further consideration, however, given its present economic decline. [redacted]

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Outlook

Damascus will probably continue modest efforts to suppress Kurdish activity in Syria to demonstrate good faith to Turkey as reconciliation efforts proceed. Syria is preoccupied with national security threats on its other frontiers, and Assad will probably be satisfied to maintain the amicable tone of relations in lieu of substantive progress in bilateral talks.

Damascus will probably try to solicit the cooperation of the Kurds to avoid unanticipated and embarrassing incidents, and it may offer incentives to restrain the PKK. Assad will not abandon his tolerance of PKK political interests in Syria, which he differentiates from its operational function, and he will also allow Kurdish training facilities in Syrian-occupied Lebanon to remain.

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Lebanese Forces Militia Gaining Momentum

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Samir Ja Ja, leader of the Christian Lebanese Forces militia, appears increasingly determined to achieve preeminence in Lebanon's Christian community. Until recently Ja Ja and President Gemayel had been linked in a partnership of convenience against Syrian influence. The timing of Ja Ja's challenge to Gemayel is closely tied to the 1988 presidential campaign and the Christian hardliner's attempts to deal from a position of strength or possibly enter the race.

Ja Ja's challenge adds another dangerous and unpredictable element to the Lebanese political scene. Ja Ja has already demonstrated a willingness to use violence against both Christian and Muslim targets to achieve his goals. Although Ja Ja is likely to seek to limit the potential fallout of his initiatives, there is a risk that he and the Lebanese Forces will take extreme actions that could provoke another major crisis in Beirut.

Ideology

Since Samir Ja Ja took control of the Lebanese Forces in January 1986, the militia has undergone a transformation of ideals and attitudes. Always an extremist group, the Lebanese Forces leadership, dominated by longtime Ja Ja loyalists, today stresses Christian superiority against growing Shia Muslim strength. The Lebanese Forces has stressed the consolidation of a de facto Christian political entity as a safeguard against the Shia threat. Careful to avoid the term cantonization, Ja Ja has called for decentralization based on the Swiss political system.

The Lebanese Christian community in Ja Ja's eyes is unique in the Middle East. The US Embassy reports that Ja Ja believes that granting increased power to the Muslims is not feasible, since any moderate Muslim who agreed to share power with the Christians would eventually be overthrown by "demagogues" wanting full Muslim rule. Therefore, it is essential for Christian preservation that they maintain control of the presidency and as much of the Army as possible.

Samir Ja Ja—Portrait of a Christian Militant

Samir Ja Ja, unlike many other Lebanese warlords, comes from a lower class family. Apparently bitter about Lebanon's traditional class structure, he seems intent on championing the Christian cause and social justice issues. At the same time, Ja Ja aspires to be recognized as a man of accomplishments. Although a medical school dropout, he is referred to as "Dr." Ja Ja by his followers.

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Ja Ja is considered to be ruthless and emphasizes discipline and sacrifice among his supporters. In June 1978 he led the predawn attack planned by Bashir Gemayel against the stronghold of former President Franjyah which resulted in the death of Franjyah's son, daughter-in-law, and grandchild. Druze leaders hold him responsible for the massacre of scores of civilians during sectarian fighting in 1983. Several hundred Christians died during Ja Ja's struggle to oust Ili Hubayqa as militia chief in 1986.

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Ja Ja has been described by US officials as lean and ascetic looking. The US Embassy further reports that Ja Ja should not be underestimated. He is a forceful, charismatic, and visionary leader.

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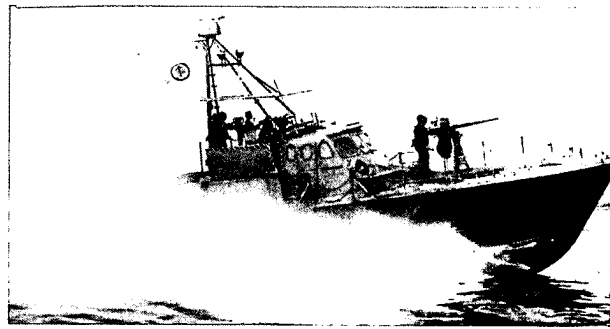
Vehemently anti-Syrian, Ja Ja has boldly called for a government independent of Syrian dictates. It is his contention that Syria is practicing terrorism in Lebanon, exploiting the Lebanese economy, and

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Lebanese Forces soldier



Israeli-built Lebanese Forces coastal patrol boat

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effectively annexing parts of the country. Therefore, in Ja Ja's eyes, the Syrian military presence in Lebanon is unacceptable.

Ja Ja has worked to make the Christian enclave economically self-sufficient. The Lebanese Forces controls its own ports, newspaper, radio, and television station, and Ja Ja is pushing to create an international airport at Halat north of East Beirut. In addition, the militia earns revenues through the sale of drugs and arms and collects protection money.

the Lebanese Forces earns approximately 100 million Lebanese pounds (\$125,000) daily. The US Embassy in Beirut reports that Christian militia-controlled media are emphasizing the militia's growing involvement in public administration to highlight militia capabilities and government deficiencies.

Maneuvering for Power

Ja Ja has stepped up challenges to the government's authority in recent weeks to capitalize on a growing perception, as reported by the US Embassy in Beirut, that he alone in the Christian community is capable of action. The growing animosity between Gemayel and Ja Ja resulted in clashes between rival supporters in

late July, according to press reports. Much of Ja Ja's newfound strength is derived from the widespread public belief that the Lebanese Forces was responsible for the assassination of Prime Minister Karami last June. Ja Ja's outspoken attempts to force Gemayel's acceptance of the resignation offered by Karami in early May and his calls for the formation of a new government have fueled the public's belief. Lebanese Forces complicity is likely, but the investigation of the assassination is stalled and cannot illuminate details for the public.

A key struggle to sway the balance of power is being played out in the Lebanese Army's Christian units. The Lebanese Forces militia is campaigning to recruit Christian Army officers either to work directly with the militia or remain neutral in the event of a conflict, according to the US Embassy. President Gemayel's attempts to combat this growing influence have led to tensions in the Christian community. In June the President and General Aoun, commander of the Army, ordered the commander of the Christian 5th Brigade removed because of his links to the Lebanese Forces. This command has been a source of contention since the Lebanese Forces murdered the previous brigade commander last September.

Although General Aoun is likely to continue supporting the President, the militant rhetoric of the Lebanese Forces appears to be gaining favor among the lower ranks of the military. Their allegiance to

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The Lebanese Army Brigades

Commander	Personnel Strength	Confessional Composition	Area of Operation	Comments
1st Col. Ibrahim Shahin	1,500	Shia	Southern Bekaa Valley	Syrian-controlled
2nd Col. Yahya Raad	1,700	Sunni	Tripoli	Syrian-controlled
3rd	Disbanded			
4th	Disbanded			
5th Col. Kamal Karam	1,800	Christian	Bikfayya and East Beirut	Loyal to Army Hqs
6th Col. Abd al-Halim Kanj	5,000-6,000	Shia	West Beirut	Close to Shia Amal militia
7th Col. Sami Rahana	1,300-1,500	Christian	Junyah	Loyal to area Army Hqs
8th Lt. Col. Kallas	1,500	Christian	Green Line, East Beirut	Loyal to Army Hqs
9th Col. Ghassan Jid	700-1,000	Christian	East Beirut	Loyal to Army Hqs
10th Col. Faiz Harb	900-1,200	Christian	Suq al Gharb	Loyal to Army Hqs
11th Col. Amin Abu Assi	1,100	Druze	Hammana	Loyal to Druze leader Junblatt
12th Col. Muhammad Sa'd	1,700	Sunni	Sidon area	

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Aoun or Gemayel in a confrontation is questionable. The Lebanese armed forces are customarily led by a Maronite Christian and consist of ground, naval, and air units. The officer corps is traditionally heavily Christian, but the remaining brigades generally reflect the confessional loyalties of the areas in which they are garrisoned. Thus, the support of the few remaining brigades loyal to Army headquarters and the continued support of General Aoun are essential to Gemayel's power base in the Christian enclave.

Subsequently Edde was asked to donate \$100,000 for so-called Lebanese Forces charities, probably to buy protection. In addition, Ja Ja, by courting the support of Catholic clerics, is seeking to isolate and weaken the Maronite Patriarch, who has called for an end to militias.

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Trump Card—Israel?

Ja Ja appears to realize that his struggle to gain power in Christian politics may backfire and severely weaken the national position of the Christian community. If his initiatives provoke a Muslim or Syrian reaction, the Lebanese Forces could face an overwhelming assault. Therefore, support from Israel in such a crisis remains crucial to the Lebanese Forces' plans. The US Embassy reports that Ja Ja wants to improve the militia's decade-long political relationship with Israel, but without assuming a vassal status. Ja Ja insists that there be a "security arrangement" in South Lebanon between Israel and Lebanon.

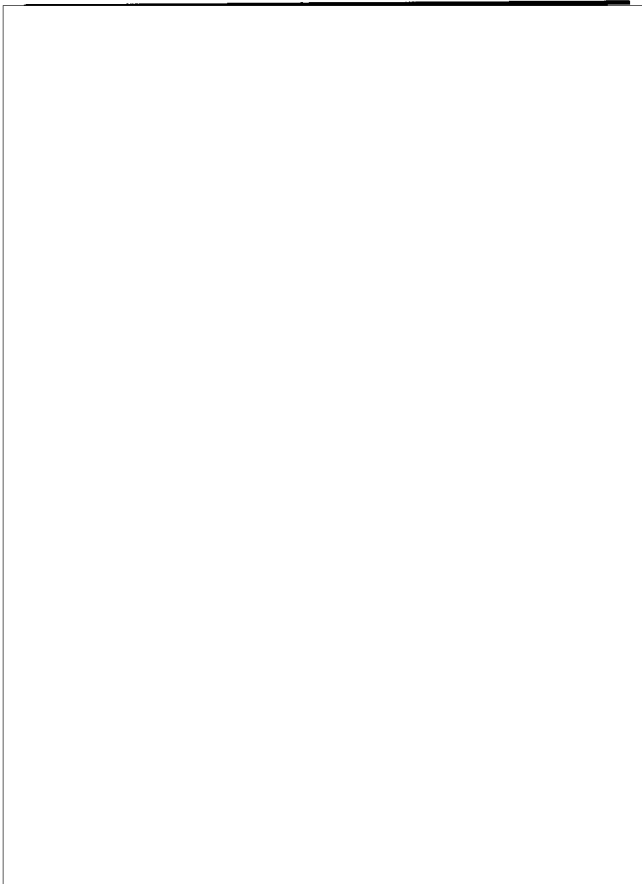
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Ja Ja's campaign of persuasion does not stop with the Army. The US Embassy reports that he is using a mixture of blandishments and strong-arm tactics against members of parliament to bring about a government more sympathetic to the militant Christian viewpoint. The US Embassy reports that leaders in the Lebanese Forces have used assassination threats to extort large amounts of money from rival Christian politicians in an attempt to subdue competition. The US Embassy in Beirut reports that presidential hopeful Michel Edde was approached by a senior Lebanese Forces official, Karim Pakradouni, and told to "prepare his coffin."

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Ja Ja may be exaggerating his claims of external support. According to the US Embassy in Tel Aviv, the Israeli coordinator for Lebanese affairs, Uri Lubrani, says that Israel has made no commitments to assist Ja Ja in any political moves, although Lubrani admitted to maintaining contacts with the Lebanese Forces. Lubrani, moreover, commented that Ja Ja often exaggerates the degree of Israeli support he has when he meets with other Christians. [redacted]

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Outlook

As the presidential election nears, tensions between Ja Ja and Gemayel will probably grow. Ja Ja is aware of the personal and political risks he is taking by challenging both Syria and presidential authority. Should the government retaliate or renew negotiations with Syria in the near future, he may feel compelled to resort to more drastic measures—including further assassinations or attempts to oust Gemayel. In any event, the ambitious and unpredictable Ja Ja undoubtedly will continue efforts to strengthen the Lebanese Forces' position in the Christian community and influence national politics. [redacted]

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Lebanon: Hizballah's Future and Its War on the West

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An Israeli Islamic expert says the radical pro-Iranian Shia Hizballah is poised on the edge of a new era. Its "heroic age" of easy successes is coming to an end, and a serious debate on future strategy is under way within the group. One element is pushing for an expansion into international terror and is already experimenting with the tactic. A major Syrian crackdown—with Israeli cooperation—could stop Hizballah's growth. In our view, this first thorough academic analysis of Hizballah's overt literature is premature in forecasting a split in the movement. We agree that Syria will play a key role in Hizballah's future.

Martin Kramer, Tel Aviv University Islamic history professor and member of the Dayan Center for Middle Eastern Studies, presented a paper on "Hizballah's War on the West" at the Washington Institute for Near Eastern Studies on 22 July. Kramer is a specialist in Shia Islam, author of *Islam Assembled*, and editor of *Shi'ism: Resistance and Revolution*. His conclusions are based on deep familiarity with Hizballah's extensive overt literature and publications.

A Remarkable Success Story

Hizballah has succeeded despite almost complete isolation from the rest of Lebanon's militias, hostility from Israel and the moderate Arabs, active US and Western opposition, and halfhearted Syrian aid. Its "heroic age" (1982-85) witnessed unprecedented victories due to effective psychological warfare against the United States, France, and Israel.

