



Directorate of
Intelligence

~~Secret~~



25X1

Near East and South Asia Review



25X1

11 September 1987

RECEIVED 30 SEP 1987

~~Secret~~

NESA NESAR 87-021
11 September 1987

Copy 320

Page Denied

Secret

25X1

**Near East and
South Asia Review**

25X1

11 September 1987

	<i>Page</i>	
Articles		
Israel-India: A Speculative View of Military Cooperation <input type="text"/>	1	25X1 25X1
<input type="text"/>		
Israel and India do not have diplomatic ties, but a convergence of interests in several military areas would make a closer relationship between the two mutually beneficial and may eventually lead to cooperative efforts. <input type="text"/>		25X1
Trends in Middle Eastern Terrorism: A Workshop Report <input type="text"/>	5	25X1 25X1
<input type="text"/>		
At a workshop on trends in Middle Eastern terrorism sponsored by the Office of Near Eastern and South Asian Analysis and the Counterterrorism Center, most experts agreed that Syria and Libya have become more cautious in their approach and that Palestinian terrorism is in a lull. Iranian-sponsored Shia terrorism, however, is growing. <input type="text"/>		25X1
Iran-Syria-Iraq: An Event Analysis <input type="text"/>	7	25X1 25X1
<input type="text"/>		
Event analysis—a method of systematically tracking the interactions between states—of the last seven years of relations between Iran and Syria and between Iraq and Syria shows that Iran remains strongly committed to a relationship with Syria and that Iraq began signaling Syria in 1986 that it would like to improve relations. <input type="text"/>		25X1
The Lebanese Presidential Election: Setting the Stage <input type="text"/>	13	25X1 25X1
<input type="text"/>		
Lebanon's presidential election is not scheduled to take place until fall 1988, but it is already becoming the focus of Lebanese domestic politics. Although continuing violence and social and economic turmoil highlight the confessional mistrust, most Lebanese view the presidency as a symbol of national unity and hope for a relatively peaceful election. <input type="text"/>		25X1

Secret

NESAR NESAR 87-021
11 September 1987

Secret

25X1

Egypt: Prospects for the Parliamentary Opposition 17

25X1

25X1

The increased opposition presence in Egypt's People's Assembly resulting from the election in April 1987 may make proceedings more raucous and difficult for the government to control. To reassert control President Mubarak probably would dissolve the assembly, possibly after his own reelection on 5 October.

25X1

Afghanistan: Insurgent Response to Soviet and Regime Interdiction Efforts 21

25X1

25X1

In response to increased Soviet and Afghan regime interdiction efforts in recent years, Afghan insurgents have adopted tactics that have reduced the risk of attacks on supply convoys and made it easier to move supplies into Afghanistan. Some of these countermeasures, however, have increased the cost and caused delays in moving materiel.

25X1

Pakistan-USSR: Limited Economic Ties 25

25X1

25X1

Pakistan's economic ties to the Soviet Union are too limited and the potential for expansion too small to provide Moscow with significant leverage over Islamabad's foreign policies. Major barriers to closer cooperation include Pakistani disenchantment with the quality of Soviet equipment and Moscow's support for India.

25X1

Pakistan: Ahmadis Allege Mounting Persecution 31

25X1

25X1

Ahmadis—generally considered an Islamic sect but labeled heretics by Muslim fundamentalists—charge that they are being persecuted by the Pakistan Government and general public. They have begun a concerted effort to publicize their problems through letterwriting campaigns and other nonviolent methods.

25X1

Algeria: Seeking To Halt Fundamentalism 35

25X1

25X1

The Algerian Government fears Islamic fundamentalism could transform an apathetic younger generation into Islamic activists and is trying to avoid the threat to combining repression of religious-based opposition activities with encouragement of a moderate "official" Islam. These efforts, however, have failed to address longer term problems.

25X1

Secret

Secret

[Redacted]

25X1

Algeria: Current Internal Political Dynamics

[Redacted]

37

25X1

[Redacted]

25X1

President Chadli Bendjedid, who has ruled Algeria for nine years, does not face an immediate threat to his hold on power, but his authority has slipped over the past year largely because of mounting social and economic problems and factional infighting among the ruling elite.

[Redacted]

25X1

Algeria: Bendjedid's Foreign Policy

[Redacted]

39

25X1

[Redacted]

25X1

President Bendjedid has been undertaking highly visible foreign policy initiatives in response to foreign and domestic pressures. His moves, which entail risks, are designed to refurbish his leadership at home and the Arab world and will probably create difficulties for US-Algerian relations.

[Redacted]

25X1

Mauritania's Debt Situation: Trying Hard—With Few Resources

41

25X1

[Redacted]

Since early 1985, Mauritania has adhered to a rigid austerity program aimed at reducing its debt problems. The improvement in the country's debt situation, however, comes at the cost of higher unemployment and prices for consumer goods, threatening the popularity of the Taya regime.

[Redacted]

25X1

Briefs

Saudi Arabia: Effects of Gas Plant Explosion

[Redacted]

45

25X1

Women in the Work Force

[Redacted]

45

25X1

Lebanon: Syria Still Deeply Involved in the Bekaa Drug Scene

45

[Redacted]

25X1

India: Corruption Underwrites Continuing Opium Production

[Redacted]

46

25X1

[Redacted]

25X1

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. Comments may be directed to the authors, whose phone numbers are listed.

[Redacted]

25X1

Secret

[Redacted]

25X1

Near East and South Asia Review [Redacted]

25X1

Articles

Israel-India: A Speculative View of Military Cooperation [Redacted]

25X1

Israel and India do not have diplomatic ties, but a convergence of interests in several military areas would make a closer relationship between the two mutually beneficial and may eventually lead to cooperative efforts. [Redacted]

[Redacted]

25X1

25X1
25X1

India quickly recognized Israel after the latter was formed in 1948 but broke ties following the 1973 Arab-Israeli war. Since then, India has permitted Israel to maintain a consulate in Bombay and—after intense deliberation—now allows Indian athletes to participate in sporting events with Israelis. Nevertheless, official contacts are still nonexistent, [Redacted]

[Redacted]

25X1

The two nations share a strong interest in monitoring and limiting Pakistani military power—particularly Pakistan's nuclear program. We believe such concern could form the basis of expanded cooperation in military technology [Redacted]

Existing Contacts

Despite the absence of official ties to Israel and India's official pro-Arab foreign policy, [Redacted]

[Redacted] Israel has sold military equipment to India, assisted New Delhi in technical programs, and sent unofficial but high-ranking military delegations there. Israel's strapped economy and the inability of its armed forces to procure sufficient goods to keep its defense industries active have forced Tel Aviv to search for alternative buyers. It undoubtedly views India as a potentially lucrative market. [Redacted]

[Redacted]

In a highly unusual move, a nine-member Israeli military delegation visited India in July, according to the [Redacted] The Israelis—headed by chief of military intelligence General Shahak—visited nine Indian Air Force bases, some of which are ordinarily off limits to foreigners, even to the Soviets. [Redacted]

25X1

25X1
25X1
25X1

[Redacted] discussed methods of converting India's existing aircraft to aerial refueling platforms. [Redacted]

Prospects for Expanding the Military Relationship

We believe that India and Israel have strong incentives to establish closer military relations—

25X1

Secret

NESA NESAR 87-021
11 September 1987

covert or otherwise—despite the absence of diplomatic ties. Both have emerging defense industries and have encountered similar problems in developing their high-technology defense sectors.

[redacted]

Technology Exchange. India is keenly interested in acquiring military and technical abilities that Israel has already developed. US Embassy and [redacted] are having problems designing their Light Combat Aircraft that are similar to those Israel experienced with the recently scrapped Lavi fighter program. India is determined to pursue the program to help strengthen the country's technological and industrial base, and Israel would almost certainly leap at the chance to market technology it acquired in developing the Lavi.

[redacted]

India is searching for technology to modify transport aircraft into aerial tankers with midair refueling capabilities for its Soviet- and Western-origin fighter and strike aircraft. The Israelis have developed—and have sold to South Africa and Argentina—refueling kits for Boeing 707 transports, and we are certain it would sell them to the Indians. We believe that the recent visit of the Israeli delegation to the Indian airbases indicates this may be the next cooperative venture between the two countries.

[redacted]

We believe that the Indians would benefit from Israel's experience developing the Merkava tank. India is planning to produce its own tank—the Arjun—by 1990. The Israelis are in the forefront in armor development and ammunition production—particularly penetrator rounds. Although they would be unlikely to transfer sensitive armor technology—especially ceramic and reactive armor—they probably would sell to the Indians less advanced, but still effective, armor.

[redacted]

Information Exchange. The Israelis and Indians would benefit from exploiting each other's hardware inventories. Each country is equipped similarly to the other's adversaries—Israel with state-of-the-art Western gear much like that possessed by Pakistan, and India with the most modern Soviet hardware much like that belonging to Syria.

[redacted]

We suspect the Indians are particularly interested in obtaining performance specifications of the F-16—Pakistan's frontline fighter—and in return could provide Israel details about its MIG-29s—newly delivered to Syria, and possibly soon to Jordan. The Israelis have combat experience with their F-16s against Syrian MIGs that would be invaluable to the Indians in developing tactics to counter Pakistan's Western-equipped Air Force.

25X1

25X1
25X1

Exchanges could expand to weapon systems. India deploys modern Soviet armored vehicles, including T-72 tanks and BMP armored fighting vehicles, and antitank weapons, in which Israel is particularly interested. India could benefit from Israel's experience in modernizing and modifying captured Soviet tanks to make its own force more effective. India is interested in China's use of Israeli technology to improve its tank force because of the possibility that Beijing will use these improvements to upgrade Pakistan's tank fleet.

25X1

25X1

Diplomatic Obstacles to Cooperation

Despite the potential benefits, India's strongly nonaligned and pro-Arab policies make a significant increase in Israeli-Indian cooperation unlikely. An overt Indian relationship with Israel would come at the expense of India's far more important ties to Arab states—which New Delhi is not willing to risk. Indian political leaders, always looking for ways to placate the country's Muslim minority, value India's high-profile, friendly ties to the Arab world. New Delhi has accorded full diplomatic status to the Palestine Liberation Organization and received its leader, Yasir Arafat, in July.

25X1

25X1

Good relations with Arab states also help India to counter Pakistani influence with the Arabs in international forums on foreign policy issues such as UN General Assembly votes on the status of Kashmir, claimed by both Pakistan and India. Although New Delhi allows Tel Aviv a low-visibility consulate in Bombay, it maintains an official distance from the Israelis and keeps other contacts—such as sports matches and cultural and academic exchanges—in unofficial channels.

25X1

25X1

25X1

***Rumors of Israeli-Indian Contingency
Planning To Attack Pakistan***

Both Israeli and Indian leaders are concerned about Pakistan's nuclear weapons program. Israel is concerned that Pakistan might share its technology sharing with Arab countries that are openly hostile to Tel Aviv. India fears a direct threat to its security. Neither country has viable options to significantly curtail Pakistan's ability to produce fissile material. India probably believes Pakistan has the bomb already, or at least has ready components of one or more bombs safely hidden. If India believes this, its primary motive for conducting a preemptive strike—delaying Pakistan's ability to build a bomb—has disappeared. [redacted]

The risk that a unilateral Israeli military strike against the Pakistani facilities would fail is so high that Tel Aviv would be unlikely to undertake such a move except under desperate circumstances. The risks would be greatly reduced if India could be persuaded to cooperate at least covertly by providing Israel with staging facilities. We do not believe, however, that India would agree to such an arrangement, particularly since plausible denial would be almost impossible. [redacted]

The Pakistanis are nonetheless worried about an Indian-sponsored or Indian-assisted Israeli attack on their nuclear facilities. [redacted]

[redacted]

Israel's strike in 1981 on Iraq's nuclear reactor, however, and its ability to conduct long-range bombing missions have intimidated the Pakistanis, who will continue to fear an eventual Israeli-Indian attack. [redacted]

We believe that Tel Aviv is eager to improve ties to India and would be willing to use its military expertise to improve the relationship. Israel has provided nonsensitive military technology to other countries in hopes of of attaining diplomatic recognition and would almost certainly do the same for India. More important, with the National Unity government's austerity program reducing defense expenditures, Israel's defense industries are eager to sell their products overseas—and India is a potentially lucrative and largely untapped market. Despite these inducements, India's close ties to Israel's enemies probably preclude Tel Aviv from sharing its most sophisticated military technology—particularly missile suppression techniques and state-of-the-art avionics developed for the Lavi fighter aircraft. [redacted]

25X1
25X1

Outlook

We believe the deep political differences between India and Israel will outweigh the potential benefits of broader military cooperation for the foreseeable future. [redacted]

25X1
25X1

[redacted]

25X1

The same constraints, in addition to operational limitations, make highly unlikely a joint Israeli-Indian attack on Pakistani nuclear facilities. An Israeli strike with or without Indian cooperation probably would lead to criticism of New Delhi both within India and abroad. Skepticism that the attack could have occurred without New Delhi's knowledge and cooperation could precipitate a Pakistani reprisal against India—while Israel would be susceptible mainly to international condemnation. [redacted]

25X1
25X1

25X1
25X1

[redacted]

25X1
25X1

**Trends in Middle Eastern
Terrorism: A Workshop
Report** [redacted]

25X1

On 24-25 August the Office of Near Eastern and South Asian Analysis and the Counterterrorism Center sponsored an experts' workshop on trends in Middle Eastern terrorism. Although no formal conclusions were reached by the workshop, several interesting areas of discussion emerged.

Most experts agree that US counterterrorist policy has had an impact on the two principal state sponsors of terrorism in the Arab world. Both Syria and Libya have become more cautious in their approach to high-profile acts of terrorism, although neither has abandoned it as a policy tool. Palestinian terrorism is in a prolonged lull that is not likely to change appreciably in the next year but which may increase gradually as the Palestinians strengthen their hold on pockets of southern Lebanon.

Radical Shia terrorism—much of which has an Iranian sponsor—is the greatest threat in the next year. Experts concur that the Lebanese radical Shia group Hizballah has already been implicated in several terrorist attacks in Western Europe and may well sponsor more. Hizballah seems willing to align itself with other terrorist groups—increasing its threat potential. Hizballah and its Iranian patron have yet to pay a significant price for their acts of terror—especially hostage taking—which experts agree encourages further terrorism. [redacted]

Arab State Sponsors—More Cautious

The US retaliatory raid on Libya in April 1986 and the sanctions imposed on Syria the following November have had an impact on both states. Although neither has abandoned terrorism, most analysts agree they are more cautious and less likely to sponsor high-risk acts of terror like the Abu Nidal Organization attacks on airports in Rome and Vienna

in December 1985. Analysts stress that the impact of US actions was enhanced by other factors including support from the European allies and the political and economic crisis affecting Syria and Libya. Damascus's acute economic problems, for example, greatly magnified the psychological impact of the limited US and European sanctions.

Experts speculate Libya will revert to its former patterns of terrorist behavior sooner than Syria. Damascus is exploiting its occupation of two-thirds of Lebanon to improve its image in dealing with Western nations while maintaining ties to various terrorist groups. Libya's setbacks in Chad, on the other hand, may incline Tripoli to strike out soon at French and US targets.

Analysts expressed concern at the community's ability to monitor the state sponsors' activities as they try harder to hide their involvement in terrorism. If the sponsors step up their attempts to conceal their role, it will be more difficult to sustain international pressure on them.

Palestinian Terrorism—A Lull

After a surge of attacks on high-visibility targets in 1985, the level of Palestinian terrorism has receded. Analysts believe this lull reflects:

- The breakdown in the Arab-Israeli peace process.
- Successful US and Israeli counterterrorist activities.
- Palestinian preoccupation with the camps war" in Lebanon.
- Internal leadership difficulties.

25X1
25X1

The most notorious Palestinian terrorist group, the Abu Nidal Organization, is undergoing a profound transformation. Although it remains fundamentally a terrorist rather than a political organization, it is developing a sizable militia in Lebanon and is becoming a political force to be reckoned with in the

Palestinian resistance movement. It is unclear how much appeal Abu Nidal has among disaffected Palestinian youth. [redacted]

[redacted] Another unknown is the degree to which a stalemated peace process will foster nihilistic terrorism among despondent and frustrated Palestinians.

Experts noted the gradual revival of Palestinian strength in part of South Lebanon—especially around Sidon—and the buildup in the Palestinian presence in Libya. These developments could set the stage for increased terrorism in the next year.

On balance, most analysts concur that the Israeli invasion of Lebanon in 1982 and the Syrian-PLO rift that followed in 1983 have significantly eroded the PLO's political clout. This tacit Israeli-Syrian cooperation against an independent Palestinian movement underscores the volatility and unpredictability of Middle Eastern trends.

Shia Terrorism—A Growth Industry

Experts agree that Shia radicals pose the greatest immediate terrorist danger. The hostage threat in Lebanon remains acute, and there is growing evidence of Hizballah terrorist activity in Western Europe and Western Africa. [redacted]

[redacted] most analysts foresee an emerging Shia terrorist threat outside the Middle East.

Iranian-Hizballah relations are difficult to characterize, but most experts agree that Iran seems to play a close to decisive voice in Hizballah's military

and terrorist apparatus. It must deal more carefully, however, with the more independent political figures in the movement like Shaykh Muhammad Fadlallah. There is no question of deep and direct Iranian culpability in hostage taking, although analysts continue to believe that the family and clan interests of various Hizballah activists like Imad Mughniyah and the Hammadi clan play a role in hostage developments. Analysts stress that Iran and Hizballah see the world similarly and have few significant areas of policy disagreement.

Analysts concur that inconsistencies in Western policies toward Iran and Hizballah have encouraged their terrorist activities. Neither has yet to pay a significant price for their terrorism.

[redacted] Although the existence of large Islamic immigrant populations (North Africans in France and Spain, Turks in West Germany and Austria) is well known,

[redacted] Some estimates say there are as many as 3 million Muslims in France, including about 60,000 university students. Iranian radicals have been proselytizing there since well before the 1979 revolution, but the extent of their success is unclear.

25X1
25X1
25X1

25X1

25X1

25X1

25X1
25X1
25X1

Iran-Syria-Iraq: An Event Analysis

25X1

We used event analysis—a method of systematically tracking the interactions between states—to examine the last seven years of relations between Iran and Syria and between Iraq and Syria. The analysis was intended to determine the patterns evident in each relationship and to identify, if possible, warning signs of a change in either relationship. The results show that Iran remains strongly committed to a relationship with Syria and that Iraq began signaling Damascus in 1986 that it would like to improve relations. The Iraqi-Syrian pattern was too erratic to be used confidently as a basis for warning. The pattern of Iranian-Syrian relations was strongly defined, however, suggesting that a change in volume and type of bilateral activity is likely to signal significant deterioration in the relationship.

Event Analysis

The main strengths of event analysis are organization and flexibility. It can be used for sophisticated quantitative analysis but also lends itself to qualitative interpretations. The object is to see “who is saying what to whom” through a study of reported events.

The data for our analysis came from the FBIS *Daily Report*. Its use has two limitations. First, reports do not cover the full range of interactions between states. Second, each set of country reports probably has different criteria for the selection of items. Nonetheless, we believe that the *Daily Report* reflects reasonably consistent criteria applied to reports on any one country or pair of countries, making an analysis of changes over time meaningful.

Event analysis is coded by date, actor, type of event, and target. The codes allow computerized tracking of activity and provide a basis for later investigation. The scheme is based on the World Event Interaction Survey (WEIS) developed at the University of Southern California. WEIS defines events along a continuum of intensity.

Analysis focused on three indicators: event volume, actor-target ratio, and activity range. The event volume is the number of recorded actions between each pair of states in each year. Changes in event volume over time give a “big picture” of the Iranian-Syrian and Iraqi-Syrian relationships.

The actor-target ratio assesses the degree of interest each state has in a relationship. The “actor” is the state initiating an event, and the “target” is the state to which the action is directed. If a state continues as the main “actor” over time, it probably has a higher level of interest in the relationship. It is trying, by its actions, to signal the target. This signal may be either positive or negative. Motivations and intent must be determined by the analyst.

The activity range refers to the intensity of a relationship as determined by the categories of events defined by the WEIS coding scheme. It is constructed by a simple count of the type of events that occur between states. The object is to determine which events frequently appear and, in doing so, to assess the general nature of a relationship.

Event analysis can not only summarize the nature of past relationships but also indicate approaching change. The more clearly defined the past behavior, the firmer the basis for identifying warning indicators. The analyst must look for behavioral changes that signal a shift in tactics or concern.

The Iran-Syria-Iraq Triangle

The event analysis of the Iran-Syria-Iraq triangle focused on the question, “Will tensions with Iran over Hizballah’s activities in Lebanon, along with pressures from the Soviets and moderate Arabs for a rapprochement with Baghdad, shift Syria’s orientation away from its alliance with Tehran?”

Secret

Iraq aims to break up the Iranian-Syrian alliance and end Syria's limited military aid to Iran. Isolation of Iran from its most important ally would, in the Iraqi view, increase the likelihood that Tehran would wind down its war against the Saddam Husayn regime. Baghdad believes that current Syrian-Iranian tensions over Lebanon provide it an opening for improving relations with Damascus. Iraq also hopes that Syria's economic difficulties will interest President Assad in the increased financial assistance from moderate Arab states that would accompany rapprochement with Baghdad.

Assad has been increasing Syria's contacts with Iraq, partly to press Iran to restrain its Hizballah client in Lebanon. Although Iran desires to preserve its relationship with Syria, it is suspicious of contacts between Damascus and Baghdad. It has stated that improvement in relations between the two will damage the Iran-Syria relationship. Iran has also refused an offer by Assad to mediate the war with Iraq.

Syria-Iran: Iran as Initiator

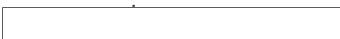
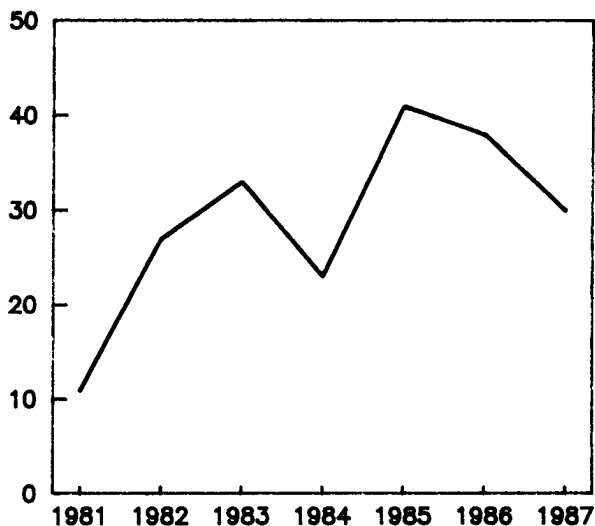
The data for the Syrian-Iranian relationship show a strong pattern of interaction beginning in 1982 and continuing into 1987. Iran has been the main initiator of events throughout this period.