Kramer believes Hizballah now faces new obstacles. Israel will not retreat further in the south, and Syria has put Hizballah's strongholds in the Bekaa Valley and Beirut under siege. Consequently, a debate on the organization's future strategy is under way.

The traditional school is led by Shaykh Fadlallah. This school is aligned with Iranian Majles Speaker Rafsanjani and favors a continued "strategic

alliance" with Syria. They argue that a close alliance with Syria—the only active confrontation state against Israel—offers Hizballah a vital logistic link to Iran and a base near Israel. This wing of Hizballah seeks to avoid confrontation with Syria at almost any cost. Kramer believes its hold on the Hizballah consensus is eroding. Fadlallah's willingness to develop a close alliance with Shia Supreme Islamic Council Vice Chairman Shams al-Din—previously spurned as too moderate—is evidence of Fadlallah's weakened position and his need for allies.

The more militant school is represented by such clerics as Ibrahim al-Amin and Subhi al-Tufayli and is close to extremist elements in Iran. They argue the alliance with Syria has outlived its usefulness. Syrian President Assad is a Ba'hist like Iraqi President Saddam, according to the militants, who is using Iran and Hizballah. Assad will sell them out to Iraq and the West and is already negotiating the price. The militants are exploiting the Syrian massacre of Hizballah fighters in Beirut on 24 February to win converts. They are behind the guerrilla attacks on Syrian forces, the kidnaping (with Iran's aid) of US correspondent Charles Glass, and the numerous pamphlets calling for the creation now of an Islamic republic in Ba'labakk.

Kramer believes the militant wing is already experimenting with a greater role in international terrorism. This wing was behind the French bombings in late 1986, Hammadi's activities in West Germany, and perhaps the Air Afrique hijacking in Switzerland on 24 July. It has close ties to militant elements in Iran. It is ready for a war of terror against Syria. Kramer sees this wing as akin to the radical Palestinians who chose terror in the early 1970s. So far it is unsophisticated—"Bekaa kids" in the big city. But they will learn.

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NESA NESAR 87-019
14 August 1987

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Hizballah clerics marching in demonstration protesting US policy in the Persian Gulf at Hizballah's base in Ba'labakk

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Hizballah's Organization

Kramer characterizes Hizballah as a "loosely integrated coalition" bound by "threads, not chains." It is familial and clan oriented, divided by regional loyalties and clerical rivalries. The traditional Hizballah leadership centered around Fadlallah favored an Islamic republic long before the Iranian revolution and seeks autonomy from Tehran. The rank and file, however, is composed increasingly of converts attracted by recent successes in the "heroic age" and Iranian money. Kramer believes "factionalism" in Iran is mirrored in Hizballah—Fadlallah is aligned with Rafsanjani, for example. Iran seeks to centralize and structure the Hizballah to cement its influence over the group. A more bureaucratic Hizballah is more Iranian-controlled. Iran has been particularly active this year in sending Revolutionary Guard representatives to the south—especially Tyre—to build ties to the southern and most autonomous element of Hizballah. The Revolutionary Guard now has a permanent presence in the south.

All of Hizballah's leaders agree their real goal is not just to control Lebanon but to use Lebanon as a base for revolution throughout the Islamic world. Lebanon is too small to survive as an independent Islamic state. Hizballah is a pan-Islamic movement dedicated to a global Muslim movement without borders. Only by victories over Iraq and Israel will Islam triumph. Some within Hizballah like Fadlallah are pragmatists who want to work with anti-Zionists like Assad. Proof of Hizballah's regional goal is its focus on targets like the United States and Israel rather than its Lebanese foes.

Syria's Role

Kramer doubts Syria is ready to take on Hizballah. Assad wants to "tame" Hizballah and use it against Israel. Assad knows he can break Hizballah's hold on Ba'labakk and the Bekaa but has no stomach for entering the southern suburbs of Beirut and cannot

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Syrian President Assad (right) meeting with Iranian Deputy Foreign Minister Hosein Sheikh-ol-Eslam to discuss Hizballah activities in Lebanon. The future of Hizballah is an integral element in the future of Syria's self-proclaimed "strategic alliance" with Iran. [redacted]

pursue Hizballah into South Lebanon because of Israel's "red lines." A Syrian crackdown would force Hizballah underground.

Kramer says the pro-Syrian Shia Amal is in an advanced stage of decay. It has always been a "petitionary" movement, calling on the Lebanese state to carry out its obligations to the Shias. Amal leader Nabih Barri in his role as Minister of State for the South symbolizes Amal's faith in the Lebanese system, which he wants to use to rectify imbalances. Hizballah offers much more to the Shias—a radical vision of a greater Muslim state. Kramer believes Hizballah will continue to advance at Amal's expense unless it meets firm resistance from Syria, Israel, and the West.

What Should the United States Do?

In Kramer's view the United States should:

- Work to encourage a Syrian-Hizballah showdown by a dialogue with Assad.
- Back Israel's presence in South Lebanon as an anvil for Hizballah to smash its forces against. An Israeli pullback would only enhance Hizballah's prestige—as previous withdrawals did. Israel should try, by

careful but fierce retaliation, to separate the "Shia silent majority" from Hizballah by raising the costs of aiding Hizballah—as Israel split the PLO from the southern Lebanese Shias before 1982.

- Be firm on international terror. No more arms for hostages or deals with Teheran. The United States should back tough British, French, and German policies.

Our View

Although Kramer's thesis is provocative and strongly grounded in detailed research, we believe he overstates the differences within Hizballah over terrorism and strategy toward Syria. Almost all Hizballah leaders still call for close ties to Syria even if they distrust Assad. In our view, it is much too soon to predict Hizballah's split. This still depends mostly on Assad.

Kramer's comments on Israel's security zone in Lebanon are self-serving and ignore the radicalizing impact the Israeli presence has on the southern Shias. The erosion of support for the PLO in the south before 1982 came after a decade of Israeli retaliation. Hizballah has Lebanese credentials—unlike the PLO (a foreign body)—and Israeli experts credit Amal, not Hizballah, with responsibility for over three-fourths of the attacks on Israeli forces in the south in 1982-85. [redacted]

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Israel: Gush Emunim Fights for Its Soul

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Gush Emunim, Israel's leading prosettlement lobby, is split between "moderates" who are staunchly prosettlement but opposed to vigilante activity and more radical figures who sanction confrontation with Palestinians in the occupied West Bank.

Gush moderates claim that the radicals, led by Secretary General Daniella Weiss and Rabbi Moshe Levinger, are increasingly distracted from their settlement efforts by their initiation of confrontations in West Bank Arab towns. The moderates, led by former Knesset member Hanan Porat and Rabbi Yoel Bin-Nun, were outraged when Weiss led a Gush rampage through the West Bank town of Qalqilyah on 6 May, breaking windows and throwing bottles in reaction to the murder of an Israeli woman the previous month. Spurred by that action, the moderates tried to overthrow Weiss but eventually settled for a compromise giving them expanded representation in the organization's executive secretariat. Gush moderates were again caught off guard on 6 June when a group of Jewish settlers rioted at the Palestinian refugee camp of Dheisheh near Bethlehem. The attack apparently was not sanctioned by the Gush, but some of its perpetrators were probably Gush sympathizers. Some Gush radicals expressed support for the action. The settlers who participated in the disturbance—in a move that shocked the Israeli public—disobeyed the orders of Israeli troops on the scene and pushed them out of the way.

Gush's Reexamination

The moderate-radical split in the Gush began in April 1984 with the exposure of the Jewish underground, a vigilante group of a few dozen settlers—mostly Gush members—who conducted terrorist attacks against West Bank Palestinians. The revelation of the underground prompted a reexamination of Gush goals by many activists and an ideological upheaval within the movement. The moderate group was repulsed by the underground's actions, which included the killing of three Palestinian students in an attack on the

Islamic University of Hebron in 1983. Leaders of the moderate faction condemned the underground and sought to disassociate the Gush from this kind of activity. Gush Emunim hardliners, on the other hand, justified the underground's excesses as an understandable reaction to Palestinian terrorism against Israelis and lobbied for pardons for the convicted vigilantes. This split between moderates and radicals has persisted since 1984 and grew particularly intense after the settler rampages in Qalqilyah and the Dheisheh camp.

Declining Role Under the National Unity Government

The broad coalition existing in Israel's National Unity government since October 1984 has greatly reduced the Gush Emunim's political influence, and we believe that the group's internal disputes and involvement in widely condemned vigilante actions will diminish its role even further.

According to US diplomats in Tel Aviv, the overwhelming Knesset majority enjoyed by the governing coalition has allowed Labor and Likud, the two main partners, to decide policy issues in a closed forum. The Gush can no longer set the terms of the political debate as it did during Likud-led governments from 1977 to 1984, when it was a major force in implementing the government's drive for additional settlements on the West Bank.

Since Likud leader Shamir regained the premiership in October 1986, Gush leaders have pushed him to launch a new settlement drive. Shamir, extremely sensitive to coalition politics, has resisted Gush pressure, and no new settlements have been established since he became Prime Minister. Shamir realizes that Labor otherwise might bolt the government, and he places the highest priority on completing his term through November 1988.

The split in the Gush also has divided the organization's operational efforts, according to the US Embassy in Tel Aviv. The radicals have devoted much of their energy to lobbying for the release of the remaining Jewish underground members—detracting from their settlement drive. The moderates, who want to focus on settlement and who control Gush's settlement organization Amana, realize that the National Unity government is unlikely to establish new settlements. Although the moderates, through Amana, have focused on improving the situation of existing settlements, their differences with the Gush radicals have weakened the organization's resolve.

Gush moderates are concerned that the radicals' vigilante actions are undermining the organization's relationship with the larger Israeli public, many of whom sympathize with the Gush's pioneering image but who reject the confrontational tactics displayed at Qalqilyah and Dheisheh. Rabbi Yoel Bin-Nun has argued that these rampages have cost Gush its moral force.

The Gush also has been overshadowed by other groups. According to US diplomats in Tel Aviv, Gush activists complain they must spend a disproportionate effort in explaining to potential followers how they are different from other prosettlement groups, including Likud and the far rightwing Tehiya and Kach parties. The semiofficial and nonpartisan Council of Settlements in Judea, Samaria, and Gaza meanwhile has taken over much of the day-to-day role of fostering the development of existing settlements.

The Qalqilyah Rampage

The debate between radicals and moderates in Gush Emunim was sharpened following a rampage by several of the group's members—including Secretary General Daniella Weiss—in the West Bank town of Qalqilyah on 6 May. The disturbances, which followed several Molotov cocktail attacks against Israeli civilians in the area, prompted Gush moderates to demand greater representation in the organization's central institutions.

Qalqilyah had been a focus of Jewish-Arab tension throughout the spring, and the restiveness of Israeli settlers in the area grew to a high level when terrorists

killed a 35-year-old Israeli woman and injured members of her family near Qalqilyah on 11 April. A few weeks later another Molotov cocktail was thrown near the town, and that night a group of settlers—led by Weiss—pushed past a group of Israeli soldiers and entered downtown Qalqilyah. According to Israeli press reports, Weiss and her followers drove through the town honking their car horns, smashing empty bottles against storefronts, setting tires on fire, and overturning garbage bins and vegetable crates.

The disturbances in Qalqilyah and Weiss's participation in them particularly shocked Israeli public opinion. It was one of the few public examples in the past two years of settler vigilantism. Moreover, the settlers ignored the orders of Israeli units at the entrance to the town, pushing past and around them. The military's failure to stop the settlers has led some Israelis to question whether it has the resolve to restrain law-breaking Israelis.

Gush Moderates Reassert Themselves

Reacting to the Qalqilyah rampage and the radicals' sympathy for it, Gush moderates tried in May to remove Weiss from her post as secretary general. After a few weeks of organizational infighting they settled for an expanded secretariat with several additional moderate representatives.

Moderate leader Rabbi Yoel Bin-Nun charged that the Weiss-Levinger leadership had become increasingly preoccupied with security and vigilante activity and had adopted a violent style. The leadership's overly aggressive stance, he charged, was causing Gush to lose sympathy among the general public.

Bin-Nun's "corrective movement" quickly gathered considerable support within the organization. Backing him were three important moderates who hold key positions in the Gush—former Knesset member and respected Rabbi Hanan Porat, settlement journal editor Yisrael Harel, and Gush settlement director Uri Ariel, who was the moderates' candidate to replace Weiss. According to the Israeli press, two

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leading politicians—Minister Without Portfolio Yosef Shapiro of the National Religious Party and Knesset Member Haim Druckman of the nationalist Morasha party—also backed the moderates.

In addition to the expanded secretariat, the moderates won a pledge from the leadership that future decisions would be made by democratic vote in party institutions. New institutions and positions with greater moderate representation were created, including a 300-member activists' council. In addition, Hanan Porat was appointed to head Gush public relations efforts.

Outlook

The reassertive moderates won an important round in the struggle for Gush's future direction, but the highly committed radicals are not likely to give up their aggressive conduct. The fundamental split in the organization over vigilante activity remains, and a formal break—although delayed—is still possible.

Gush's mixed reaction to the more serious rampage at the Dheisheh refugee camp on 6 June, where Jewish settlers fired shots in the air, underscores the divisions in the movement. Some Gush members initially criticized the settlers for disobeying orders of Israeli troops at the scene, but a subsequent statement deplored the public "lynch" attitude toward the rampaging settlers. A compromise communique called for a careful investigation of the incident.