The Event Volume. Changes in the event volume in this relationship correspond to analyst views of its high and low points. The rise in 1982-83 reflects the development of a close bilateral relationship after the Israeli invasion of Lebanon in 1982. Shared opposition to the US-brokered talks between Israel and Lebanon intensified relations. A series of specialized meetings between Iran and Syria took place in 1983.

The drop in volume in 1984 occurred when we believe that Syria was more concerned with internal developments than foreign policy maneuvering. Assad's heart attack sparked a succession rivalry, followed by a government crisis. His health improved by 1985, after which Syria again concentrated on international affairs.

Figure 1

Iran-Syria Event Volume



25X1

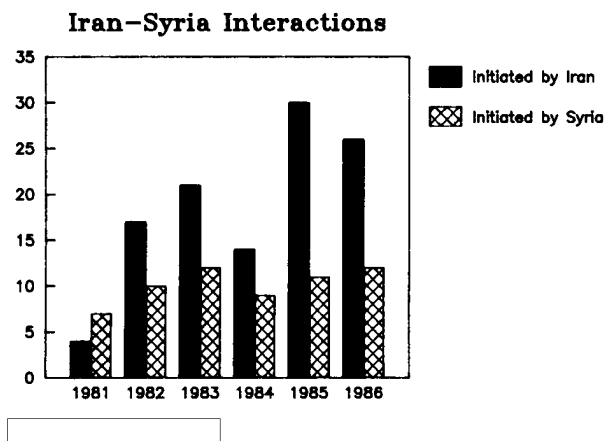
We believe that the near doubling of events between the countries in 1985 can be explained in part by trilateral meetings of Syria, Iran, and Libya and, more important, by Syria's growing dialogue with Iran over Hizballah activities in Lebanon. Tensions in Lebanon have been the dominant factor affecting relations from 1985 to the present.

The Actor-Target Ratio. Iran has initiated more events than Syria, suggesting that the relationship has been more important to the Iranians. Iran's concern grew after 1984. It evidently was signaling Syria that they needed to reinforce relations, despite Iranian moves to exert increased influence in Lebanon through Hizballah. Syria maintained a low response level both before and immediately after Assad's heart attack in 1984.

Secret

8

Figure 2



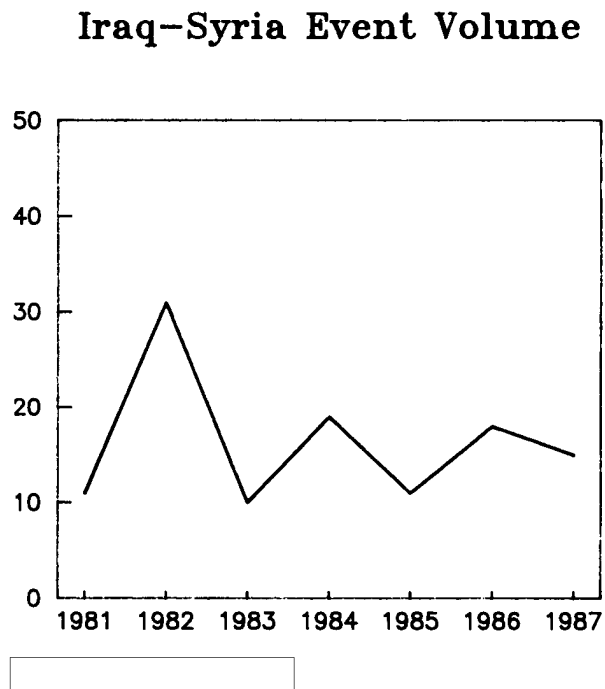
The Activity Range. Activity between Iran and Syria has included five categories of events: comments (favorable), statements of approval, reassurance, agreement/reward, and consultation (meetings). Iran, as the main initiator of events, has used a combination of high-level exchanges, rewards (such as oil agreements and memorandums of understanding), and statements of support to court Syria. Syria has confined its behavior to statements of general support and to participation in selected events (signing of agreements, receiving Iranian visitors). Syrian officials have not visited Tehran as often as Iranians have gone to Damascus.

Iraq-Syria: Iraq as Initiator

The Event Volume. The fluctuations in event volume for Iraqi-Syrian relations reflect both the shifting tides of the Iran-Iraq war and the efforts by Jordan and other moderate Arab states to reduce tensions between Syria and Iraq. In 1982, for example, Syria closed its border with Iraq, eliminating the principal routes for exporting Iraqi oil. The closure predictably triggered protests from the Iraqis. The high event volume for the year reflects this situation.

A change in Iraq's war goal from "victory" to a ceasefire that would leave the Ba'th regime and Iraqi territory intact also occurred in 1982. Heavy casualties, declining oil revenues, and the loss of initiative in the war moved Iraq to implement a

Figure 3



strategy in which willingness to negotiate a settlement and a search for alternative pressures on the Iranians accompanied military responses. It also attempted to reduce Syria's support to Iran by claiming the support violated Arab solidarity.

The propaganda war between Iraq and Syria increased in 1983-84. Charges and countercharges of terrorism and subversion characterize the event file. The volume climbed in 1984 as the Iraqis increased pressure on Syria during the tense period following Assad's health problems.

The event volume rose again in 1986 after the Iraqi defeat at Al Faw. The shock of this setback led Iraq to intensify its efforts to conclude the war. It began to signal Syria that it wanted to improve relations, hoping that closer ties would further isolate Iran from the Arab world, while reducing the limited Syrian support for the Iranian war effort.

Figure 4

Iraq-Syria Interactions

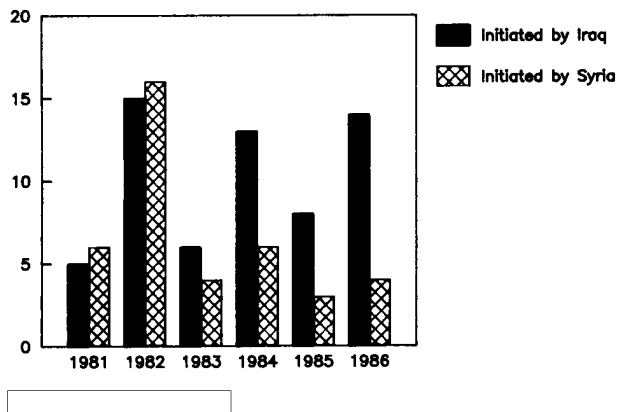
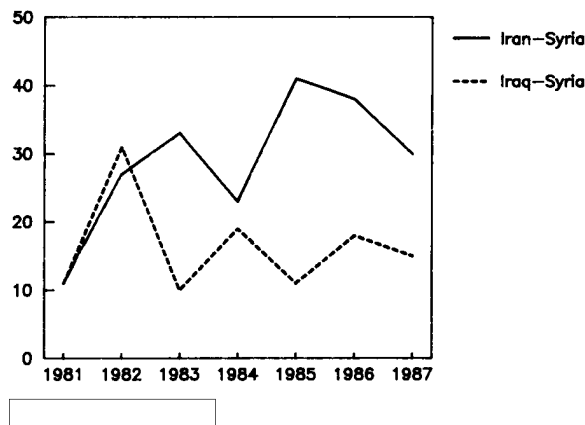


Figure 5

Syria: Relations with Iran and Iraq (Measured by Event Volume)



25X1

25X1

Much of the fluctuation from 1985 to the present is the result of Jordan's efforts to ease tensions between Syria and Iraq. During 1987, Saddam and Assad agreed in principle to reduce their propaganda. In April the two leaders held an inconclusive summit meeting. The event volume for June 1987 is significantly less than that of the preceding year.

The Actor-Target Ratio. Between 1981 and 1983 both sides hurled charges and countercharges. Iraq blasted Syria for its support of Iran, activities in Lebanon, and other foreign policies. Each pointed to domestic unrest in the other. Syria violated Iraqi airspace. Since 1983, Iraq has been the principal initiator of events and has continued to lambaste Syria. The Syrians have appeared uninterested in replying to Iraqi charges and have used a low response level to maintain its options.

In 1986, Iraq initiated four out of five events, indicating that it wanted to provoke a response from Syria, probably to counter Iran's victory at Al Faw. Criticisms of the Iran-Syria relationship continued, but for the first time Iraq made subtle statements about a rapprochement with Syria.

The Activity Range. Interactions between Iraq and Syria have been limited almost exclusively to two categories: comments (negative) and accusations/denigrations. A slight change in the activity range

took place in 1985-86, when verbal exchanges became less intense (for example, a higher proportion of them were comments rather than accusations).

Events other than negative verbal ones have been rare in Iraqi-Syrian relations. Two exceptions in 1987 suggest the importance of the acts: the high-level meetings between Syria and Iraq and the agreement in principle to tone down propaganda.

Looking Ahead

Iran-Syria. Several warning signs of change would probably appear in the event file should the Iran-Syria relationship deteriorate further. Iran probably would initiate a large amount of activity, causing the actor-target ratio to become more unbalanced. Because the relationship is so important, Iran would most likely send signals of concern to Syria before any break. Past behavior suggests the signals would take the form of an increase in meetings and statements of concern, although we would expect the earliest sign of change to be a sudden shift in verbal exchanges from "comment" to "accusation." The number of meetings would probably escalate quickly and then abruptly drop. Event volume would show a corresponding trend.

Secret

Iraq-Syria. The erratic pattern of the Iraq-Syria relationship suggests that the warning period preceding a change in behavior would probably be short and the warning signs ambiguous. The two most probable signs of change would be a slight movement away from the present negative, verbal categories of behavior and a moderate increase in the event volume as both countries attempted to signal a willingness to cooperate. Such signals, however, might not be strong enough to alert analysts to the possibility of change.

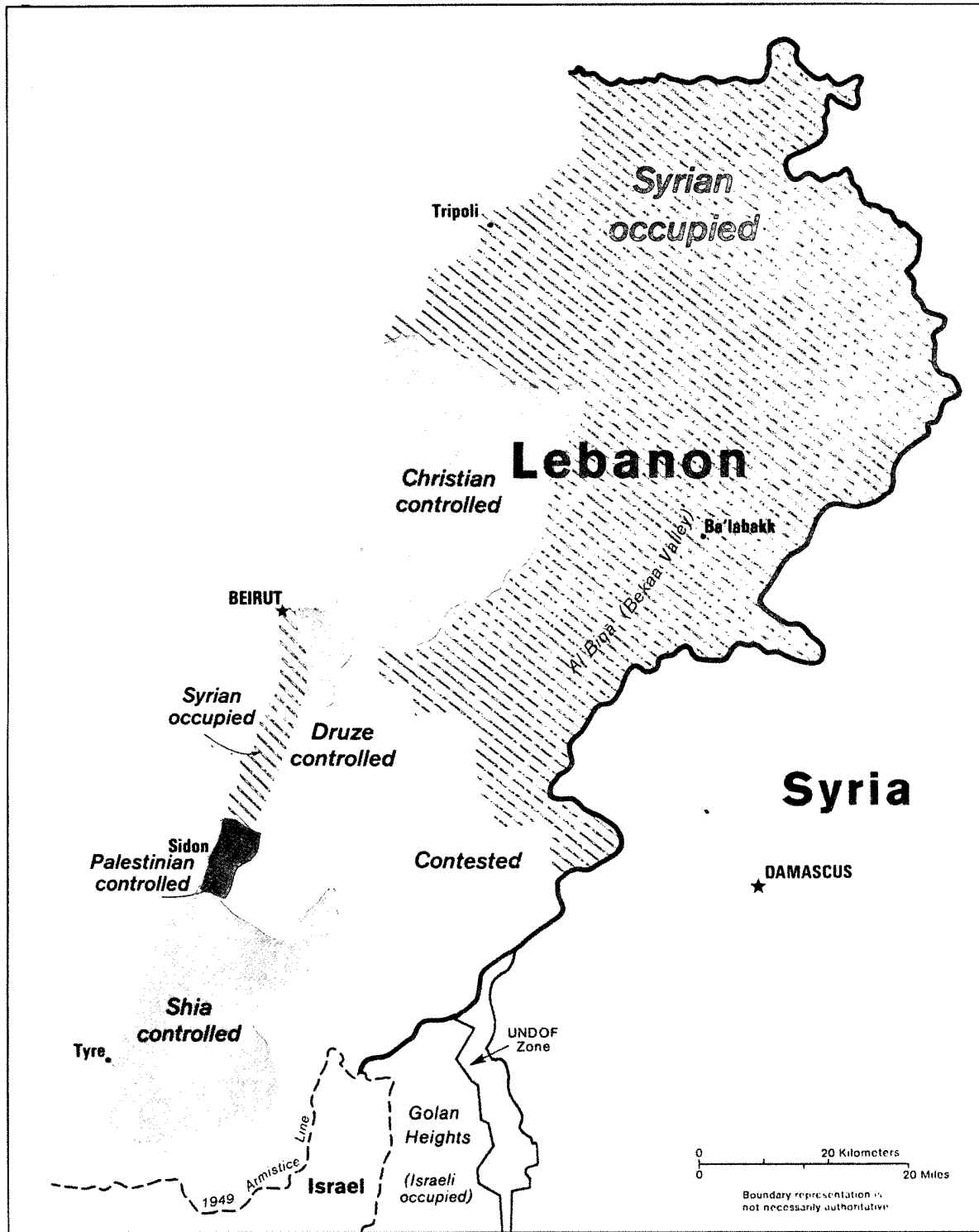


25X1

Secret

Secret

The Partition of Lebanon, September 1987



711189 9-87

25X1

Secret

Secret

The Lebanese Presidential Election: Setting the Stage

25X1

Lebanon's presidential election is not scheduled to take place until fall 1988, but it is already becoming the focus of Lebanese domestic politics. The positions of most major political leaders and factions are well known, even though only one candidate has officially announced. Although continuing violence and social and economic turmoil highlight the confessional mistrust and inability to cooperate, most Lebanese view the presidency as an important symbol of national unity and hope that a relatively peaceful election by the legislature will take place.

The desire for an election is consistent with the current jockeying for position within Lebanon. Although the terms of the unwritten National Covenant of 1943 reserve the presidency for a Maronite Christian, the 1988 election presents the most realistic opportunity ever for a member of another confessional group to win the office.

The election of a Lebanese President has traditionally been accompanied by violence. In 1958 President Camille Chamoun sought to run for a second term against Lebanese Muslim and Syrian opposition, leading to a civil war that ended only after the United States and United Nations intervened and Lebanese Army chief Fuad Shehab was elected as the new President. In 1976 the selection of a successor to Sulayman Franjiyah was a major instigator of the second civil war. Ilyas Sarkis was elected only following the intervention of 30,000 Syrian soldiers and the death of more than 40,000 Lebanese and Palestinians in civil strife. In 1982 the Israeli invasion was in part intended to secure the election of Christian hardliner Bashir Gemayel to the presidency. Israeli tanks guarded the Parliament as it voted Bashir into office. He was assassinated within weeks by Syrian agents, and his brother Amine was selected to replace him.

Actors Behind the Scenes

The election of a Lebanese President has generally been influenced heavily by pressures from both internal and external forces. An election in 1988 will occur under these same circumstances.

Syria. Syria, whose troops occupy large parts of Lebanon, is widely viewed as the major force in next year's election, and any successful candidate will require Syrian backing. Syria's goals in Lebanon have remained unchanged since its intervention in the civil war in 1976. Damascus hopes to balance more evenly the political power between Christians and Muslims and to tie the country more closely to Syria so that its military control of Lebanon's Bekaa Valley, which Syrians consider a likely avenue of Israeli attack, is assured. We believe that the Syrians want to prevent the creation on their western border of a potentially hostile Muslim fundamentalist state or a Christian state dependent on Israel. In preparation for the election, the Syrians have formed a coalition of Lebanese Muslims, the Liberation and Unification Front, which we believe will be used to depict the Syrian-backed candidate as having widespread support.

25X1

25X1

25X1

The Christians. The Christian community is searching for presidential candidates who can bridge the growing rift between hardliners represented by the Lebanese Forces militia and less militant members of the community. The Lebanese Forces has not yet chosen a candidate, according to Deputy Commander Karim Pakraduni, but they intend to put forward their own candidate. We believe this candidate, possibly Lebanese Forces leader Samir Ja Ja, will run on an anti-Syrian platform and attempt to use the office to restore Maronite dominance throughout Lebanon or, short of that, de facto Christian independence in their enclave north of Beirut. Less militant Christian viewpoints are expressed by a myriad of candidates expressing interest in the presidency.

25X1

The Muslims. The political ambitions of Lebanon's Muslim community are split between different groups. Struggling to maintain its position as the

25X1

25X1

Secret

NESA NESAR 87-021
11 September 1987

Secret

Election Mechanics

The Lebanese presidential election is governed by Article 49 of the Constitution, which says that "the President of the Republic shall be elected by the Chamber of Deputies by secret ballot and by a two-thirds majority of the votes. After the first ballot, an absolute majority will be sufficient." [redacted]

Lebanese parliamentary elections, which are scheduled every four years, have not been held since 1972 because of security conditions. The current body has repeatedly extended its tenure. Seventeen of its 99 members have died, prompting a debate over the definition of a quorum. Sides are drawn between those who favor a quorum based on the full 99 members and those favoring a more liberal reading of the Constitution with a quorum based on the 82 surviving members. [redacted]

On the basis of 99 deputies, a candidate would have to receive 66 votes on the first ballot or 50 on subsequent ballots to win. If the vote is based on 82 deputies, which, according to some Lebanese deputies, has been generally accepted, a candidate would need only 55 on the first ballot or 42 on subsequent ballots to win. [redacted]

The Constitution does not directly address the potentially troublesome question of the number of deputies that must be present to establish a quorum when meeting to elect a president. Some believe that the election can proceed if a simple majority is present—no small feat given the fact that several deputies reside outside Lebanon or are simply unwilling to risk attendance. In such a case, the first ballot requiring a two-thirds vote would be declared invalid, and the chamber would elect a president on a subsequent ballot by majority. Others argue that two-thirds must be present to establish a quorum. [redacted]

The venue of the balloting will be important. The Lebanese Parliament building, located near the demarcation line between East and West Beirut, has not been used since the civil war, and the deputies have met in the "Mansur Palace," once the home of a member of Parliament. It is also located near the demarcation line and is vulnerable to violence in the area. [redacted]

principal representative of Lebanon's Shias—the largest sect in Lebanon—Amal may attempt to disrupt the 1988 election. Amal militia leader Nabih Barri has proposed the election of a Muslim president in 1988, and other Amal officials have stated they will not accept the election of a Maronite. Although Amal has not proposed a candidate, we believe Barri harbors a desire for the presidency. Yet we believe Amal can be coerced to support Damascus's choice in the presidential race because the organization depends on Syrian support for its survival. [redacted]

We do not believe that other Muslim groups will directly affect the outcome of the election. Because Syrian troops occupy almost all Sunni Muslim areas

of Lebanon, we believe that most Sunnis realize they cannot afford to oppose Syrian policy on the election. The more radical representative of the Lebanese Shias, the pro-Iranian Hizballah, will not put forth a candidate of its own, given its goal of creating an Islamic republic. Hizballah, however, probably will influence the outcome of the election through acts affecting the security situation throughout Lebanon. [redacted]

Outlook

Lebanon's presidency has become such a weakened office that we believe it is the campaign, as much as the outcome of the election, that holds the most

25X1

25X1

25X1

25X1

25X1

25X1

25X1

Secret

Potential Candidates

Although only one candidate has officially entered the race, several people have been mentioned or expressed interest as potential candidates:

- **Johnny Abdu.** *Currently Lebanese Ambassador to Switzerland and former chief of Lebanese military intelligence, Abdu has approached Saudi/Lebanese businessman Rafiq Hariri for assistance in gaining Syrian and Saudi backing for his bid for the presidency.*
 - **Michel Awn.** *Commander of the Lebanese Armed Forces, Awn has an established base of support within the Christian community. He might win Syrian approval but would be unacceptable to the militant Lebanese Forces militia. At this time, we have no indication that Awn is actively pursuing the presidency.*
 - **Dany Chamoun.** *President of the militant National Liberal Party, Chamoun is the only officially announced candidate, according to the US Embassy in Beirut. Chamoun may attempt to burnish his militant credentials in the coming months to enhance his chances for support from anti-Syrian groups, such as the Lebanese Forces militia.*
 - **Rene Mouawd.** *A Maronite member of Parliament from North Lebanon, Mouawd is rumored to be the preferred candidate of the Soviet Union and acceptable to Syria. It is unlikely that the Soviets are supporting a candidate this early in the campaign, and he remains an unknown.*
 - **Henri Sfayr.** *A wealthy Lebanese businessman and cousin of the Maronite patriarch, Sfayr has already approached the US Government for support in the presidential campaign. He is a relative unknown and is unlikely to gain sufficient Maronite support for a successful bid.*
 - **Jean Ubayd.** *A Maronite former aide to President Gemayel and pro-Syrian, Ubayd was kidnaped by Hizballah in February 1987 and released after intense Syrian pressure.*
-

immediate importance. As social and economic conditions continue to deteriorate, we expect a prolonged and violent campaign that will increase unrest and threaten a collapse of the country's remaining political and economic institutions. We do not foresee the emergence of a president strong enough to heal the damage caused by the campaign. The most likely election winner will be a relatively apolitical Christian technocrat—much like President Sarkis—who will pose the least threat to the interests of Syria and other major actors.

25X1

Alternative Scenarios

Although it is not likely that any of the forces involved in the election will accept an extension of President Gemayel's term, which expires in September 1988, there is precedent for an extension. In 1948 Bishara al-Khuri, Lebanon's first president after independence, persuaded Parliament to allow him to serve a second term.

25X1

Another possibility, less remote, is a coup attempt by the Lebanese Forces or elements of the Lebanese Army sympathetic to the Christian hardliners' views. Samir Ja Ja might attempt a coup before the election to avoid the likely election of a Syrian-controlled president or after election of such a president. There is limited evidence that the Lebanese Forces is considering such an attempt, and it continues to seek support in the Lebanese Army for its cause.

25X1

25X1

25X1

**Egypt: Prospects for the
Parliamentary Opposition**

25X1

The increased opposition presence in Egypt's People's Assembly resulting from the election in April 1987 may make proceedings more raucous and difficult for the government to control. President Mubarak has signaled his determination to keep tight control over the assembly, however, and the opposition's strength is diminished by internal divisions. If opposition deputies waste opportunities for constructive debate in favor of sniping at the government, Mubarak probably would dissolve the parliament and call for a fresh election—possibly within the next few months, after his own reelection by national referendum on 5 October.

• Mubarak's goal to increase and diversify the opposition representation was also reached, adding to the election's popular credibility and strengthening the President's program of gradual democratization. By virtually all accounts, the election was the most fairly conducted since the 1952 revolution. With almost 100 opposition deputies—a twofold increase—the new People's Assembly will probably represent public opinion better than its predecessor.

• The price Mubarak paid for this diversity, however, was the influx of a major Islamic opposition element in the assembly that may not provide the degree of national consensus in favor of government programs that Mubarak seeks.