Although there is no evidence that the settlers involved in the Dheisheh disturbances were Gush members, some probably were sympathizers of the

organization. Circumstantial evidence suggests that the settlers at Dheisheh were connected with Rabbi Meir Kahane's virulently anti-Arab Kach party.

The growing split in the Gush will further undermine its influence in the government. In the unlikely event that Likud and its right-of-center allies can form a government after next year's national election, the Gush would probably regain much of the influence it had from 1977 to 1984 when Menachem Begin and Yitzhak Shamir served as Prime Minister. The more likely outcome, however, is a Labor-led coalition or another National Unity government. The Gush would have virtually no influence under a Labor government, and a Labor-controlled Defense Ministry would be diligent in preventing unauthorized settlement moves by the Gush. Under another National Unity coalition, the same factors diluting Gush strength since 1984 would prevail.

Frustrated by their recent setbacks, Gush's radicals may turn even more to vigilante activities in the West Bank. Weiss and Levinger may avoid direct involvement so as not to draw the wrath of Gush moderates or the public. Their followers, however, in concert with Kach and other extremist elements, may be more likely to conduct the kind of disturbances seen this year at Qalqilyah and Dheisheh.



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Israeli Political Goals in Latin America

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Israel's political aims in Central and South America are intrinsically linked to its overall foreign policy goals of building international acceptance and reducing its diplomatic isolation. Tel Aviv maintains stable and congenial diplomatic relations with all Latin American countries except Guyana, Cuba, and Nicaragua. The Israeli Government hopes by these ties to boost its political support in international forums, particularly the United Nations and its agencies, and to counteract PLO influence.

Latin America became Israel's prime market for military exports and accompanying advisers, trainers, and technicians in the early 1980s. Since then, open source estimates suggest that arms sales to Latin American countries have accounted for approximately half of Israel's annual arms trade worldwide. Israeli technicians, moreover, reside in many Latin American countries to help maintain previously sold military hardware, including naval patrol boats, fighter aircraft, antiship missiles, air-to-air missiles, military electronics equipment, and substantial quantities of automatic weapons.

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For over a generation Israel has provided military and security assistance to Latin American countries in exchange for political support. In addition, Israel has provided technical assistance and participated in joint economic development programs, which are normally funded by host or third countries because of Israel's limited financial resources.

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Regional Overview

Interaction with Latin America has fluctuated in importance in Israel's foreign relations. Although Latin American support in the United Nations in the late 1940s was instrumental in the creation of the State of Israel, the rapid growth of Israel's relations with Asian and African countries in later years overshadowed the importance of contacts with Latin America. Since the October 1973 war—when over 20 black African states broke relations with Tel Aviv in a show of solidarity with the Arabs—Israel has redoubled its pursuit of improved relations with Latin America.

Israel's nondefense sales in Latin America amount to only 3 percent of its total world exports, but Israel imports about 40 percent of its oil from Mexico. Because of its economic problems, Israel's assistance is largely limited to technical advice and training programs. The Israelis have extended agricultural and other small-scale technical assistance to many Caribbean and Central American states. Israel has also extended limited amounts of aid in times of emergency, as in the 1985 Mexico City earthquake.

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According to US Embassy reporting, Israeli officials attribute Tel Aviv's good standing in Latin America to cultural ties, trade, and military assistance, all of which help nurture already well-established working relationships. According to US Embassy reporting, the Israeli Government plans to strengthen its position in the region through increased exports and technical cooperation.

The Palestinian Challenge

High-level Israeli Foreign Ministry officials in recent years have expressed concern to US diplomats about what they see as increasing PLO activity in South and Central America. According to US Embassy

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reporting, Israeli officials believe the PLO and allied Arab countries are stepping up their lobbying efforts in Latin America to counter Israel's strong political support there. Tel Aviv is concerned that PLO and Arab efforts to increase support for the establishment of an independent Palestinian state on the West Bank are succeeding in some Latin American capitals. According to US Embassy reporting, the Israeli Government estimates that PLO influence is strongest in Peru, Mexico, Nicaragua, and Cuba. [redacted]



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Israeli fears intensified recently when Bolivian Foreign Minister Bedregal granted greater diplomatic privileges to PLO representatives as an apparent prelude to establishing diplomatic relations.

Israeli-Costa Rican relations are warm even at the highest government level. According to US Embassy reporting, Yitzhak Shamir, then Foreign Minister and Vice Premier, visited Costa Rica in May 1986 to attend the inauguration of Costa Rica's President Arias. Arias's predecessor Luis Alberto Monge had served as Ambassador to Israel. [redacted]

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Argentina: Improving Political Cooperation

Argentina provides a particularly graphic example of the political benefits Tel Aviv has gained from its ties to Latin American states. Relations have improved significantly since Argentina ceased its support for Arab resolutions during the 1986 UN General Assembly. [redacted]

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[redacted] Israeli diplomats in Bolivia, according to US Embassy reporting, have cultivated excellent working relationships with key Bolivian Congressmen, who have since assured Tel Aviv that they have stymied Bedregal's attempt to recognize the PLO. [redacted]

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[redacted] the Argentine Ministry of Foreign Relations instructed its UN Mission not to support an Arab-sponsored resolution in the General Assembly condemning Israeli occupation of the Golan Heights. The Argentine mission not only abstained from voting on the resolution but also opposed secondary portions of the resolution that included only general anti-Israeli statements. [redacted]

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Costa Rica: Mutually Beneficial Relations

Israeli officials view relations with Costa Rica as particularly cordial and multifaceted. Costa Rica, in return for Israeli assistance, has traditionally supported Israel in the UN General Assembly and other international forums. Arms sales, agricultural advisers, economic aid, and excellent personal rapport between the highest levels of government work together to preserve mutual interests. [redacted]

[redacted] this change reflects a conscious effort on the part of the Argentine Foreign Ministry to shift its Middle Eastern policy gradually toward greater support for Israel. [redacted]

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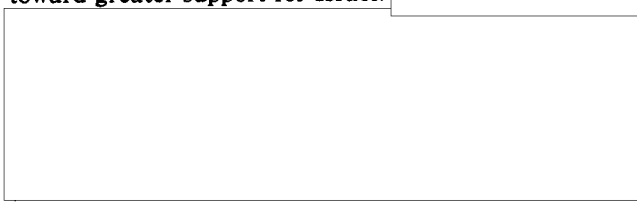
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Israel provides Costa Rica with small arms, including the Galil assault rifle and the Uzi submachine gun. In late 1982, Israel sold Costa Rica military equipment captured from Palestinian forces during the war in Lebanon. Since 1985, when Costa Rica began seeking heavier weaponry, Israel has been a key supplier of antiaircraft weapons and heavy machineguns. [redacted]



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Costa Rica is one of only two countries—the other being El Salvador—to maintain its embassy in Jerusalem. [redacted]

Outlook

In the long term, Israel is likely to maintain its interests in Latin America despite the traditional reluctance of many Latin American states to trumpet

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the extent of their present ties. Many Latin American governments continue to balk at supporting Israel openly in international forums. Most support Israel only when fundamental issues are at stake, such as Israeli membership in the United Nations, or in secret ballots. [redacted]

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Costa Rica and El Salvador may appear to bolster Israel's claim to sovereignty over united Jerusalem, but Israel pays a price. Neither embassy is located in East Jerusalem—the most controversial territory annexed by Israel—and neither country condones Israeli occupation or recognizes Israel's sovereignty over East Jerusalem. Both embassies are small and are subsidized by the Israeli Government. [redacted]

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[redacted] the Costa Rican Ambassador's rent is paid in full by the Israeli Government.

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[redacted]

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Despite such frustrations, Israel places great importance on international diplomatic recognition, and it has been particularly successful in maintaining stable and—more important—formal diplomatic relations in Latin America. As a result, Israel will continue to make a maximum effort to preserve its political ties and to strengthen its military and economic relationships throughout the region. [redacted]

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Jordan: Undercurrent of Discontent

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Latent antigovernment discontent exists in Jordan among a vocal minority of the non-Palestinian segment of the population. These Jordanians bitterly oppose Prime Minister Rifa'i's activist policy on the Arab-Israeli peace process because of slim prospects for early progress and charge that development funds channeled to the West Bank and Gaza Strip ultimately land in Israeli hands. They believe the government's preoccupation with the peace process has caused it to ignore Jordan's growing economic woes. Native Jordanians also are concerned about what they allege is a deliberate policy by the Rifa'i government to discriminate against them in senior positions in the government and military. [redacted]

receive a disproportionate share of senior appointments in the military, intelligence service, and government. [redacted]

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These views are not widely shared despite the Jordanians' efforts to generate broader public support among Palestinians and Muslim fundamentalists. Their influence on government policy probably would be enhanced if there is a more serious economic downturn or a change of prime ministers. In addition, the Jordanians would probably achieve greater influence if the peace process remains stalemated or if Israeli actions in the West Bank and Gaza Strip reinforce the perception in Jordan that Tel Aviv is taking advantage of Amman's willingness to cooperate quietly in the occupied territories. [redacted]

Second, Rifa'i's opposition argues that Jordan's foreign policy is too active and that Amman should pull back from what is seen as a high-risk, no-win strategy on resolving the Arab-Israeli conflict. In this view, the paralysis of Israel's National Unity government, US support for Israel, and a perceived unwillingness on the part of the United States to pursue a more active role in the Middle East make it highly unlikely that Jordan can reach an acceptable territorial settlement with Israel. Even if a peace conference is convened, according to this line of reasoning, Jordan probably would be subjected to unrelenting US and Israeli pressure to sign an agreement that would not be in Jordan's security interests and that would expose Amman to widespread Arab censure. [redacted]

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What Is at Issue?

US officials in Amman report that Prime Minister Rifa'i's government has aroused dissension among the native Jordanian population for several reasons. First, many Jordanians allege that Rifa'i's government is biased in favor of Palestinians and Jordan's minorities. They point out, for example, that nearly half of the Cabinet is Palestinian, despite the Prime Minister's staunch opposition to the PLO. They also charge that the government—with the King's backing—limits the representation of bedouin tribes and important Jordanian clans in the senior ranks of the Army and bureaucracy. They claim that Jordan's minorities, including Circassians and Christians,

The US Embassy reports this group of Jordanians is concerned that relations with Damascus will be undermined by Amman's futile peace diplomacy, exposing Jordan to possible Syrian efforts to destabilize the Hashemite monarchy. Given Jordan's military weakness and what is seen as insufficient US backing, Amman could not withstand Syrian pressure on its own. Moreover, some native Jordanians believe it is the Palestinians'—not Amman's—responsibility to negotiate peace with Israel. Some even doubt the sincerity of Palestinian grievances against Israel, citing instances of Palestinians selling land in the occupied territories to Israelis and doubting that most Palestinians would return to their homeland if given the opportunity. [redacted]

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Rifa'i's detractors are concerned about Jordan's mounting economic problems. Embassy reporting indicates that the Prime Minister has not instilled

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Who Is a "Real" Jordanian?

Demographic studies make clear that native Jordanians are a diverse group, numbering probably more than 1 million, or more than one-third of Jordan's population of 2.8 million. These people are the descendants of the approximately 300,000 inhabitants of the area when it became the Amirate of Transjordan in 1921. Nearly half of these 300,000 were bedouins, and the rest were townspeople, villagers, and seminomads. Jordan's population remained largely native-born until the 1948 Arab-Israeli war, which led to Jordan's seizure of the West Bank and the granting of Jordanian citizenship to all residents of the West Bank as well as to the Palestinian refugees who moved to Jordan and the West Bank after the war. The movement of additional Palestinian refugees to Jordan after the 1967 conflict further reduced the native-born share of the population. [redacted]

The native Jordanians—especially the bedouins—regard the settled townsmen as less manly and less Arab than themselves and generally oppose intermarriage. In contrast to the largely urban, educated Palestinians, the Jordanians before 1948

were provincial, conservative, and poorly educated. The education level of these Jordanians now equals that of Palestinians, but conservatism and provincialism remain Jordanian characteristics. Lacking emotional and family attachments to the West Bank, they do not perceive regaining it or destroying Israel as realistic or relevant. [redacted]

Although possessing a similar ethnic and cultural heritage, Palestinians and Jordanians have different historical and national outlooks. Palestinian immigrants from the 1948 Arab-Israeli war and particularly from the 1967 fighting have remained emotionally attached to the struggle for their lost homeland and generally have not sought to integrate with the tribal and kinship-oriented Jordanians. Those Palestinians in refugee camps have been heavily influenced since 1967 by the rise of a militant guerrilla movement and are undoubtedly the least supportive of the Hashemite monarchy. [redacted]

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public confidence that he can follow through on promises to relieve some of the country's structural economic problems. Jordanian disappointment with Rifa'i's performance has risen as Jordan's economic difficulties have mounted. Reduced Arab aid and the lack of growth in worker remittances are taking their toll on Jordan's hard-pressed economy. Assistance from Arab states to Jordan dropped from \$667 million in 1985 to \$562 million in 1986 and most likely will decline further this year. Worker remittances, meanwhile, have failed to reach the peak levels of 1984. Amman's economic problems are reflected in its foreign payments deficit, which we believe will increase sharply in 1987 because of the dearth of key revenue sources, and its foreign exchange reserves, which declined to \$212 million in May 1987—equivalent to about one month of imports at current rates. [redacted]