25X1

25X1

We do not believe that the strengthened opposition poses a threat to the ruling National Democratic Party's—or Mubarak's—hold on power. Opposition deputies are unlikely to provoke a major confrontation with the government, although they will almost certainly take advantage of opportunities to score points against Mubarak. We believe that an opposition campaign to dramatize and exploit sensitive national issues—such as economic reform and relations with the United States and Israel—would reinforce Mubarak's innate caution in dealing with pressing problems.

The new official opposition is an alliance of convenience between the Socialist Labor Party, the tiny and weak Liberal Party, and the technically illegal Muslim Brotherhood. These groups pooled their resources in the early days of the campaign to ensure that they would gain at least the 8 percent of the national vote that is necessary for representation. Socialist Labor Party chief Ibrahim Shukri was named the official opposition leader, but it is almost certainly the Brotherhood and its Islamic allies that are setting the opposition agenda. Brotherhood leaders claim at least 36 of the 59 seats held by the alliance.

25X1

25X1

The April Election

In February 1987 Mubarak dissolved the People's Assembly, which had been elected in 1984 for a five-year term, to sidestep a court ruling that had invalidated the law under which it was elected. In calling for a new election more than two years early, the President risked reducing the National Democratic Party's hefty majority that he would need this summer for his renomination to the presidency.

Another result of the election was the further weakening of the New Wafd—the only major secular alternative to the Islamic alliance. The New Wafd won only 36 seats, 21 less than in the last assembly where it was the only legal party represented. It is unlikely to play a major role in assembly proceedings. The Wafd's decline has deprived the National Democratic Party of a potential moderate center-right ally and given greater scope to the alliance. Saddled with an aging, ineffective

25X1

On balance, Mubarak appears to have won his gamble, but at a cost:

- The National Democratic Party won a reduced but nonetheless handsome majority that was sufficient to ensure Mubarak's renomination for a second term in office.

Secret

leadership that is focused on the past, the Wafd has concentrated on maintaining prerevolutionary loyalties and family connections rather than recruiting and nurturing a younger generation of supporters. According to US Embassy reporting, Wafd leaders are oblivious to their weakness, yet are actively seeking ways to challenge Mubarak—a high-risk course that may indicate their desperation about the party's declining fortunes. [redacted]

The Alliance Agenda: Collaboration or Confrontation?

We believe the Muslim Brotherhood and its allies will pursue diligently but patiently their agenda to bring about an Islamic society in Egypt. They remain fiercely committed to the implementation of Islamic law, but they insist that legal reform should be undertaken only gradually and after careful study. Brotherhood deputies have told US officials that their chief goal is to employ Islam to bolster development, increase production, and provide people with adequate food, housing, and other necessities. [redacted]

The Brotherhood appears willing to work within the system to advance its goals, using its new public platform and parliamentary techniques to maximum political advantage. This is a significant departure from its history of unrelenting and sometimes violent opposition to the government. In particular, Brotherhood leaders say they want to avoid disruptive tactics that would give the government an excuse to crack down on their operations. Embassy and Consulate General reporting indicates that Brotherhood deputies plan to emphasize points of agreement with the government and will back Mubarak's program when they consider it reasonable. They claim they will not oppose the ruling party without good cause—a posture that will make it difficult for the National Democratic Party leadership to dismiss them as irresponsible and may force the ruling party to engage in serious debate. Indeed, the alliance voted unanimously to renominate Mubarak for the presidency last July. [redacted]

The Brotherhood is likely to use its proven electoral strength and new image of respectability to bolster its claim to legal representation as a political party. Although often turned down in the past, Embassy reports indicate Brotherhood leaders are once again planning to petition the government for permission to

establish a party. The law forbids parties to be based on religion, however, and Mubarak is virtually certain to bar any exceptions. [redacted]

In time, the alliance may conclude it has little to gain by behaving responsibly. Unlike its counterparts in the British and other Western systems, the opposition in Egypt has no chance to gain power through a vote of no confidence without a full-scale election. Consequently, it has greatly reduced incentives for adopting a statesmanlike posture. [redacted]

If the assembly fails to make progress on Brotherhood goals over the next few months and openly resists implementing Islamic law, we expect the Brotherhood and its allies to adopt a tougher and more confrontational posture on sensitive issues to put pressure on Mubarak, possibly to provoke a new election. [redacted]

Mubarak's Perspective

Mubarak appears committed to working with the new assembly to advance his program of democratization. He has long sought a way to bring moderate Islamic elements into the political mainstream in order to expose their arguments to public scrutiny and isolate the extremist fringe. Above all, he seeks to build a broad national consensus around himself in preparation for difficult years of economic belt-tightening. [redacted]

Even so, with a crowded political agenda this fall, Mubarak is hedging his bets on the question of opposition moderation. Many in Egypt's ruling establishment have expressed strong misgivings about letting the Brotherhood into politics. Surprised by its strong showing, Mubarak has wasted little time looking for ways to prevent the opposition from interfering with his exercise of power:

- We believe that Rifaat al-Magoub's reappointment as Speaker of the People's Assembly is the clearest indication that Mubarak intends to prevent

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

Secret

opposition activities from getting out of hand. An adept and wily parliamentarian, Magoub was widely blamed for poor relations between the National Democratic Party and the opposition in the last assembly. He will almost certainly control debate with an iron hand and is likely to use all of his parliamentary skills to manipulate and embarrass the opposition into submission.

- Mubarak did not allot any of the 10 deputy positions reserved for presidential nominees to opposition figures—a clear indication that he is reluctant to further strengthen the opposition’s hand. In the past, Mubarak has used these appointments to give some political groups token representation. [redacted]

Opposition Tensions

The opposition’s capacity for troublemaking may be undercut by internal differences that the National Democratic Party will almost certainly attempt to exploit. Despite its increased strength, the opposition is far from monolithic. The alliance partners and the Wafd are old political enemies who are highly unlikely to cooperate effectively. There is a strong chance that, after an initial honeymoon, controversy and splits will erupt as all sides seek to justify their competing claims. [redacted]

Discord within the alliance along secular-religious lines began to surface even before the election and is likely to grow. In addition, the Socialist Labor Party’s coalition with the Muslim Brotherhood has generated discontent within the party and challenged its socialist ideology. [redacted] several senior Socialist Labor Party leaders accused Ibrahim Shukri of betraying the party by joining the coalition. They maintained that the Brotherhood holds conflicting beliefs—that it has traditionally opposed socialism, for example—and would attempt to control the alliance. If this happened, they threatened to expel the Brotherhood from the coalition and oust Shukri as party leader. Instead, Shukri expelled them. Some of the dissidents are considering forming a new party of the center-left to fill the void created by the Socialist Labor Party’s rightward shift under Brotherhood influence. Similar disputes could break out in the

Liberal Party if leader Mustafa Kamal Murad mounts a power play to regain control of his assembly members from his Islamic extremist deputy.

[redacted] 25X1

Fears of Brotherhood domination appear well founded. [redacted]

25X1

the Brotherhood believes it controls the alliance and will resist any attempt by its partners to manipulate its agenda. The Brotherhood is pressing Shukri to provide the Socialist Labor Party with an Islamic name but is unlikely to push the issue in the near term in the face of the party’s resistance. [redacted]

[redacted] 25X1
25X1

We do not believe the Brotherhood will be immune from infighting. [redacted]

[redacted] 25X1

[redacted] five distinct factions exist within the organization, and disputes between them could hamper its activities. Perhaps most serious is the rift between the wealthy old guard, represented by the current leadership, and younger radical members who believe these leaders collaborated with the government to gain political power. If the Brotherhood’s policy of nonconfrontation in the People’s Assembly does not bear fruit, we expect the radicals to press the leaders to take a harder line against the government. Although unlikely, we cannot rule out the possibility that impatient radicals will target old guard deputies for assassination.

[redacted] 25X1

Outlook: A New Election?

We do not believe the Brotherhood’s entry into conventional politics presents an immediate threat to the existing system. Indeed, the presence of a large opposition could force National Democratic Party deputies to debate seriously and work harder for popular support. A vocal opposition, however, is likely to reinforce Mubarak’s innate caution and persuade him to go slow on sensitive but pressing issues like economic reform. [redacted]

[redacted] 25X1

If the assembly becomes too disruptive, we believe Mubarak will not hesitate to dissolve it and call for a new election, possibly as early as this fall. He and many other Egyptians are eager to scrap the country's complex "party list" system of voting in favor of direct voting for individual candidates. By ensuring Mubarak's renomination, the current assembly has already fulfilled its most immediate purpose.

25X1

Even if a new election is held, the prospects for an opposition coalition coming to power are extremely remote. Mubarak probably would attempt to minimize the Muslim Brotherhood presence, but the ruling National Democratic Party still possesses overwhelming advantages in any electoral contest.

25X1

25X1

Afghanistan: Insurgent Response to Soviet and Regime Interdiction Efforts [redacted]

25X1

In response to increased Soviet and Afghan regime interdiction efforts in recent years, Afghan insurgents have adopted tactics that have reduced the risk of attack on supply convoys and, in our view, made it easier to move supplies into Afghanistan. Some of these countermeasures, however, have increased the financial cost and caused delays in moving materiel from Pakistan and within Afghanistan. We believe the threat of interdiction will remain a serious but not insurmountable obstacle to insurgent resupply. [redacted]

not use headlights and the insurgents are not allowed to smoke for fear of being detected, [redacted] [redacted] During the day the insurgents usually rest, hiding vehicles and pack animals. [redacted]

25X1

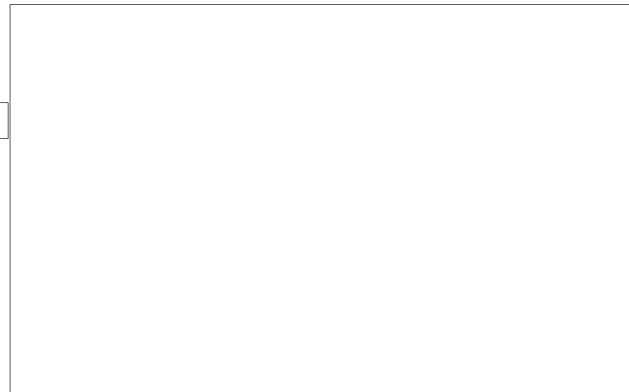
25X1

25X1

25X1¹

The Insurgents Fight Back

Beginning in early 1985, Soviet and regime forces in Afghanistan increased their efforts to interdict insurgent supplies, primarily by seeking to block routes from Pakistan. These efforts—which include ambushes, mining operations, the establishment of security posts, the increased use of Special Purpose Forces, and air attacks—made it more difficult for resistance commanders to resupply their forces and, in our view, contributed to escalating transportation costs. Many insurgent commanders complained that interdiction was hurting their military effort. [redacted]



25X1

The threat of interdiction has prompted some groups to reduce the size of their caravans. [redacted]

[redacted] smaller convoys are more difficult to spot from the air and, in the event of successful ambush, the loss of a small convoy is preferable to the annihilation of a large one. Still, some resistance groups continue to travel in large convoys. [redacted] these insurgents feel more secure in a large group and believe they would be better able to defend against ambush if the convoy were detected. [redacted]

25X1

25X1

25X1

25X1

25X1

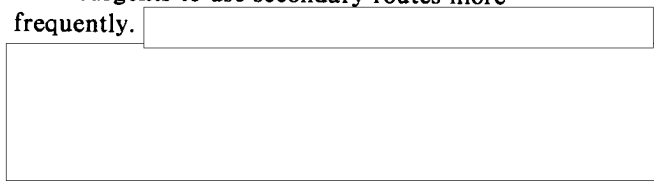
The success of the Soviet interdiction effort was almost certainly due partly to the lax security procedures of the insurgents. To reduce the impact of Soviet and regime interdiction, some insurgents have adopted countermeasures—including smaller caravans, alternative routes, and more effective counterintelligence—to improve the security of caravans moving supplies from Pakistan. [redacted]

Repeated interdiction and emplacement of security posts on some of the main supply routes have forced the insurgents to use secondary routes more frequently. [redacted]

25X1

25X1¹

Probably the most widely adopted security precaution has been the restriction of caravan movement to the night hours, particularly in high-risk areas. [redacted] the insurgents consider night the best time for travel because their caravans are less visible and, in the event of ambush, caravan personnel can escape into the darkness. Convoys often begin their journey in the late afternoon and continue through the night. While traveling through high-risk areas, caravan vehicles do



25X1

[Redacted]

[Redacted]

25X1

In general, insurgent caravans are more heavily armed and security conscious than in previous years.

[Redacted]

25X1

When members of an insurgent group have warning of a planned Soviet ambush of their caravan, they usually take an alternative route. On some occasions, however, the insurgents counterattack, with the element of surprise often working to their advantage. Last July, for example, insurgents under Hizbi Islami (Gulbuddin) Commander Farouki mounted a successful counterambush in Paktia Province that caused heavy casualties to a Soviet ambush team.

Scouts are sometimes deployed on motorcycles. The motorcyclists generally travel several hours ahead of the caravan to check the route, question the local populace, and return to the caravan with regular security reports. If a motorcyclist does not report, the caravan is halted and a detour may be taken,

[Redacted]

25X1

[Redacted]

Counterintelligence efforts have improved in response to greater regime efforts to penetrate resistance groups. Information on a caravan's route and departure and arrival times are usually closely guarded. [Redacted]

Despite a better overall security record for the insurgents, some caravans still follow lax security procedures, leaving themselves vulnerable to attack. Noise and lack of discipline in large caravans are cited as continuing problems, for example. [Redacted]

25X1

25X1

25X1

25X1

25X1

Increased Cooperation

[Redacted]

[Redacted]

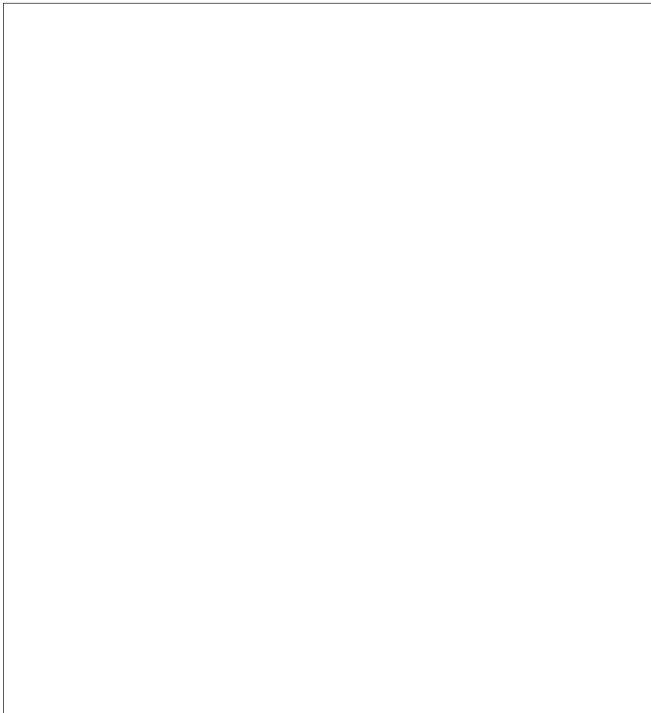
Although not common, some insurgent groups have established security posts along supply routes. [Redacted]

[Redacted]

25X1

25X1

25X1



source, the insurgent practice of traveling only at night neutralized this threat somewhat by making caravans less visible. Nevertheless, many insurgents continued to have difficulty defending themselves against these attacks, [redacted]

25X1

25X1

Since the introduction of more sophisticated air defense weapons—including Stingers and Blowpipe surface-to-air missiles—into Afghanistan last fall, the insurgents have had greater success in reducing the threat of air interdiction. Even though most supply caravans are not equipped with the new missiles, the Soviets apparently are concerned that they are deployed along the supply routes. Although Soviet air operations have increased over last year, the effectiveness of air interdiction has been reduced in some areas. [redacted]

25X1

25X1

[redacted] air interdiction along the route between Miram Shah and Wardak has decreased since the surface-to-air missiles were introduced. The introduction of the new air defense weapons has also caused the Soviets to modify their air tactics. Aircraft now fly at higher altitudes, reducing the accuracy of the ordnance delivered. As a result of the degradation of their air capabilities, Soviet and regime forces have begun to rely more on ambushes and heavy artillery attacks, [redacted] We nevertheless believe that the air interdiction will continue to hamper insurgent resupply efforts. [redacted]

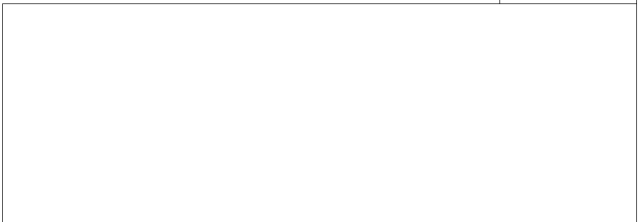
25X1

25X1

25X1

25X1

We believe some insurgent groups are relying more on the civilian population to provide early warning against Soviet and regime road ambushes. [redacted]



[redacted] Although many insurgent groups have increased their reliance on the civilian population to provide information on the presence of Soviet patrols or ambush teams, the depopulation of some areas—particularly in the eastern border provinces through which most insurgent supply routes run—has deprived many insurgent convoys of this valuable intelligence resource, in our view. [redacted]

The Air Threat

Several insurgent commanders said last year that they considered attacks by Soviet and regime aircraft—particularly helicopters—to be the most serious interdiction threat. [redacted]

The Interdiction Balance Sheet

We believe insurgent countermeasures have reduced the threat of interdiction by Soviet and regime forces. Although interdiction was the logistic problem mentioned most frequently by insurgent commanders last year, most claim the risk is manageable this year. A diplomatic source of the US Embassy in Kabul reports that senior regime officials are concerned that supplies currently flow unimpeded to resistance groups in northern Afghanistan. In our view, the introduction of better air defense weapons into Afghanistan has had the greatest impact on interdiction because it has caused the Soviets to adopt less effective air tactics. On the down side, insurgent

25X1

25X1

25X1

Secret

countermeasures to interdiction—particularly the adoption of longer, more circuitous routes—have increased the cost, time, and difficulty of resupply.

[Redacted]

25X1

Although reduced, the threat of interdiction will remain a problem for the insurgents, in our view. Some resistance groups will continue to lose portions of their materiel and transportation assets to Soviet attacks, possibly resulting in temporary supply shortages in some areas. Soviet interdiction will also continue to contribute to rising transportation costs.

[Redacted]

25X1

[Redacted]

25X1

Secret

Secret

**Pakistan-USSR:
Limited Economic Ties** []

25X1

Pakistan's economic ties to the Soviet Union are too limited and the potential for expansion too small to provide Moscow with significant leverage over Islamabad's foreign policies. Major barriers to closer cooperation include Pakistani disenchantment with the quality of Soviet equipment and Moscow's support for India. Both countries, however, have chosen to continue the Soviet aid deliveries to Pakistan and to maintain other trade even while overall relations are soured by Soviet actions in Afghanistan and Pakistani support for the Afghan resistance. []

A reputation for low quality hinders Soviet sales in Pakistan, even for projects that were begun with Soviet assistance. Officials of public-sector steel and petroleum organizations have complained that Soviet technology, although cheap, is inferior to that available from Western countries. Delays in delivery of spare parts or inability to supply them have been a recurrent problem, [] in part because some machinery is obsolete even by Soviet standards. []

25X1
25X1
25X1
25X1

Trade Ties Limited

Transactions with the Soviet Union are a small and declining part of Pakistan's total foreign trade—down from a peak of 4 to 5 percent in 1979 to 2 percent of exports and 1 percent of imports in 1986. Pakistani exports were \$68 million last year, while imports totaled \$53 million.¹ []

Private traders have also been unwilling to take more Soviet goods, according to US Embassy reports, because of poor after-sale service and low quality. The Soviet Ambassador complained publicly in 1984 that an additional barrier to trade came from Pakistani harassment and interrogation of businessmen who visited the Soviet trade representative. As a result, a plant that assembles tractors from imported parts is the only major collaboration between a private-sector firm and the Soviets. []

25X1
25X1

Imports. Machinery, much of which is financed by Soviet aid or trade credits, dominates Pakistan's imports from the Soviet Union. Deliveries funded by Soviet loans accounted for one-half to four-fifths of Pakistani purchases from the USSR during 1975-84, when a steel plant near Karachi was under construction. The Soviet Union also supplied "unspecified goods," possibly helicopter spare parts, worth more than \$15 million a year during 1982 through 1985.² In addition to recorded imports, Soviet goods smuggled through Afghanistan such as refrigerators, air conditioners, and luxury food have been conspicuous since 1983 in Peshawar bazaars, near the Afghan border. US Embassy officials believe, however, that the quantities are too small to have much economic impact. []

Exports. Textiles and apparel have accounted for more than 95 percent of Pakistan's exports to the Soviet Union in recent years, according to trade data. The Soviet share of Pakistan's garment exports—more than 13 percent for some items such as men's shirts—is large enough to be significant for employment in this growing industry, especially since quota restrictions limit sales to Western countries. At least one private Pakistani firm sells marketing advice. It helps the Soviet textile export organization find buyers in the United States and suggests strategies to foil US import restrictions. []

25X1

Grandiose Aid Projects

Soviet economic aid has been concentrated on a few conspicuous projects and accounts for less than 4 percent of the total aid Pakistan has received since the mid-1970s. The steel mill outside Karachi, completed

25X1

25X1

¹ Our estimates of Pakistani trade with the USSR are based on Soviet data. Pakistani statistics apparently exclude much of the equipment delivered for a Soviet-aided steel plant, perhaps because the goods did not pass through an established customs checkpoint. []