Urging Greater Isolationism

Amman should reorder its priorities, in the view of many Jordanians, by concentrating on improving domestic security and welfare. The government's immediate priority should be to provide greater economic opportunities for the country's young people. According to Jordanian Government statistics, approximately 70 percent of the population in 1985 was under 25. The Jordanian Government estimates that the increasing number of youth will be a major factor contributing to a 25 percent growth in the country's work force, from 535,000 in 1986 to 670,000 in 1990. In this regard, Jordanians have criticized the government's West Bank and Gaza

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development plan in part as a waste of scarce financial resources that would be better spent at home. [redacted]

The economic arguments for a more isolationist policy have increased recently, according to US officials. Some Jordanians charge that the "open bridges" policy for the transit of people and goods between Jordan and the West Bank benefits only Israel and that Jordanian funds channeled to the occupied territories ultimately land in Israeli hands. Other alleged one-way benefits accruing to Israel are:

- The collection of bridge-crossing tolls that are said to amount to approximately \$36 million annually.
- The flow of West Bank products to the Jordan while only money is allowed to flow in return.
- The export to the West Bank of about 20 percent of Israel's exports, some of which is reexported to Arab countries.
- An annual trade surplus with the West Bank estimated at approximately \$800 million, which is said to be financed by Jordanian funds channeled to the territory. [redacted]

Appealing to the Public

US officials report that Jordanian critics of the Rifa'i government are trying to generate broader public support for their views among Palestinians and Muslim fundamentalists. So far, their efforts to gain ground have not been successful, largely because opinions in Jordan on the peace process are not as intense as on other issues, such as corruption by public officials, which has become a major concern as the domestic economy has hit the skids. [redacted]

On the contrary, according to Embassy reporting, King Hussein's peace diplomacy retains widespread public support because its emphasis on an international conference is seen as providing necessary Arab cover for Jordan should peace talks ensue. Moreover, Hussein's efforts to improve relations with Syria and to foster a reconciliation between Baghdad and Damascus have reassured many Jordanians that their country's security will not be endangered by an overly ambitious policy on the peace process. [redacted]

Rifa'i's Jordanian opposition also has not been able to capitalize on the Prime Minister's lack of success in addressing Jordan's economic problems. According to the US Embassy, many Jordanians believe Rifa'i should not be blamed for all of the country's economic woes because many were inherited or are endemic. Despite predictably growing frustration, much of the public so far seems to recognize that many of Jordan's economic problems stem from stagnating Middle Eastern oil markets and thus are largely beyond its control. [redacted]

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Outlook

Jordanian discontent is likely to remain restrained in the near term. Rifa'i retains the solid backing of King Hussein, and he is well liked by many Palestinians because of his willingness to expand ties to the West Bank and to engage actively in the peace process. According to an Embassy source, Palestinians living in Jordan perceive Rifa'i's government as pro-Palestinian—a welcome change from his "Jordan first" predecessors—even though they disagree with his anti-PLO stance. [redacted]

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Nonetheless, we believe the deteriorating economy will lead to greater public disenchantment with Rifa'i if left untended and if Hussein—as seems likely—remains committed to pursuing a negotiated solution to the Palestinian issue. Jordanians will increasingly come to resent the financial and political capital spent to resolve this problem, particularly Hussein's plan for West Bank and Gaza development. [redacted]

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Similarly, a serious downturn in relations with Israel or prolonged stalemate in the peace process would probably help the isolationists achieve greater influence. A revitalized Israeli settlement program on the West Bank or other actions that fed the perception in Jordan that Israel is exploiting Amman's willingness to cooperate quietly in the occupied territories would probably broaden support quickly for the isolationists' position. [redacted]

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Their influence would also grow if King Hussein replaced Rifa'i as prime minister, in our view. Such a move probably would be interpreted by many in Jordan as a signal of the King's intent to refocus on domestic issues at the expense of the peace process.



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Jordanian Army Maintenance Problems Mounting [redacted]

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Jordan's Army maintenance program, long considered a model for the Arab world, is experiencing severe problems that threaten to undermine the operational readiness and effectiveness of the armed forces. The deficiencies are serious and widespread and include poor management, spare parts shortages, and funding limitations. The problems affect major rebuilding programs, especially Chieftain, M-60, and Centurion tank upgrading plans, artillery modernization, and armored personnel carrier improvements, as well as the Army's tactical field maintenance organization.

[redacted]

[redacted] the supply of major assemblies and spare parts required to service Jordanian artillery and ground support vehicles is insufficient to sustain combat for more than several days. Shortages in spare parts for Jordan's approximately 1,100 M-113s are most glaring. [redacted] has six replacement engines for the entire armored personnel carrier fleet. Although the inventory levels for items available for the M-113s are roughly equivalent to what the United States would stock for one mechanized brigade, they are meant to support the entire four-division Jordanian Army. [redacted]

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Although the problems are severe, most are reversible, and King Hussein appears to be taking steps to redress managerial weaknesses. Hussein last year replaced the head of the Army maintenance corps—who was widely regarded as ineffectual—primarily because of revelations of the corps' organizational shortcomings and nonexistent procurement planning. The new chief, Brigadier General Karasneh, appears to be working toward solving the most serious problems, but a persistent lack of funding and deep, chronic personnel problems will almost certainly frustrate his efforts. [redacted]

[redacted]

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Critical Spare Parts Shortages

The Jordanian Army is suffering from a critical shortage of spare parts for virtually all British- and US-made equipment. [redacted]

[redacted] late last year that he had no working spare engines, transmissions, or transfer cases for M-60 series tanks, Centurion tanks, M109 and M110 howitzers, or M-113 armored personnel carriers—equipment that is the foundation of Jordan's ground forces. Karasneh said that, if an engine or other major component in an armored vehicle requires more than simple repairs, the component is transferred to the armor workshops in Az Zarka for rebuilding. As a result, the vehicle is out of service during the time the component is being rebuilt. [redacted]

Despite its relatively sophisticated arsenal, Jordan's spare parts inventory control is not automated as in most modern militaries. Jordan has no computer system to monitor parts levels on hand or for determining which spares must be ordered. Moreover, parts ordering is highly centralized, with even the most routine requisitions needing the signature of a senior officer. [redacted] long

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lines of soldiers with routine requisitions for parts are a common sight at central storage facilities, leading to long and unnecessary delays in ordering the parts and completing the repairs. [redacted]

required parts and equipment were not ordered at all. Moreover, [redacted] that, even if the parts needed were available, Jordan could not complete the rebuilding because the maintenance facility lacks the required tools and equipment. [redacted]

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[redacted] the spare parts inventory at the country's largest maintenance facility—the King Hussein workshop in Az Zarka—consists of approximately \$350 million worth of mostly unusable spares. About two-thirds of the inventory is dead stock, primarily unserviceable engines and assemblies for obsolete equipment or for equipment no longer in Jordan's inventory. The Jordanians want to sell the unneeded spares but have not found a buyer. [redacted]

Even relatively low-cost, high-priority items have not been ordered, apparently because of a lack of funding. For example, Jordan has upgraded all but 12 M109 artillery pieces, but it apparently cannot afford the necessary parts for the last few. [redacted]

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Jordan's archaic system of storing spare parts complicates the Army's already severe shortages.

In addition to management and spare parts deficiencies, the Jordanian maintenance corps has no long-term expertise in any major weapon system.

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[redacted] that spare parts containers are frequently stored open, causing the parts to deteriorate long before their shelf life has expired. Additionally, bins are often not labeled, and duplicate stock numbers are found on cartons containing different parts, leading to confusion and inability to find parts. [redacted]

[redacted] does not retain mechanics with comprehensive expertise on specific systems, and it lacks sufficient technical manuals to train and familiarize new personnel on the rebuilding and maintenance programs. [redacted]

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Budget Cuts Worsen the Problems

The Jordanians have purchased second-hand and bargain-priced spares to cut costs, but by doing so they have aggravated their maintenance problems. [redacted]

A decline in foreign aid, especially from key Arab benefactors, coupled with a decrease in US military aid has compounded Jordan's maintenance deficiencies. The loss in revenue forced King Hussein to slash the defense budget by 15 percent last year, with the maintenance corps among the branches hardest hit. [redacted]

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[redacted] bought second-rate parts from nonstandard sources for its British-made vehicle fleet. As a result, brake assemblies purchased from Taiwan experienced an abnormally high failure rate. In other cases, inexpensive truck tires purchased from a contractor other than the usual manufacturer were substandard, and thousands of track shoes purchased second-hand in the United States for armored vehicles were unusable. [redacted]

[redacted] that the maintenance corps will be forced to reduce the amount of spares that it orders from a level already inadequate to maintain ground forces equipment. Deeper cuts could result in additional long-term impairment of Jordanian Army readiness. [redacted]

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Although more money would not solve the management problems, it would allow the Jordanian Army to address its parts shortages and increase the readiness of at least part of the force. Jordan's bleak economic outlook, however, bodes ill for increased defense spending. Furthermore, pressure from the military will force King Hussein to continue to allocate the lion's share of his defense budget to procure high-visibility new weapon systems at the cost of maintaining the existing force. [redacted]

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Procurement of spares, equipment, and tools needed to implement major rebuilding and maintenance programs is consistently poor. For example, the [redacted] that, of the 1,275 items ordered for the M-113 armored personnel carrier overhaul project, only 40 to 50 percent were ordered in quantities sufficient to support the projected work, and an additional 2,000 items of

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[redacted] The Jordanian military perceives the United States as an inconsistent and reluctant supporter, and it has been frustrated by US Congressional unwillingness to authorize weapon sales or to approve Hussein's aid requests. We believe the US-Jordanian military relationship, already diminishing because of the aid refusals, will decline even further as King Hussein is pressed by his military to find a better backer. Jordan's ability to remain a credible military force in the region will slip further, however, if it is deprived of crucial US expertise, spare parts, and weaponry. [redacted]

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Libya: Qadhafi's Fascist Friends [redacted]

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Col. Mu'ammarr Qadhafi's moral and material support to militants of the radical left are both longstanding and infamous. Less well known are the Libyan leader's contacts with and support to rightwing extremists. Tripoli's contacts with ultrarightists are much less extensive than its ties to leftist groups and would seem to conflict with Qadhafi's professed revolutionary ideology and "antifascism." Yet these groups and individuals are willing to promote Libyan goals by various means, including propaganda, political action, and, in some cases, violence. Even more than Libya's friends and fellow travelers of the left, however, Qadhafi's neofascist admirers are notable for their incompetence and marginal influence than for their threat to US interests. [redacted]

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Nuevo America leader [redacted] claims a group membership of 1,000—which may be an exaggeration. This same leader said Nuevo America had sympathizers in the Army who provided some training to the group. He also said the group hopes to penetrate the civilian intelligence service. [redacted] 25X1
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Nuevo America is a small sect of rightwing militants with little influence in Argentina. The group's ideology and objectives, [redacted] include several positions the Libyans would find favorable: 25X1
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- Nuevo America is neither pro-US nor pro-Soviet—similar to Tripoli's espoused nonalignment. 25X1

Most of Tripoli's contacts with rightwing extremists are in industrialized Western countries. This is probably a reflection of Qadhafi's marginal appeal in the West and his difficulty in attracting support from more influential elements there. The main points of agreement between these groups and the Libyans are a virulent anti-Semitism and extreme nationalism. In only one or two cases do pro-Libyan ultrarightists seem genuinely interested in Qadhafi's ideology as a guide to be followed in their own nations. In a few cases, militant Islam may be another interest shared by Libya and foreign rightists. [redacted]

- The group is pro-Libyan and supports "Arab causes." This appears to be a reflection of what in the source's opinion is the group's anti-Semitism. For example, the organization considers Argentine President Alfonsin to be controlled by leftists and Zionists.

- Primarily because of the Falklands dispute, the group is strongly anti-British. The Libyans also consider the United Kingdom to be an enemy.

- Nuevo America opposes all traditional political parties as they exist in Argentina and plans to disrupt these parties through propaganda and other actions. A central tenet of Qadhafi's ideology, set out in his "Green Book" and practiced in Libya, is the abolition of political parties. 25X1

Argentine Nationalists

Libya's contacts in Argentina traditionally have been rightwing military officers and followers of the late Argentine dictator Juan Peron. During the Falklands war Qadhafi was vocal in his support for the Argentine military regime against the United Kingdom. Currently Tripoli shows an interest in the extreme nationalist Nuevo America organization. [redacted]

- Although the group generally is nonviolent, a leader of Nuevo America [redacted] claims the organization plans to conduct nonlethal bombings to discredit political organizations. This almost certainly is just 25X1
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Nuevo America's pro-Libyan outlook in part reflects the group's appreciation for Libyan support for Argentina in the Falklands dispute. [redacted] 25X1

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tough talk, but it jibes with the Libyan policy of urging political violence as a means to revolution.