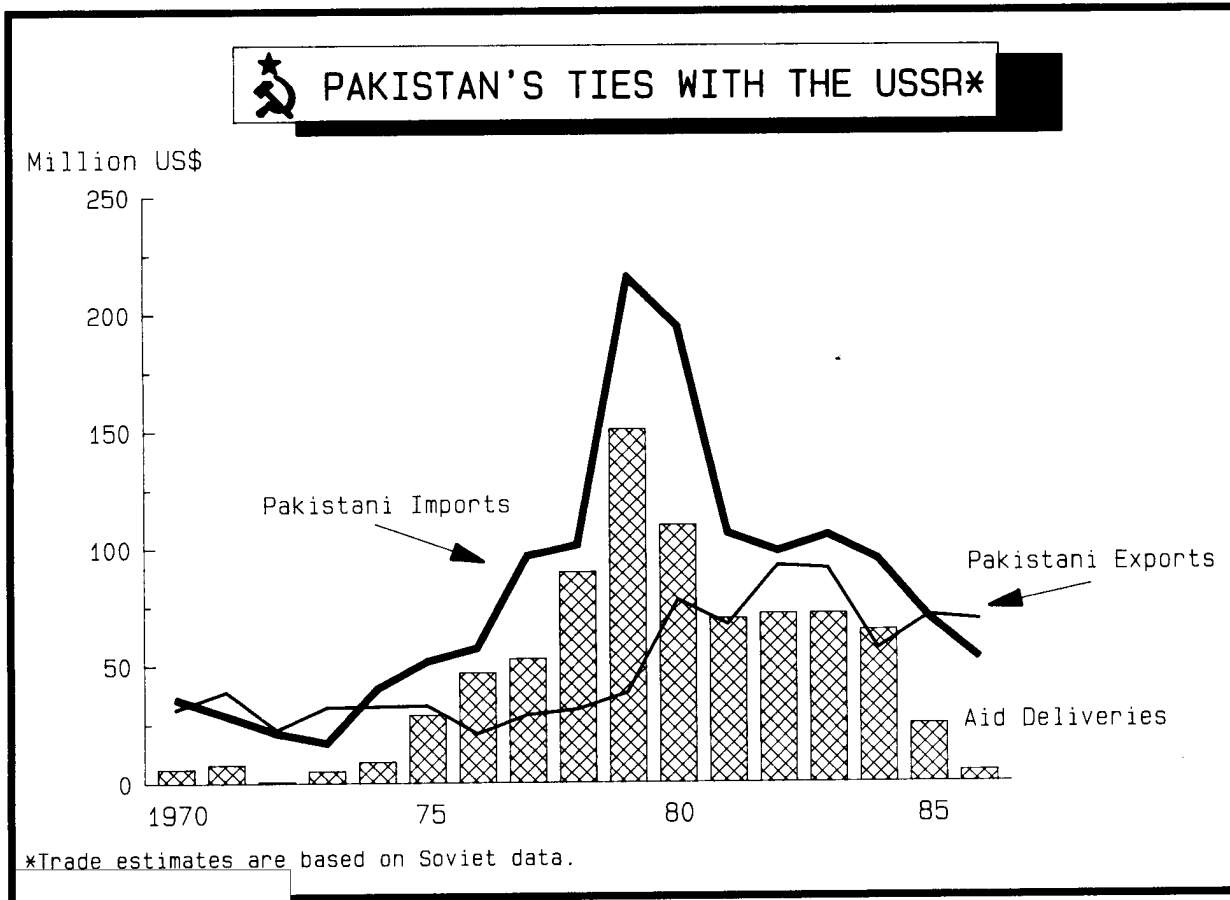
² We believe the Soviet category "unspecified goods" frequently includes dual purpose goods. Pakistan purchased Soviet helicopters in 1978. []

25X1

Secret

NESA NESAR 87-021
11 September 1987

Secret



25X1

in late 1984, has been the centerpiece of public-sector industrialization. It has received almost \$840 million in Soviet aid and trade credits since 1966, according to our estimates, and was the only major manufacturing project continued after President Zia shifted development priorities away from public-sector industry. Although the plant is already obsolete and operates at a substantial loss, Islamabad subsidizes its output to encourage private entrepreneurs to develop downstream industries.

The Soviet Union has also provided substantial aid in oil exploration and electric power, including financial assistance to expand a gas-based power plant at Guddu. In 1983 it offered \$277 million, as yet undisbursed, for another gas-based power plant.

We do not believe that Soviet aid is a great bargain—even when prices are competitive and technology acceptable—compared to official aid from other sources or Soviet support to India. No grants have been offered. Earlier Soviet loans to Pakistan charged 2.5 percent interest payable over 10 to 12 years. More recent credits have been for 5.5 percent amortized over 12 years—which is still cheaper than Western commercial terms. Recent Soviet economic aid to

25X1

25X1

25X1

Secret

Secret

India, in contrast, calls for a more generous 2.5 percent interest over 17 years. According to US Embassy reports, Pakistani officials complain that Soviet aid brings an excessive number of advisers—at times more than 700 for the steel mill—who cannot communicate easily with their Pakistani counterparts.

[redacted]

Political Conditions Delay New Aid

Moscow sometimes has blatantly linked offers of economic aid to changes in Pakistan's policies. Reversing both countries' efforts in the early 1980s to separate trade and aid from Pakistan's policy toward Afghanistan, Soviet officials began in mid-1984 to warn that political difficulties were impeding economic cooperation. Moscow turned down Pakistan's request for support for a nuclear power plant and for the Kalabagh Dam, although we believe Soviet doubts about the viability of these projects may have preceded the political signal.

[redacted]

Both countries have continued to implement existing trade and aid agreements despite severe bilateral strains over Afghanistan. According to Pakistani diplomats, even in 1984 Soviet officials did not want to curtail bilateral relations. Moscow probably wants to maintain a presence in Pakistan and preserve channels of communication and commercial opportunities. Islamabad has been willing to maintain existing cooperation, not only for the economic benefits, but also, according to US Embassy officials, because Ministry of Foreign Affairs officials believe some Soviet aid helps maintain Pakistan's nonaligned credentials.

Reviving Cooperation

The Soviet Union is moving to revive economic cooperation, which has languished since completion of the Karachi steel mill.

[redacted]

[redacted] Pakistani officials believe that Moscow changed its policies in mid-1986 following General Secretary Gorbachev's speech at Vladivostok. It became willing, even without a change in Islamabad's support for the Afghan resistance, to restore the "normalcy" that existed before 1984. In July 1987 a new agreement was signed to implement the 1983 offer of aid for the Multan power project. Soviet officials have also suggested additional support for the Karachi steel mill. They have emphasized in public speeches that Soviet support is reliable—an implied contrast with past and possible US aid cutoffs.

Contacts between the Soviet Union and Pakistan's private sector are increasing, probably spurred by Moscow's search for profitable commercial opportunities and Islamabad's need for exports to cover mounting debt service payments—about \$73 million to Moscow in 1987,

[redacted] Soviet officials have emphasized their interest in joint ventures and willingness to finance purchases of Soviet machinery. A delegation from the Federation of Pakistan Chambers of Commerce and Industry traveled to Moscow in July and signed an agreement with the USSR Chamber of Commerce and Industry to promote exchanges of information about trade and intellectual property regulations. Soviet officials have even hinted that Moscow would be willing to buy more textiles—but only if Pakistan buys Soviet textile machinery.

Restricted Scope for Expansion

These efforts are unlikely within the next year or so to raise economic cooperation above previous peak levels. Although willing to disburse more than \$300 million left over from previous aid and trade credit commitments, Moscow probably would not initiate a major new project so long as fighting in Afghanistan overshadows bilateral relations. Pakistani businessmen and public-sector officials remain skeptical of the quality of Soviet equipment. Moscow is probably unwilling to expand trade under a barter arrangement by supplying Pakistan with commodities

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

Secret

Secret

Barter Agreements

Payments for some bilateral trade and debt servicing are handled through barter arrangements first established in 1956. The two governments negotiate annual protocols that establish target values for exports and imports and list tradable commodity categories. [redacted]

The most recent protocol, signed in March, calls for Pakistani exports of \$60 million and imports of \$30 million during 1987. Pakistan's trade surplus will help repay Soviet loans. Trade targets in earlier agreements were more nearly balanced but, [redacted] frequently were not met because Pakistan lacked interest in Soviet products. [redacted]

Actual trade under the annual protocols—the barter arrangement—may account for as little as one-third of total bilateral trade, in our judgment. Pakistani import targets apparently include goods financed with Soviet commercial credits but not concessional official aid. Some transactions are excluded because one government was unwilling to authorize barter trade in a commodity of interest to the other or would do so only at a higher price. Pakistani export targets are set high enough to cover some but not all interest and amortization payments. [redacted] some Pakistani businessmen are convinced that certain third country trade—for example, Pakistani imports of US fertilizer—can be charged to the supposedly bilateral barter. [redacted]

The Soviet Union has accounts at Pakistani banks to make and receive payments with Pakistani organizations. All transactions under the barter agreement are ultimately routed through special nonconvertible US dollar accounts at the National

Bank of Pakistan (a nationalized commercial bank) and the Bank for Foreign Trade of the USSR. Pakistan neither receives nor pays foreign exchange for goods and services that are handled through these clearing accounts even though all letters of credit must be drawn in US dollars. [redacted]

A low rate of interest is paid or charged on imbalances in the clearing account. The bilateral agreement sets a maximum “swing” balance, which US Embassy officials believe may have been as low as \$1 million in 1984. [redacted] however, actual imbalances have sometimes been as high as \$25 million. In theory, any persistent imbalance in the account should be eliminated by curtailing or expanding trade. [redacted]

Payment for most other transactions is apparently made in foreign exchange. Some trade, however, can take place under negotiated special barter arrangements, possibly specific deals of equal value. [redacted]

Barter arrangements designed to simplify and expedite bilateral trade have sometimes hindered cooperation. Annual protocols have often been signed several months after the beginning of the year. Pakistan's reluctance to import Soviet goods, combined with both countries' attempt to balance bilateral payments, has limited potential Pakistani exports. Both countries, in our judgment, are reluctant to make cash purchases of goods listed in the barter protocols, even though they sometimes do so. [redacted]

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

Secret

Secret

that could be sold elsewhere for cash—although an unconfirmed Pakistani press report noted a recent Soviet offer to supply a small quantity of crude oil.

[redacted]

Trade ties to the Soviet Union would be more likely to expand if a cutoff of US aid were to limit Pakistan's foreign exchange receipts. Government austerity measures might then force buyers who prefer Western equipment to turn to Soviet suppliers so that payment could be made in exports of goods through the bilateral barter agreement. Discussion of some sort of overall accommodation with the superpower on Pakistan's doorstep would probably ensue. Even so, we doubt that Moscow would be in a position to wield significant economic leverage or offer many inducements other than a slight increase in textile purchases. [redacted]

Soviet military and economic support for India will continue to hinder closer cooperation between Islamabad and Moscow. Soviet trade with Pakistan is less than 4 percent as large as Soviet trade with India. We doubt the Soviets would be willing to provide Islamabad with loans at the low interest rates they still offer New Delhi but no longer provide to most other developing countries. Moscow would probably not be willing to divert substantial textile purchases from India to Pakistan. Islamabad is unlikely to permit a significant part of its economy to become dependent on the Soviet Union so long as Pakistani officials continue to believe—as they do now,

25X1

[redacted]-that Moscow gives New Delhi a near veto over USSR-Pakistan relations. [redacted]

25X1

25X1

[redacted]

25X1

25X1

Pakistan: Ahmadis Allege Mounting Persecution

25X1

Ahmadis—generally considered an Islamic sect but labeled heretics by Muslim fundamentalists—charge they are being persecuted by the Pakistani Government and general public. Alleging increased restrictions on their ability to practice their particular variety of Islam, they have begun a concerted effort to publicize their problems through letterwriting campaigns and other nonviolent methods. We believe these tactics will elicit additional anti-Ahmadi actions and sporadic violence. Some Ahmadis could begin to react with violence of their own on occasion. Because of their small numbers, Ahmadis will continue to pose only a minor threat to public order in Pakistan and will not threaten the stability of the Pakistani Government.

Ahmadis—accounting for no more than 2 percent of Pakistan's population—are followers of Mirza Ahmed, a prophet based in Qadian, India at the turn of the century. Although their practices are generally Islamic, Ahmadis are considered apostates by more traditional Muslims primarily because they reject the finality of the prophet Muhammad, a cardinal tenet of Islam proclaimed in the Koran. Opponents assert that, in recognizing Ahmed as the last prophet, Ahmadis reject the teachings of the Koran, thereby renouncing any right to call themselves Muslims, according to the US Embassy in Islamabad. The Ahmadis assert they are Muslims and should be treated as such.