[redacted]

The Libyan People's Bureau in Buenos Aires has been in contact with Nuevo America since at least 1986, [redacted] but Libyan support to the group appears to be small. In April 1987, [redacted] a group member approached the Secretary of the People's Bureau for assistance when the group needed to transport members to the site of a military mutiny it wished to support. The Libyan diplomat donated \$1,000 but cautioned that this was "personal" money and could not be considered official Libyan support. [redacted]

Of greater concern is Nuevo America's probable association with the Libyan Anti-Imperialism Center, Tripoli's main organ for providing training, funds, and other assistance to foreign dissident groups. As early as August 1986, [redacted] representatives of the Anti-Imperialism Center met with members of two small rightist groups in Buenos Aires to arrange their travel to Libya. There they were to discuss the formation of an "International Green Army," Qadhafi's grandiose scheme to unite radical groups worldwide in support of Libya. In fall 1986 two small groups of unidentified Argentines traveled to Libya under Anti-Imperialism Center auspices. [redacted]

[redacted]

[redacted] we believe these travelers included Nuevo America cadre. [redacted]

Bengali Fundamentalists

Nationalist military officers have also gained Qadhafi's favor in Bangladesh, the one Third World country in which Libya has recently provided substantial support to rightwing elements. As one would expect in predominantly Muslim Bangladesh, militant Islam is a shared interest of both Libya and its clients. [redacted]

[redacted] the Libyans support several rightwing religious groups and individuals in Bangladesh—as well as

radical leftists—but the main Bengali recipient of Tripoli's assistance apparently is the Progotishil Ganotantrik Shakti (PROGOSH) political party.

[redacted]

PROGOSH, [redacted] is the vehicle of three retired colonels—Shariar Rashid Khan, Syed Farook, and Mohammad Abdul Rashid. This troika led a coup d'etat against the Bangladesh Government in 1975, only to be ousted in a countercoup three months later. Since then, these three have frequently plotted a return to power, either from exile in Libya or in Bangladesh, a habit that has caused the government to jail or exile them on several occasions. [redacted]

[redacted] PROGOSH's political philosophy as "Muslim Bengali nationalism," expressed primarily in strong anti-Indian terms. Although this ideology is at best nebulous, the combination of Islam, nationalism, and the military backgrounds of the PROGOSH leadership would appeal to Qadhafi. Moreover, [redacted] PROGOSH aims at instituting a pro-Libyan Islamic republic in Bangladesh. [redacted]

Libyan support to PROGOSH and its leaders is extensive and longstanding. [redacted] virtually all of PROGOSH's funding comes from Libya. Most of this is carried back to Bangladesh by workers returning from Libya, where many of them are employed by Rashid's construction company. Since 1979 many workers have received paramilitary training and indoctrination by Farook, [redacted]

[redacted] By 1984, [redacted] Libya had trained about 2,000 Bangladeshis, but three-quarters of them ceased contact with Libya upon their return to Bangladesh. [redacted]

Libyan officials in Dhaka also provide money to PROGOSH, [redacted] the Libyan People's Bureau in Dhaka gives political guidance to

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its sympathizers in Bangladesh and administrative support to those recruits going to Libya for training.

[redacted]

Despite this assistance, PROGOSH's record is one of persistence rather than achievement.

[redacted] where PROGOSH had party elements in almost all districts of Bangladesh in 1982, by 1985 it had lost its nationwide structure. In 1984 a coup plot by the PROGOSH leadership was discovered by the Bangladesh security service, leading to the jailing of Shariar, Farook, and others.

[redacted]

[redacted] although PROGOSH's anti-Indian stance is popular in Bangladesh, the party has not attracted many supporters because of the relative obscurity of its leaders. Nonetheless, Farook—since released from prison—continues his efforts. In April 1987 he was [redacted] trying to unify PROGOSH with another pro-Libyan political party. [redacted]

Some From the Outer Limits

PROGOSH and Nuevo America represent the more organized—albeit quixotic—of the rightwing movements that have attracted Libyan support. Qadhafi's other rightist contacts around the world tend to be individuals or small groups, often from the demimonde of neofascism, that out of cynicism, naivete, or plain weirdness find the Libyans to be compatible bedfellows. [redacted]

Robert Pash of Melbourne, Australia is a case in point. Currently the secretary of the Libyan Cultural Center—for which, according to press reports, he receives a \$900 per month salary from Tripoli—Pash is described [redacted] as a neo-Nazi. The Australian Minister for Aboriginal Affairs has denounced him publicly as an “anti-Semitic rightwing racist political looney in the tradition of Goebbels and Hitler”—a charge Pash denies. He may, however, be one of the few people besides Qadhafi who really believes the maxims of the Green Book. [redacted]

According to press accounts, Pash initiated contact with Tripoli some six years ago when, at 18, he wrote the Libyans for information and received the Green

Book. Impressed with its teachings, Pash and a small circle of friends began to publish sporadically a pro-Libyan newsletter. This earned him several trips to conferences in Libya, employment at the Libyan Cultural Center in Melbourne, and the post of secretary of the “Australian People's Congress,” an association of Libyan sympathizers numbering about 250. [redacted]

In April 1987, Pash attended the Anti-Imperialism Center-sponsored conference of Revolutionary and Progressive Forces in the Pacific, held in Misurata, Libya. The US Consulate in Melbourne reports that, upon his return, Pash—apparently unilaterally—declared the opening of a branch of the Anti-Imperialism Center in Melbourne, to be part of a regional network centered in the Pacific island nation of Vanuatu. Australia's decision to close the Libyan People's Bureau and the failure of the Libyans to open a diplomatic mission in Vanuatu almost certainly ensure that Pash's office will be fomenting little revolutionary activity in the near term. [redacted]

[redacted] Pash has not accomplished serious mischief on Libya's behalf. He claims to have visited Vanuatu, where, armed with Qadhafi's Green Book and other materials, he conducted lectures on the aims of the Anti-Imperialism Center and even held discussions with Vanuatu's Prime Minister Lini. According to the US Consulate in Melbourne, Pash also has expressed a desire to help fund the Communist Party of the Philippines and separatists in the Indonesian province of Irian Jaya, and he has invited members of Louis Farrakhan's radical “Nation of Islam” to visit Australia—all curious associates for a rightwing extremist. [redacted]

Elsewhere, ultrarightists in league with the Libyans are similarly involved in propagandizing for Qadhafi, although with somewhat less zeal than Pash.

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1985 Tripoli was funding both rightwing and leftist groups in Spain, Italy, and West Germany. [redacted]

[redacted]

• The Spanish press reported in 1984 that an unnamed rightwing publicist, suddenly converted to Islam, was promoting publication of the Green Book.

• Also in Spain, in May 1986 authorities arrested for subversion a rightwing Army colonel named de Meer, who was described by [redacted] as “antieverthing.”

[redacted]

[redacted] US [redacted] “a party of one,” and charges against him were subsequently dropped.

• In August 1986 the Japanese press reported that a group of lawyers had formed the “Qadhafi Support Organization” to counter Western perceptions of Qadhafi as a terrorist. [redacted]

[redacted] that one of the organizers is a ranking member of the rightwing Issui-Kai (“Cone Water Society”). [redacted]

[redacted]

Implications for the United States

Although we cannot rule out the danger that some of the rightwing groups Qadhafi supports could be persuaded to engage in violence against US interests, for the most part Libyan contact with ultrarightists poses little threat to the West. Indeed, in our judgment, Libyan association with the extreme right is evidence of Tripoli’s lack of clout with serious political groups in the West. [redacted]

Of the rightwing extremists with ties to Tripoli, we believe Nuevo America of Argentina and Bangladesh’s PROGOSH pose the greatest potential threats, if only because compared to the others they have some size and organization. The track records of both groups indicate that neither is likely to topple their respective governments. It is possible, however, that the Libyans might persuade members of these groups to mount a terrorist attack against the United States (or the United Kingdom, France, or Israel) in support of Libyan interests. Even this is a remote possibility. The mainly domestic focus of both parties suggests that the danger of such an attack would arise only when US-Libyan relations are especially tense and Tripoli is casting about for foreign support. Moreover, any attack probably would be a symbolic one aimed at pleasing Tripoli. [redacted]

A lesser concern is the circulation of Libyan propaganda provided by Qadhafi’s rightwing clients. Here again, however, the ultraright connection is a weak one. Virtually all of Qadhafi’s rightwing friends are in the West—Bangladesh excepted—and here the Green Book has little appeal. Those areas where Qadhafi’s ideas may be more attractive—such as Africa and the Islamic world—generally are not regions where Qadhafi relies on rightwing supporters. Although it operates in an Islamic country, PROGOSH has failed to generate a groundswell for establishing a Libyan-style Islamic republic. [redacted]

In some cases Libyan support to extremists of the right is a liability for Tripoli and presents Washington with an opportunity rather than a threat. For example, Libyan support for Pash outraged some of Libya’s leftist supporters in Australia and led to bickering between factions. In addition, Libya’s relations with Pash probably made it easier for the Australian Labor government to justify closing the People’s Bureau there. Similarly, [redacted] the arrest of Colonel de Meer allowed Madrid to portray its antiterrorist program as striking a blow against fascism. [redacted]

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The glare of publicity focused on Libyan activities in the Caribbean and the South Pacific have led to setbacks for Qadhafi in those regions. Publicity given to Tripoli's support for rightwing extremists could have similar effects in discrediting Libya, especially with leftist groups. At a minimum it would complicate Qadhafi's efforts to pose as a revolutionary and put both Tripoli and its clients on a public relations defensive.

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Morocco: Hassan Calls for EC Membership

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In late July King Hassan announced his intention to seek admission for Morocco to the European Community (EC). He almost certainly knows that the EC will not accept a Moroccan membership application, but he probably hopes to use that bid to remind the West Europeans of his country's importance and to prod them to accept closer economic and political ties to Rabat.

Hassan's Motives

Hassan first expressed interest in joining the EC in 1984. Then, as now, he recognized Morocco's considerable economic dependence on Western Europe. The EC countries take over half of Morocco's exports and supply 30-40 percent of its imports. Approximately 1 million Moroccans work in the EC, and most of Morocco's nearly 1.5 million foreign tourists each year come from the EC. Since Spain and Portugal's entry into the EC in 1986, Hassan has worried that preferential treatment for those countries' products would jeopardize important Moroccan exports such as citrus fruit and tomatoes. He continues to reject EC trade proposals for dealing with this situation and complains that the tariff quotas offered by the Community are derived from a base period (1980-84) when Moroccan production was heavily affected by drought. He points out that EC imports of Moroccan orange juice averaged over 16,000 MT during 1984-85 and claims that those two years more accurately reflect the trade in that commodity than the figures the EC cites for earlier years.

In addition to economic motives, the King appears to believe that geography has given his country a pro-Western vocation. He has suggested that, as the Arab country closest to Western Europe, Morocco is part of the Western world. Moreover, despite his authoritarian governing style, he has many Western values and is strongly attracted to Western culture and technology.

Diplomatic maneuvering in the Maghreb is also impelling Hassan to seek closer ties to the EC countries. The King is becoming more isolated in North Africa and almost certainly believes he needs Mediterranean allies. Algerian President Bendjedid is trying to assert his country's leadership of the Maghreb and is trying to get Libya to join with his country, Tunisia, and Mauritania in a Treaty of Fraternity and Concord to the exclusion of Morocco. In addition, although the King is winning the Western Sahara war against the Algerian-backed Polisario guerrillas, he knows that only a diplomatic solution will bring lasting peace. According to the US Embassy in Rabat, Hassan recently made a strong pitch to the Spanish Foreign Minister to throw Madrid's support behind Morocco's proposal for a referendum on Western Sahara.

Barriers to EC Membership

Even though the EC countries do not regard Morocco as a European country and have no desire to allow Moroccan entry into the Community, they recognize that Hassan's government is one of the most pro-Western regimes in the Arab world and they do not want to humiliate him. Some of them may even hope that Rabat might offer alternative military bases for the United States if Washington is forced to close some of its bases in Spain. Nevertheless, in their eyes Morocco is not part of Europe.

The Moroccan request is not scheduled to be discussed until September, but the Danish Foreign Minister, currently president of the EC Council of Ministers, has already told the Moroccans their proposal faces serious legal obstacles that are almost certainly insurmountable. The Treaty of Rome—the EC's constitution—stipulates that only European states may apply for membership. The EC informally

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considers that only members of the Council of Europe—all European democratic states—are eligible for membership. [redacted]

Turkey recently sought EC membership and met with a cool reception despite the fact that Ankara is a member of both the Council of Europe and NATO and has a full association agreement with the EC.

The economic obstacles to EC membership are probably as daunting as the legal hurdles. A leading European newspaper reported recently that Morocco's poor, rapidly expanding population and growing agricultural production would place intolerable pressure on the EC. That problem is especially great because of the recent entry into the EC of Spain and Portugal, whose agricultural products substantially overlap Morocco's. Also, neither France nor Belgium would tolerate the influx of more Moroccan workers, which would result from Moroccan EC membership.

Hassan's Goals

The King almost certainly knows that Morocco will not be accepted into the EC anytime soon. We believe he views his application as a signal to Europe that Rabat wishes to be more closely associated with the West. He almost certainly hopes that the EC will sweeten its rejection by extending significant economic concessions to Morocco. He is most likely interested in financial assistance, more favorable import terms for Moroccan manufactures, and increased quotas for Rabat's agricultural exports. In regard to the latter, Hassan probably hopes that the EC will consider favorably his earlier request that Morocco receive essentially the same treatment as Spain and Portugal for its citrus and tomatoes.

To increase his leverage with the EC, Hassan has been dragging his feet on negotiating a valuable fishing accord. The agreement that Morocco concluded with Spain before Madrid joined the EC expired on 31 July, and a new accord must be negotiated between Morocco and the EC. [redacted]

[redacted] the King wants the new agreement to be broader than the fishing accord with

Spain and wants it expanded into a comprehensive trade and cooperation agreement that would include a wide range of agricultural products.

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In pressing his case for a broader agreement, the King appears to believe he can manipulate Spain's interest in a new fishing agreement and Madrid's more general concern with maintaining good relations with Morocco. Hassan recently met with the Spanish Foreign Minister, and the two reached several significant agreements, including Spanish support in principle for Morocco's drive to reopen negotiations with the EC on Moroccan exports and more broadly on a better Morocco-EC trade agreement. [redacted]

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[redacted] this means that Spain will make a major concession and support Morocco's effort to protect its present level of exports to the Community after 1992 when revised community tariffs go into effect benefiting Spain's agricultural products. Madrid also agreed to drop barriers to the transit of Moroccan agricultural exports through Spain. Morocco, in return, promised to expedite negotiations on a Community-Morocco fishing accord.

Outlook

Hassan's bid for EC membership is in large part a ploy to win additional concessions from the EC on a range of economic issues, and the King's gesture will probably produce some marginal payoffs. For the longer term, however, Rabat's bid for EC membership only illustrates and does not fundamentally alter Morocco's considerable economic dependence on the Community and its lack of negotiating leverage—aside from Spain—within it.

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**Arab States–Afghanistan:
Resistance
to Rapprochement**

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Kuwait probably will try to use its current position as chair of the Islamic Conference Organization (ICO) to soften the Conference stand on Afghanistan, but the ICO is not expected to reverse its 1980 expulsion of Afghanistan from the organization. Increased economic and security cooperation between Kuwait and the USSR and recent comments by the Kuwaiti Foreign Minister signal a lessening in Kuwaiti hostility to Moscow's Afghanistan policy, but most other Arab states are less willing to put distance between themselves and the Afghan resistance.

but Pakistan, Saudi Arabia, Iran, and most other Conference members remain strongly opposed to the Kabul regime. Afghan Prime Minister Keshmand made a highly publicized visit to Baghdad in June, during which Iraqi and Afghan officials signed agreements on trade and economic, scientific, and technical cooperation. According to US diplomatic reporting, Afghanistan and Algeria discussed expanding bilateral ties last June. Although Indonesia denied Afghanistan's request last winter for diplomatic recognition and help with its ICO membership bid, we believe ties between the two have improved.

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Kuwait: Trying To Lead

Kuwait's longstanding support for the Afghan resistance and its opposition to the Soviet occupation of Afghanistan appear to be softening. According to the US Embassy, Kuwaiti Foreign Minister Sabah told senior US officials in May that he saw new Soviet flexibility on Afghanistan and mentioned a possible Kuwaiti diplomatic initiative to urge Pakistan to be more responsive to the Soviets to encourage their early withdrawal. Although the initiative has not gotten off the ground, Sabah's comments suggest greater Kuwaiti receptivity to Moscow's Afghanistan policy.

Kabul also has undertaken several diplomatic initiatives during the last six months to demonstrate the regime's commitment to Islamic concerns, including its highly touted national reconciliation program. Efforts to establish—or restore—Afghan diplomatic missions in ICO countries, however, generally have met a cool response, and leaders of the ICO are unlikely to reverse the 1980 expulsion of Afghanistan from the organization.

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Kuwait also has reduced financial assistance to the Afghan refugees in Pakistan. Senior Pakistani officials in Kuwait attribute the "small, but significant" reduction to Kuwait's economic problems, according to the US Embassy. In our view, Kuwait's motivation to reduce its support for the Afghan resistance is directly tied to its increased security concerns and its desire to have the Soviets help protect Kuwaiti shipping in the Persian Gulf. Kuwait almost certainly believes that, by reducing its support for the resistance, it can avoid provoking the Soviets on an issue particularly sensitive to them.

ICO Secretary General Pirzada has approached Conference members this summer to reiterate the ICO's rejection of the Kabul regime. Pirzada has reminded ICO leaders that nothing in the recent initiatives addresses the problems of sovereignty and self-determination that compelled the organization to expel Afghanistan. Pirzada also has emphasized the need to create a united Islamic response to Kabul's initiatives before the UN General Assembly meets in September. In his discussions with Conference members, Pirzada has stressed the following points:

- The national reconciliation program announced earlier this year by Kabul is a sham, devised to reduce international criticism that the atheistic Soviets repress Islam and are trying to create a secular Marxist state in Afghanistan.

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The ICO: Unwilling To Follow

Kabul has been attempting to woo ICO members and has made several advances in the past few months,

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Kabul's National Reconciliation Campaign

In January 1987, Afghan leader Najib announced a national reconciliation program intended to induce resistance fighters to lay down their arms and the refugees to return home. Najib described the program as "drawing a line" between those willing to cooperate with the Communist Party and those who would not. Groups joining the national reconciliation campaign would be given a share of power, but they had to endorse the Soviet presence. The proposal—under which the Communists would have retained control and which would have postponed a Soviet withdrawal until after all resistance parties had disarmed—was unanimously rejected by the leading resistance parties. The regime, however, continues to make heavy propaganda use of the program and in mid-July renewed the accompanying "cease-fire" that the regime, the Soviets, and the resistance fighters have ignored.

We believe regime officials intended the national reconciliation program to split the moderate insurgent parties, which Kabul probably judges are more likely to compromise for a share of power, from the more militarily active fundamentalist parties in the resistance alliance. Instead, the program's failure seems to have increased factionalism within the regime and Communist Party. Party members who believe the reconciliation program signals a Soviet intention to withdraw have been hoarding hard currency to use to flee the country,

Tensions have also grown between

Najib's followers and supporters of former Afghan leader Babrak Karmal, who was sent to Moscow for "medical treatment" in May after he refused to endorse the program.

Despite constant Kabul press reports about the return of growing numbers of refugees—which we believe are inflated by at least a factor of 10 and include nomads on their annual cross-border migrations—there appears to be serious disillusionment within the regime at the program's domestic failure.

Kabul, however, has made extensive use of the program in its diplomatic campaign. Regime representatives cite the national reconciliation program and the supposed cease-fire as evidence of the Kabul regime's desire for peace. Afghan officials have explained national reconciliation to a variety of governments, and it has provided a justification for countries such as Iraq and Zimbabwe to accede to Soviet pressure and strengthen relations with Kabul. The UN Human Rights Commission's statement on human rights in Afghanistan last March was softened by its praise for national reconciliation as a positive step, while the program is apparently serving as the basis of moves by the UN High Commissioner for Refugees to open a Kabul office. Both moves will almost certainly be highlighted by Soviet and regime representatives at this fall's UN General Assembly's discussions on Afghanistan.

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- It is critical for ICO members to use impending international meetings—September's UN General Assembly session and December's ICO General Session in particular—to demonstrate the Islamic community's support for the Afghan resistance and thereby offset Kabul's potential diplomatic gains.

In our view, Kabul has overestimated its leverage on the ICO member states. Arab members of the ICO in particular are deeply suspicious of long-term Soviet

motives in Afghanistan. Their lack of faith in Kabul's commitment to Islamic principles has been strengthened by the overall failure of the national reconciliation program.

Although Kabul and the Soviets can point to limited diplomatic successes resulting from the recent efforts to increase the Afghan regime's legitimacy, the

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majority of ICO members remain firmly opposed to the Soviet presence in Afghanistan. Saudi Arabia in particular has actively campaigned within the ICO to bolster members' resistance to Soviet and Afghan regime overtures. Riyadh encouraged other ICO members to denounce the Iraqi-Afghan cooperation agreement signed earlier this year as a breach of the 1980 ICO resolution expelling Kabul, according to US Embassy reports.

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Outlook

Although Kuwait probably will try to use its position as chair of the ICO for the next three years to soften the Conference stand on Afghanistan, a dramatic change is unlikely. Kuwaiti officials tried to avoid inviting Afghan resistance representatives to the January 1987 ICO meeting in Kuwait but were overruled. ICO Secretary General Pirzada is a Pakistani and, with strong encouragement from Riyadh, almost certainly will continue countering Kuwaiti efforts. According to diplomatic reporting, Pirzada recently assured US officials that Pakistan had no intention of altering its demand for a Soviet withdrawal and would work to blunt Kuwaiti diplomatic efforts to weaken the ICO's commitment to the Afghan resistance.

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Insurgent Supply Caravans to Northern Afghanistan: Trucking It [redacted]

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The Jamiat-i-Islami—one of the two largest insurgent groups and the predominant group in northern Afghanistan—plans to deliver about 80 percent of its supplies to the area by truck this year, up from less than 60 percent in 1986. The advantages of using trucks, instead of pack animals, include increased load capacities and reduced travel time. Although the availability of trucks is improving, they are still in short supply, and the insurgents have only limited funds to purchase or rent vehicles. [redacted]

receiving the new trucks on the Afghan border and registering them with Afghan authorities, the merchants fill the trucks with produce, such as melons, to export to Pakistan. Once in Pakistan, the vehicles are turned over to the insurgents. [redacted]

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Truck Convoys to the North

In recent years some insurgent groups have increased the use of trucks to move supplies from Pakistan to northern Afghanistan. [redacted]

The insurgents also rent additional trucks from civilians in Pakistan or inside Afghanistan. [redacted] vehicle drivers are doing a profitable business with an increasing number of rented vehicles involved in moving supplies north. [redacted]

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[redacted] the Jamiat-i-Islami believes the use of trucks will allow it to improve the critical supply situation of its forces in the northern provinces. Commanders in the north have had difficulty in obtaining adequate supplies because of long supply routes from Pakistan, the small load capacities of other means of transport, and increased Soviet interdiction. [redacted]

The trucks generally travel in convoys of between six and 14 vehicles, with a vanguard of two or three light pickup trucks. [redacted]

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[redacted] the insurgents usually mount heavy machineguns on the “guard” trucks for protection. To reduce the risk of interdiction, the convoys typically travel only at night, stopping during the day at hiding places that have been dug into forested hillsides. The trucks are then camouflaged with foliage. [redacted]

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To move more supplies to the north, the Jamiat’s Military Committee in May 1987 purchased 12 large-capacity Mercedes 2224 freight trucks—at an average cost of \$18,000—to add to its fleet of 12 such trucks, [redacted]

The truck routes to the north link logistic bases along the Pakistani border to centralized distribution points in Bamian Province. [redacted]

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The Mercedes 2224 truck is popular because of the ready availability of spare parts, and, when seen from the air, it looks like a regular merchant’s vehicle, reducing the risk of interdiction. Other common vehicles used by the insurgents include captured Soviet-made Zil trucks, US-made International Harvester trucks, and old buses, [redacted]

supplies destined for Baghlan, Konduz, and Samangan Provinces are delivered to the Tangi Skikari area; supplies bound for Balkh, Jowzjan, Ghowr, Faryab, and Badghis Provinces are delivered to Yakawland. From there, the supplies are loaded onto pack animals for the remainder of the journey. The truck routes are open from early June until November, and during that period a truck can make approximately 10 round trips, [redacted]

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Some of the trucks purchased by the Jamiat are bought new with Afghan merchants acting as intermediaries. The trucks are brought to Afghanistan overland from Germany through the Soviet Union or are shipped in through Pakistan’s port of Karachi. [redacted] after

The Trucking Advantage

Trucks have several advantages over pack animals. [redacted]

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[redacted] Over the long run, it is more economical for the insurgents to purchase or rent a truck than the pack animals required to carry an equivalent load. [redacted] the Jamiat's Military Committee determined that the cost of a new or slightly used Mercedes truck—including anticipated repairs—could be paid off in less than two trips to Bamian. [redacted]

Trucks also reduce travel time, enabling the insurgents to make more frequent deliveries.

[redacted] moving supplies by truck from Pakistan to Bamian takes one week. From there, pack animals can take the supplies anywhere in the northern provinces within another week. In contrast, if the entire journey were made by pack animal, travel time would average 35 days.

[redacted]

The insurgents believe the use of trucks has a security advantage. [redacted] a truck convoy's ability to move through an area quickly before its presence is detected and [redacted] many trucks are equipped with radios, allowing vehicles out front to warn the rest of the convoy of impending attack. The insurgents also often employ local drivers who are familiar with local conditions, security posts, and patrol activity, [redacted]

[redacted]
[redacted] the Harakat-Inqilab-i-Islami and the Hizbi Islami (Gulbuddin) have lost only one truck each on the route north during the past year. [redacted]

Constraints

The major problem for the insurgents is obtaining sufficient funds to purchase or rent the vehicles. Although the use of trucks to move large quantities of

supplies is more economical than using pack animals, the initial outlay per truck is much higher than for a horse or mule. [redacted] the Jamiat does not have sufficient funds to arrange truck convoys for all supplies, and materiel is being stored in Pakistan until funds become available.

Maintenance is also expensive, [redacted] [redacted] the tires must be replaced every other round trip. Furthermore, truck convoys concentrate supplies in a smaller area so that more can be lost in one attack than would occur with a strung-out pack animal caravan. [redacted]

Outlook

Truck transport probably will continue to increase, and most trucks will be owned by the party rather than individual commanders because of financial constraints. As truck use increases, the Soviets will probably make less of an effort to distinguish between civilian and insurgent vehicles, making insurgent truck convoys—even those resembling merchants' vehicles—more frequent targets of Soviet and regime attacks. If the use of trucks improves the supply situation in the north, the level of insurgent activity is likely to increase and insurgent military effectiveness improve. [redacted]

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Pakistan: New Shia Political Party Formed

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The Tehrik-e-Nifaz-e-Fiqh-e-Jaffria (TNFJ)—Movement for the Establishment of Shia Jurisprudence—became a political party in Pakistan last month in order to press more effectively Shia religious demands. The new party may encourage antigovernment and anti-US sentiments in the political opposition and may resort to violence, possibly against US officials. Because of the small number of Shias in Pakistan, we believe the TNFJ will not pose a major threat to the government.

At a two-day meeting in Lahore in early July, TNFJ leader Sayyed Arif Hussain al-Hussaini announced that the movement had become a party. The meeting coincided with the seventh anniversary of an accord between Shias and the Zia government whereby Islamabad agreed to abandon Islamic policies that Shias considered a violation of their religious doctrine.

Fear that Shia concerns were getting short shrift in Sunni-dominated Pakistan prompted the transformation of the TNFJ into a political party. As a purely religious group, Hussaini claims, the TNFJ was not taken seriously. Hussaini asserts the TNFJ failed to gain adequate media coverage to publicize Shia rights and principles, allowing the government to ignore provisions of the 1980 accord. Hussaini maintained that political party status for the TNFJ would promote the “fight for the rights of Shias,” according to the US Consulate in Lahore.

The new party appears to have strong organized support. Observers at the Lahore meeting noted the large crowd—40,000 to 50,000, despite temperatures above 40 degrees Celsius—and the “pin-drop silence” during speeches. Individual districts in Punjab dispatched dozens of buses to the gathering, according to the Consulate.

TNFJ leaders proclaimed their determination to fight for recognition of Shia personal and religious law, freedom of Shia religious observance, and enforcement of the 1980 accord on Shia rights. They

will no longer tolerate Sunni attacks on Shia shrines or public religious processions and demand an end to government regulation of Shia observances, according to the US Consulate in Lahore. The TNFJ party manifesto calls for the nationalization of foreign trade and important industries, reliance on barter trade, and elimination of coeducation and English as a compulsory subject. The manifesto calls for an independent foreign policy free of US and Soviet influence. The new party has adopted a strong anti-US, anti-Soviet stance and asserts that Zia gives the United States control over Pakistan’s internal affairs and the Soviets greater influence on Pakistan’s borders.

Shia-Sunni Tensions

We believe recent parliamentary debate over legislation requiring enforcement of Islamic law provided a focal point for longstanding Sunni-Shia tensions. Two Sunni fundamentalist parties introduced the legislation, and one of these parties—the Jamaat-i-Islami—insists on the interpretation of Islamic law according to the Sunni tradition with no regard for Shia jurisprudence. Approximately 20 Sunni Islamic parties and organizations are demonstrating for the bill’s passage in the face of strong Shia objections.

Shia-Sunni relations began to worsen during the late 1970s, mainly because of President Zia’s Islamization policies, which Shias feared were promoting the establishment of a pro-Sunni state in Pakistan. The Iranian revolution, which aroused Shia pride and religious devotion, also had a major impact, according to US Embassy reporting. Confrontations between Shias and Sunnis have occurred sporadically, usually following Shia religious processions marking the anniversary of the death of Husayn, Muhammad’s grandson. During these processions, the Shias publicly curse Husayn’s persecutors and killers, the early

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Pakistan's Shias

Shias make up 10 to 15 percent of Pakistan's population and reside mainly in Punjab and the North-West Frontier Province. They also have a stronghold in Karachi and other urban areas of Sind. Many Shias immigrated from India after partition in 1947. They are prone to schism, and numerous sects exist. The most prominent sect in Pakistan is the Ismailis.

Pakistan's Shias are often more educated, prosperous, and successful than their Sunni compatriots, arousing Sunni resentment. Prominent Pakistani leaders, such as Mohammad Ali Jinnah and Gen. Agha Mohammad Yahya Khan, were Shias.

Pakistani Shias staged several protests over the years before organizing the TNFJ movement. They objected to a common religious curriculum in the schools and won the promise of separate Shia textbooks in late 1978. In 1980 they protested violently in Rawalpindi over an obligatory religious tax, prompting the government to amend legislation and permit Shias to seek exemption.

In 1980, Mufti Jaffar Hussain founded the TNFJ to protect Shia rights in the face of government-sponsored Islamization. After he died in 1983, the TNFJ split into two factions, one headed by Agha Hamid Ali Musavi in Punjab and the other by Arif Hussain al-Hussaini in the North-West Frontier Province. Each tried to gain control over the TNFJ and radicalized it in the process. Confrontations with Sunnis and the government followed, notably riots in Quetta in June 1985 involving Shia Hazara tribesmen clashing with police during a religious procession, resulting in six dead, according to the US Consulate in Lahore. Musavi roused his audience to a high pitch at the meeting in Lahore, proclaiming that Shias "want it all," including posts in the Pakistani Government and religious freedom, according to the US Consulate.

caliphs who are venerated by the Sunnis. These processions sparked violent clashes in Lahore last fall that resulted in at least 10 deaths. Bomb blasts on 5 July in Lahore killed at least six and were probably the work of Sunni radicals avenging Shia involvement in an explosion earlier this year allegedly directed against a militant Sunni group, according to the US Consulate in Lahore. Recent Shia-Sunni clashes in the North-West Frontier Province claimed more than 30 lives, according to the US Consulate in Peshawar.

Relations With Other Parties

Hussaini is trying to reach out to non-Shia parties and groups. The Consulate reports that Hussaini repeatedly minimizes the division of Islam into rival sects and emphasizes his willingness to cooperate with other political parties as long as Sunnis recognize freedom for Shia beliefs.

Hussaini claims democracy cannot be achieved without taking Pakistan's Shias into account and has made a pitch for alignment with the Movement for the Restoration of Democracy (MRD)—an umbrella group of opposition parties—by calling for the formation of an interim government to hold elections under the 1973 constitution—a key MRD demand. Ershad Chaudhry, secretary general of the Pakistan Democratic Party—a member of the MRD—told US Embassy officers that the MRD will invite the TNFJ to the All-Parties Conference in August in hopes of moderating the radical Shia group.

Relations With Iran

The TNFJ meeting in Lahore conspicuously avoided any identification with Iran, according to press reports, but we believe the party has close ties to Tehran. At the TNFJ meeting there were few public references to Khomeini, whose photograph was absent. The Iranian Consul General in Lahore was not present, and Hussaini told reporters several times that an Islamic revolution in Pakistan could not duplicate the path taken in Iran. The US Consulate reports hearing that officials in the Iranian Embassy

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in Islamabad discouraged public TNFJ identification with Iran. Nevertheless, funding for the meeting came from the Iranian Embassy as well as Shia merchants in Lahore and other Shia sources, according to the Consulate. Chaudhry claims the MRD has firm evidence of Iranian Government funding of the TNFJ, according to the US Embassy.

Many of Hussaini's pronouncements will be warmly greeted in Tehran:

- The US presence in the Persian Gulf is a threat to Iran, and any US effort to launch an attack on Iran from Pakistan would prompt the TNFJ to attempt to overthrow the Pakistani Government.
- Stability will return to Pakistan only after Shias drive the United States and its supporters from Pakistan.
- Only by following in the footsteps of Iran's Ayatollah Khomeini can the problems of Shias in Pakistan end.

Outlook

We believe the most immediate consequence of the new Shia party will be negative Sunni reaction. Although Sunnis have not yet commented publicly on the TNFJ, they are sensitive to what they believe are Shia efforts to win special privileges, reports the US Consulate in Lahore. A member of the Sunni writers' guild predicts that Sunnis will regard the party as further evidence of Iranian interference and a sign that Shias are more united than the Sunni population.

Despite Sunni suspicions, the Jamaat-i-Islami may offer concessions to the Shias on the Islamic law bill. Syed Asad Gilani, the Jamaat's National Assembly representative for Lahore, has stated that his party will call on the government to modify the bill to encompass the five traditional schools of Islamic law, according to the US Embassy in Islamabad. This modification would ensure that Shias are governed by Shia religious law. Gilani insists, however, that Shias

yield to the majority Sunni desire that the modified bill be enforced in full, despite remaining Shia doubts about its fairness.

Sources of the US Embassy in Islamabad believe the largely Sunni Pakistan People's Party (PPP)—the dominant party in the MRD—and the TNFJ will join forces, at least during the campaign for local elections this fall, and subscribe to a common platform drafted by the PPP. Over the long run, however, the TNFJ will find it difficult to cooperate with the PPP mainly due to the PPP's secular orientation.

Despite Shia attempts to win greater support for their demands through political means, we do not believe the TNFJ will amass a large following because of the small percentage of Pakistan's population that is Shia. The radicalism of the TNFJ will alienate many Shias and will probably prevent the party from forming enduring political alliances. We believe moderate Shias recognize that Sunnis overwhelmingly outnumber them and will seek a compromise to avoid an uncontrolled confrontation. Many will probably join other political parties, according to the US Embassy in Islamabad.

We believe the TNFJ will effectively use the emotional appeal of religion to win support. The TNFJ may instigate Sunni-Shia clashes this September during Shia religious observances. Iran may incite the TNFJ to greater radicalism in Pakistani politics and possibly violence in response to the death of Iranian Shias in the recent Mecca riots. As part of this campaign TNFJ elements might target US officials.



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India: Dissidents and Drugs [redacted]

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India's borders with Pakistan, Nepal, Burma, China, and Bangladesh, as well as the territory along the narrow Palk Straits dividing the country from Sri Lanka, are a natural smuggling arena and a traditional sanctuary for regional dissidents. During the 1970s and 1980s these areas have seen a rise in dissident and smuggling activities and a corresponding increase in tensions with India's neighbors over these issues. We believe New Delhi is growing more aware that uncontrolled drug trafficking could become a major factor in disrupting regional relationships by:

- Providing funds to antiregime elements.
- Disrupting efforts to increase border security.
- Encouraging official corruption in key border areas.

[redacted]

[redacted] we do not believe the India-based dissidents have created the sophisticated international network necessary to dominate the entire range of drug activity: growing, processing, transporting, and marketing. Rather, we believe individual members of dissident groups have become involved in one or more aspects of the business to increase their personal fortunes. We believe dissident groups in India benefit at least indirectly from their members' involvement in drug trafficking because:

- The rise in personal income allows greater remittances from members to the organization.
- Participation in an international drug trafficking enterprise adds to the group's self-perception as a powerful and influential force.
- Control of any portion of the drug-trafficking chain allows the group to tax the activity.
- International drug running can help dissident leaders develop potentially useful contacts with other groups to purchase arms or launder money.

[redacted]

Sikhs

Although many members of India's Sikh community are known to run drugs from Pakistan to distribution points in India and overseas Sikhs have been arrested

repeatedly for trafficking heroin into Western Europe and North America, we believe Sikh involvement in the international drug trade remains largely an individual affair. India's militant Sikhs have waged an often violent struggle for more than 10 years for increased autonomy in the state of Punjab. This struggle is led by several Sikh dissident groups, some of which New Delhi believes use Pakistan for refuge and may receive covert military and security training in camps maintained by Islamabad. On the basis of

[redacted] drug seizures made along the Indo-Pakistani border, we believe that Sikh extremist groups have condoned the involvement of individual members in the trade and have benefited by taxing the traffic passing through areas of their control. None of the Sikh separatist factions has publicly condemned the traffic.

Moreover, recruitment to dissident ranks is high in the border areas where drug traffic is heaviest.

[redacted] close links between some Sikh drug traffickers and Sikh separatists:

- Information from Indian Government investigations into the assassination of Prime Minister Indira Gandhi revealed that Sikh extremists involved in subsequent assassination attempts against Indian officials had been trained in Pakistan and their activities were subsidized by drug profits.
- Independent Indian press investigations in 1986 detailed a network of relationships among Sikh drug traffickers, Pakistani border authorities, and Sikh dissident groups. In general, these reports concluded, Sikh militants who crossed into Pakistan have received arms from Pakistani military authorities and used drug trafficking caravans to reinfiltate into India to carry out insurgent missions.

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- Indian police authorities told the media in early 1986 that a large hashish seizure near Bombay involved Sikh extremists and demonstrated the international drug links they had developed to earn funds to support their activities.
- Canadian courts in early 1987 sentenced two Indian Sikhs to life imprisonment for conspiring to blow up an Air India airliner, an action for which they were prepared to use drugs to pay hit men. [redacted]

New Delhi would like to demonstrate a three-way linkage among Punjab's Sikh militants, Islamabad's alleged efforts to destabilize India, and international drug running through Punjab, according to Embassy reports. Sikhs live on both sides of the border, which cuts both through the traditional Sikh homeland and across centuries-old smuggling routes. New Delhi presses its antidrug agents to uncover evidence of official Pakistani collusion during interrogations of Sikh drug traffickers. Although this pressure probably prejudices the veracity of some of the arrested traffickers' statements, the sheer volume of reports linking Sikh dissidents, Pakistani security forces, and drug traffickers demonstrates a certain commonality of interests among the three. [redacted]

[redacted] statements by antidrug officers in Punjab detailed how several Sikh drug traffickers arrested in the border region during late 1986 confirmed during questioning that they were active members of an extremist group and that they had worked with Pakistani security officials. Several Sikh traffickers admitted they had met with leaders of Sikh extremist factions living in exile in Pakistan and had trafficked in illicit arms for insurgents. [redacted]

Tamils

We believe that some Sri Lankan Tamil militant groups have come to depend on income from international drug trafficking to finance their activities in Sri Lanka and maintain their bases in South India. Militants in Sri Lanka's Tamil minority began a violent separatist movement in 1983 to create an autonomous homeland in the Sinhalese-dominated island. The struggle has been directed from insurgent training camps in the South Indian state of Tamil Nadu, which had become the host to more than 150,000 Sri Lankan Tamil refugees. Most of these

refugees and several prominent Tamil insurgent leaders come from the coastal section of Sri Lanka's Northern Province, an area dominated by Hindu subcastes who have long controlled the region's contraband and drug-smuggling networks. [redacted]

Since 1983 Sri Lankan Tamils have become so active in international drug trafficking that several European governments have changed their immigration laws and tightened security measures at border crossings to curb the Tamils, according to diplomatic and international press accounts:

- In 1986 East and West Germany held bilateral discussions to reduce the flood of Tamil refugees illegally seeking asylum in West Berlin, many of whom were apprehended with significant amounts of illicit drugs.
- Switzerland, which had granted blanket amnesty to Sri Lankan Tamil asylum seekers since the outbreak of ethnic violence in Sri Lanka four years ago, instituted harsh visa restrictions on Tamil applicants this year and considered returning some Tamils charged with drug activity to Sri Lanka.
- The United Kingdom, fearing rising drug traffic, in 1986 began requiring visas for all Sri Lankans.
- Of the more than 300 Sri Lankans arrested on drug charges in Europe in 1985, more than 90 per cent were ethnic Tamils, according to Sri Lankan Government estimates. [redacted]

Some Sri Lankan Tamil insurgent leaders have encouraged their members to turn to drug trafficking to increase their group's war chest, according to interviews they have given to independent Indian media. A leading Tamil insurgent spokesman told a high-level Indian official in late spring 1986 that all Tamil militant groups were involved in the international drug trade, [redacted]

[redacted] Since the outbreak of islandwide communal violence in 1983, Tamil militant groups have fallen on increasingly hard times financially.

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Remittances from overseas Tamils have peaked, and support for insurgent activities from the Indian Government and local Tamil sympathizers has waned. Over the same time period, we believe, militant operational costs climbed as the autonomy struggle became more sophisticated and more dependent on imported arms, causing the groups to turn to the lucrative drug trade to help meet expenses.

[redacted]

We believe some militants use a network of expatriate Tamil businesses and workers to facilitate drug trafficking. Sri Lanka's Tamils have extensive connections in the overseas Tamil community that provide them with access through a network of mercantile and shipping interests in Singapore, Hong Kong, and the major Indian ports to Western Europe and North America.

[redacted] Sri Lankan Tamil insurgents and their sympathizers are prominent leaders of Southeast Asian shipping firms and are often drawn from the ranks of the international seamen's community, through which they have long-established relationships of trust and patronage with port and customs officials around the world.

Tamil militants have been implicated in international weapons sales, terrorist training operations, and other joint activities with Middle Eastern radical groups. New Delhi believes that leaders of several Sri Lankan Tamil insurgent groups maintain clandestine contacts with representatives of the Palestine Liberation Organization in India and have received PLO-sponsored commando training, according to press statements by Indian Government officials.

Tamils who have fled ethnic violence in Sri Lanka have become involved in drug trafficking for several reasons, according to [redacted]

- The majority of Tamil refugees are male, politically disaffected, and between 18 and 30. In general, these men are looking for opportunities to make quick money and continue their involvement in the separatist struggle.

- Indian Tamils in Madras and Bombay have recruited Sri Lankan Tamil refugees as couriers to traffic drugs to Western Europe, assuming they would not match international drug courier profiles.
- For young Tamils attempting to emigrate permanently to the West, drug trafficking offers a direct ticket to Europe or North America and startup money for a new life.

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Nepalese

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[redacted] Nevertheless, Nepalese militants maintain training camps and operational bases in areas of drug production and near major smuggling routes along the Indo-Nepalese border.¹ [redacted]

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[redacted] all of the Nepalese opposition parties and militant groups have offices in Varanasi in the North Indian state of Uttar Pradesh—the heartland of the licit Indian opium-producing region—and at the most common border crossings, where both Indian and Nepalese security is lax.

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In our judgment, the Nepalese insurgent groups in India do not rely heavily on drug money. Their primary sources of financial support are contributions and taxes exacted from the pensions paid to the large population of retired Nepalese soldiers who served in various Gurkha battalions abroad. Another significant source of income is the tax levied on Nepalese laborers working on farms in India's Darjeeling District.

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¹ The border region, known as the Terai, is inhabited by a complex ethnic mix of Indian and Nepalese tribes that have migrated into the region over the last several decades. Politically and economically oppressed minorities from both India and Nepal have traditionally sought refuge in the region. In the late 1980s the region is home to a volatile collection of Nepalese groups, some of which are actively working to overthrow the monarchy in Kathmandu. Some are struggling with the Indian Government to secure greater regional autonomy for the Nepali-speaking sections of several Indian states under the rubric Gorkhaland.

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Questions of citizenship and national allegiance and increasing calls for local autonomy by the area's growing Nepalese community—known as Gorkhas in India—have led to the rise of several local militant groups as well. Two of the major insurgent movements active in this area are:

- The Gorkhaland National Liberation Front—centered in the tea-growing regions of India's West Bengal State—calls for autonomy for those regions of the state dominated by Nepali-speaking immigrants.
- The MB Masal Faction—a militant Nepalese Communist group advocating the violent overthrow of the Nepalese monarchy—is currently headquartered in the Indian states of West Bengal and Uttar Pradesh. [redacted]

Nepalese groups with long-established smuggling relationships form the backbone of the drug networks in the Indo-Nepalese border region. In recent years some of these groups—particularly Sherpas, Gurungs, Magars, Tibetans, and Manangbas—have broadened their international contacts through drug trafficking, according to US Embassy reports from Kathmandu. We believe Nepalese militant groups have utilized these contacts to bring weapons and explosives into both India and Nepal. [redacted]

[redacted] smuggling is facilitated in both directions by corrupt Indian and Nepalese customs officials. Western visa fraud by Nepalese rose dramatically during 1986, an increase US officials believe is directly proportional to the rise of drug smuggling through the country. [redacted]

Nepalese drug traffickers, moreover, have extensive banking, money-laundering, and investment schemes in countries with large, active Nepalese communities, such as Hong Kong and Britain, [redacted]

[redacted] Nepalese also form an important link in the complex trade network that moves heroin from Southeast Asia through India and Nepal to Western markets, gold from Nepal to India for resale, and currency to Hong Kong for laundering. New Delhi has commented repeatedly that Nepalese dissidents in West Bengal appear to have access to large amounts of foreign currency to support their agitation.

[redacted]

Members of the well-known Gurkha military units from Nepal and India have long held honored positions in the British, Indian, and other foreign military services, positions that provide an excellent cover for international drug trafficking. During 1985 and 1986, for example, British Gurkhas posted in Hong Kong were arrested in several Western cities, including some in the United States, carrying significant amounts of illicit heroin, according to US Embassy reports. [redacted]

India's Northeast—Mizos, Nagas, Chins, Burmese

The Indian states bordering Burma are links in a traditional smuggling route between the two countries and are also the home of militant ethnic groups seeking greater regional autonomy. Both sides of the border are dominated by unruly tribal confederations, and the continuing social turmoil in the area facilitates the movement of drugs into India and the trade in critical precursor chemicals needed by Burmese heroin producers. [redacted]

Burma is the major opium-producing nation of the Golden Triangle. [redacted]

[redacted] trafficking in opium and heroin across the Indian border is estimated to be no more than 15 per cent of Burma's total annual production. The Indian Government estimates that this amount is imported mostly for domestic consumption rather than for shipment to Western markets, according to the US Embassy in New Delhi. Nevertheless, [redacted]

[redacted] note the Indian border plays an important role in the overall drug picture in the Golden Triangle:

- India is an important source of black market acetic anhydride, a critical precursor chemical for the production of heroin from opium gum.
- Although the current level of trade across the border in processed drugs is low in comparison to the volume moving east through Thailand, the Indian market offers a valuable alternative to

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Burmese growers when shifts in opium and heroin stocks or pressure from the Burmese Army force them to seek alternative buyers.

- Drug trafficking along the border is an important shared activity that builds trust among insurgent groups that extends to other activities, such as weapons buying and intelligence sharing. [redacted]

Indian dissidents along the Burmese border are extending their contacts with Burmese separatist groups, [redacted].

[redacted] noted Indian Chins and Nagas active in Burma as far as the Burmese-Thai border during 1986. A Burmese Army attack on a Naga dissident base near the Indian border in 1986 uncovered more than 100 Burmese Kachin militants using the facility and documents detailing cooperation between the two groups in drug trafficking into India. Indian Mizos also have been reported purchasing weapons from Chinese contacts in northern Burma and paying for protection during their return trip by sharing some arms with local Burmese dissident groups. [redacted]

[redacted] representatives of Indian insurgent groups petitioned a major Burmese dissident coalition for membership in late 1986. Membership in the group would mean that India-based insurgents would facilitate the movement of drugs through their area for coalition partners. [redacted]

[redacted] heroin producers near the Burmese border with China's Yunnan Province process substantial amounts of opium for both the Indian and Chinese heroin markets. [redacted]

No Simple Solutions

In our view, the large volume of money generated by drug trafficking ensures that dissidents will remain involved in the business for the foreseeable future. India's endemic official corruption will continue to make the country attractive to regional narcotics traffickers. A Sri Lankan Tamil dissident leader asserted in mid-1986 that corrupt Indian officials were on drug traffickers' payrolls. [redacted]

[redacted] In the northeast Indian states of Mizoram, Manipur, and Nagaland many drug traffickers are members of the local security forces. [redacted] We believe

that major Indian drug runners also have controlling interests in many legitimate economic concerns in Bombay, Madras, New Delhi, and Calcutta. Through these business fronts they can wield considerable political influence and secure protection for their drug-trafficking activities. [redacted]

We believe New Delhi's range of options in restraining dissidents known to be drug runners is further limited by the government's complex political and military relations with some of these groups. Both New Delhi and the state government in Tamil Nadu at times have actively supported Sri Lankan Tamil dissident factions based in South India. Although the militant Tamils' involvement in the international drug trade has threatened to embarrass their Indian supporters, until late 1986 Gandhi appeared unwilling to jeopardize his government's relationship with the dissident Tamil Tigers by cracking down on their trafficking. By December of that year, however, India's Tamil press began to criticize the insurgents, and New Delhi joined local authorities in denouncing the militants. As part of an overall security crackdown that included confiscating insurgent arms caches and communications equipment from camps throughout Tamil Nadu, state security authorities also attempted to disrupt dissident drug networks. [redacted]

Gandhi's government has not addressed the problem of Nepalese Gorkha involvement in the north's drug trafficking because to do so could upset the delicate balance among local political and military forces. Relations among New Delhi, dissident Nepalese groups, and the state government of West Bengal in mid-1987 were a balancing act in which Gandhi and the chief minister of the state attempted to square demands for increased autonomy with the goal of national integration. [redacted]

In our judgment, New Delhi does not want to raise the question of Nepalese insurgent drug trafficking in discussions with Kathmandu even though India has evidence that Nepal has actively supported the dissidents. Other bilateral concerns overshadow the

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drug question. It is in India's interest to postpone resolving outstanding border control questions with Nepal. New Delhi has resisted tightening border security for several decades, even though Kathmandu claims the current open system allows the uncontrolled entry of Indians into the fertile lowlands of the Terai. Over the last 20 years thousands of landless Indians have crossed into Nepal and farmed marginal lands. Indian merchant families now control commerce in the Nepalese capital and most major towns. Together, these two groups—farmers and merchants—remit substantial earnings to family members still living in India. The porous border remains a valued escape valve for the land-hungry people of the Indian states of Uttar Pradesh and Bihar. We believe Gandhi's government puts a higher priority on maintaining a flexible border policy with Nepal—thereby keeping Kathmandu off balance—than on resolving the lesser issue of cross-border drug traffic. [redacted]

Drug enforcement is not an important part of New Delhi's regional security program in the northeast states of Assam, Nagaland, Manipur, and Mizoram. Since becoming Prime Minister in late 1984, Gandhi has forged successful accords with leading dissident groups in these areas to meet minimal demands for local autonomy. Within the limits of these political accords, responsibility for local security is largely in

the hands of elected regional representatives and the federally administered Border Security Forces, neither of which we believe is prepared to risk taking on powerful entrenched drug forces. The northeast's new leaders are focusing on more pressing issues of regional integration and solidifying their control over the local bureaucracy than antidrug programs. [redacted]

We believe effective drug interdiction and enforcement programs will remain difficult for New Delhi for the foreseeable future. With the exception of the dissident Sikhs' role in cross-border drug traffic with Pakistan, New Delhi has not realized the serious national security threat that unrestrained drug trafficking may pose, according to US Embassy accounts. This failure to perceive the national threat of narcotics, coupled with corruption and the unwieldy nature of the national, state, and local security forces responsible for border security and drug enforcement, will effectively undermine the central government's antidrug initiatives and prevent it from taking full advantage of US or international antinarcotic efforts. [redacted]

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