Discriminatory Actions

Anti-Ahmadi sentiment has turned to violence on several occasions. In recent years Ahmadi mosques have been attacked by mobs, according to the US Embassy. Local authorities in several areas have attempted to erase the Muslim creed, called the Kalima—"There is no deity but God: Muhammad is the prophet of God"—from Ahmadi mosques, claiming Ahmadis are apostates and commit heresy by displaying it. Anti-Ahmadi fanatics have on several occasions occupied empty Ahmadi buildings in the Rabwah area, forcing the Ahmadis to file suit to

Ahmadi Demographics

Ahmadis are a well-educated, tightly knit group compared to other Muslim sects in Pakistan. Pockets live in urban areas throughout the country, but the largest concentration, nearly 20,000, is found at Rabwah, the world headquarters of the Ahmadi movement founded in 1949 and located about 120 kilometers west of Lahore. The Ahmadis occupy land around Rabwah allocated to them by the Pakistani Government in 1947 when the Ahmadis arrived from India. The second largest concentration, about 15,000, inhabits an area about 50 kilometers east of Umerkot in southeastern Sind Province. The majority of these Ahmadis are farmers or sharecroppers, according to the US Consulate in Karachi.

25X1

regain control of the property, according to US Embassy sources. The newly elected member of parliament for the Rabwah area is a leading member of the Tehrik-e-Khattam-e-Nubbawat (Movement for the Finality of the Prophethood)—the principal anti-Ahmadi organization—and has been particularly active in harassing the Ahmadi community in Rabwah. On as many as 20 occasions in the last three months he has led processions of 40 to 50 men—many brandishing arms—through Rabwah, demanding the disbanding of the Ahmadi community.

Such actions have been particularly acute in Sind Province. One spiritual leader in southeastern Sind is particularly aggressive toward Ahmadis, often speaking out against them in his well-attended Friday sermon, according to the US Consulate in Karachi. In Sukkur in northern Sind, Sunnis—the predominant Muslim sect in Pakistan—decided that Ahmadis

played a role in a recent explosion at a Sunni mosque and attacked and burned several Ahmadi-owned businesses, causing property damage but no deaths.

Anti-Ahmadi fanatics in Sind are engaged in a systematic campaign to assassinate Ahmadi leaders, according to sources of the US Embassy, who cite the murder of a leading Ahmadi official in Sukkur on 15 March 1985 and the murder of the president of an Ahmadi movement in central Sind on 10 January 1984. Sources of the US Consulate in Karachi report that the unsuccessful murder attempt in the spring of 1985 of an Ahmadi official in Ranipur in northern Sind was one of eight attempts to murder Ahmadis in the Sukkur area at that time.

The Pakistani Government has generally attempted to placate anti-Ahmadi sects with legislation and other restrictions, but we have no evidence that it advocates death for Ahmadis. A constitutional amendment was passed in 1974 declaring the Ahmadis a non-Muslim minority, and an ordinance was promulgated in April 1984 prohibiting Ahmadis from calling themselves Muslims, from proselytizing, and from using Muslim religious symbols, according to the US Embassy. Since 1984 federal officials have banned an annual international gathering at Rabwah that usually attracted 200,000 Ahmadis. Officials have also allowed two non-Ahmadi mosques to be built at Rabwah where anti-Ahmadi grievances are broadcast, but Ahmadis are prohibited from giving their own sermons, according to US Embassy sources. The government is sponsoring legislation that would prohibit publication of the Ahmadi version of the Koran. Islamabad regularly bans Ahmadi religious publications on the grounds that they may foment sectarian tension, but anti-Ahmadi statements appear in all the nation's media, according to US Embassy sources.

Ahmadi prospects for advancement, particularly in the public sector, are poorer than those of the Muslim majority and may be growing worse. Ahmadis are being forced to resign from civil service positions, according to US Embassy sources. Employment discrimination is a major and growing problem, and Ahmadis find it increasingly difficult to get into good schools.

Ahmadis recently alleged—but could not document—two new areas of discrimination, according to US Embassy sources. They claimed the Education Ministry requires Ahmadi examination candidates to indicate their religion on their examination papers. They also charged that the government directs that bids by Ahmadi contractors be rejected. A source of the US Consulate in Lahore reports that government and local officials have mounted a coordinated plan to persecute Ahmadis by arresting those who wear the Kalima and defacing Ahmadi graves and buildings on which the Kalima is inscribed. The Embassy believes these developments could signal a new “get tough” campaign by the government.

Ahmadis are allowed to worship as long as they do not proselytize, and their places of worship remain open, according to the US Embassy. Moreover, since the 1984 ordinance, the parliament has not passed additional anti-Ahmadi legislation. The proposed legislation requiring enforcement of Islamic law would probably allow Ahmadis to practice their religion and proselytize as long as they acknowledge their minority status, according to the Embassy.

The Ahmadi Reaction

Ahmadis have begun publicizing their problems in response to increased discrimination and persecution. They have distributed leaflets critical of government policies toward Ahmadis at several colleges in Sind, according to the US Consulate in Karachi. Ahmadis have written hundreds of letters to Western embassies requesting political or religious asylum and special consideration for immigrant visas to escape the alleged persecution. US Embassy and Consular officials in Pakistan have received more than 100 such requests since 1 February 1987, and more are likely, according to the Embassy. Many letters cite a television broadcast in November 1986 by a Muslim fundamentalist professor, Mujib ur-Rehman, who advocated death for Ahmadis. An Embassy source asserts that Mujib's speech was the last straw for many young Ahmadis, who increasingly see no future for themselves in Pakistan.

Secret

Ahmadis have strict orders from the leader of the world Ahmadi movement—currently residing in London—to react nonviolently to the provocations of anti-Ahmadi fanatics, according to an Embassy source. Ahmadis receive instructions, however, from their “elders” in Lahore to court arrest, according to a source of the US Consulate in Karachi. Ahmadi men court arrest on a daily basis in the village of Kunri in southeastern Sind. In what has become a ritual, two men wearing the Kalima arrive each morning on the train. The crowd jeers, throws vegetables or anything else at hand, and the police arrest the pair. To date, no serious injuries have occurred. The men are jailed for several weeks and then released.

Outlook

We believe the Ahmadis will continue to be a target of violence and discrimination throughout the country. They will continue to publicize their problems mainly through nonviolent tactics that will foster additional anti-Ahmadi resentment and possibly violence among Muslim fundamentalists. We believe the proposed legislation banning the Ahmadi version of the Koran and fresh charges of

discrimination against Ahmadi examination candidates and contractors indicate a continuing trend of discrimination that could drive some Ahmadis to violence, especially if their pleas for asylum go unanswered. Much of the anti-Ahmadi agitation, however, has been, and will continue to be, the work of local officials and private individuals acting without government sanction.

The Ahmadi problem poses no threat to the stability of the Pakistani Government but will continue to contribute to general sectarian tensions. Although Ahmadis are part of an exclusively Muslim religious dispute and pose no major threat to US officials, they will continue to urge US legislators and diplomats to intervene with Islamabad to protect Ahmadi rights. US efforts to assist the Ahmadis, however, would be resented by Pakistanis and regarded as interference in their internal affairs.



25X1

Secret

Algeria: Seeking To Halt Fundamentalism [redacted]

25X1

The Algerian Government fears Islamic fundamentalism could transform an apathetic younger generation into Islamic activists. President Bendjedid's government is trying to isolate the fundamentalist threat by combining repression of religious-based opposition activities with encouragement of a moderate, apolitical "official" Islam. These efforts have quashed immediate threats to the regime and driven the fundamentalists underground. Nonetheless, growing economic and social inequalities, uncertain prospects for a burgeoning youthful population, and a secular, socialist national ideology out of the past may provide a fertile ground over the long term for a radical fundamentalist challenge to the stability of the regime. [redacted]

Background

Although Islam was a major component of Algerian nationalism during the struggle against France, it was pushed out of politics at independence in 1962. The new government created a national ideology that was secular, socialist, and more concerned with Third World than with Islamic causes. The regime viewed Islam as a matter of personal practice confined to marriages, funerals, fasting, and other innocuous areas. A modus vivendi developed between the secular ideology of the ruling party and the religious faith of ordinary citizens, and that relationship has remained generally untroubled for almost 25 years. The Islamic revolution in Iran, however, began to undermine this arrangement, and events inside Algeria in the 1980s seriously shook the government's complacency. Leftist and Muslim students clashed at the University of Algiers in November 1982; fundamentalists successfully opposed the government's introduction of a liberal family code in 1984; Muslim groups tried to impose codes of personal behavior in Algiers's secondary schools in 1984-85; the authorities experienced increasing difficulty controlling the activities of privately financed mosques; and a small

fundamentalist group led by Mustapha Bouali attempted an armed uprising that left at least 20 dead before the security forces killed him in January 1987. [redacted]

25X1

The Fundamentalist Breeding Ground

[redacted] Islam is increasingly attractive to youth. Algeria has a young and growing population—half are under 15, and two-thirds were born after independence. Many have known only poor housing, inadequate education, and limited job prospects. These frustrations coupled with a stringent austerity program increased pressure on Algeria's already limited social services. Two recent Algerian newspaper polls reflect youth dissatisfaction. A survey published in July in "Algerie Actualite" stated that 55 percent of youths polled said that the government has not done as well as it could have since independence (30 percent said it has). Almost 60 percent said Algerian youth were unhappy and overcome with frustration; only 30 percent were satisfied. Another poll that appeared in "Horizons" ranked youth's concerns in descending order of importance as jobs 59 percent, housing 51 percent, standard of living 47 percent, and social status 45 percent. Youthful dissatisfaction of this sort provides potential recruits for religious radicals and increases the gravity of the fundamentalist threat. Indeed, some youths are joining independent mosques funded by private donations which continue to spring up despite the government's efforts to curb them. [redacted]

25X1

25X1

25X1

The Government Response

The government has begun to take the fundamentalist challenge seriously. Indeed, according to the US Embassy in Algiers, the regime sees it as the most serious long-term threat to its stability. Algerian leaders are taking firm steps to counter groups that politicize Islam and to placate potential youthful

Secret

NESA NESAR 87-021
11 September 1987

Secret

supporters of the radicals' cause. The government security court recently imposed the death penalty on four members of the group that supported Bouali's uprising and sentenced others to prison terms ranging from a few years to life. [redacted]

[redacted] the regime has also tried to stir up police efforts against fundamentalist groups by transferring principal responsibility for monitoring them from the gendarmerie to the national police. Since then, the national police have organized a special brigade to investigate, infiltrate, and arrest fundamentalist group members. [redacted]

At the same time that the government is cracking down on fundamentalism, it is trying to foster a version of Islam that supports the secular state, the nationalist ideology, and the pursuit of social justice. This Algerian Islam rejects the Iranian type of liberation theology that turns pilgrimage, prayer, and fasting into political statements and guerrilla warfare. The government uses its control of the mass media to spread its "official" brand of Islam and has founded the Islamic University of Constantine and smaller Islamic institutes throughout the country to train teachers as well as bureaucrats to staff the Ministry of Religious Affairs. It also has increased state support and control of religious personnel, especially the imams who have civil servant status and receive a comfortable salary. In addition, the regime is building new mosques. The current five-year plan calls for the construction of 160. The government has enlisted the help of a senior religious figure, Egyptian Imam Muhammad Ali Ghazzali, who came to Algeria in 1983 after spending time in prison in Sadat's Egypt. Ghazzali appears regularly on Algerian television, where he propounds the approved religious views of the state. [redacted]

To burnish its Islamic image, the regime became the only one in the region to make its weekend Thursday and Friday instead of Saturday and Sunday. It also announced that, despite austerity measures that have touched virtually all areas of government spending, the same number of persons as in 1986—25,000—would be allocated the hard currency needed to make the pilgrimage to Mecca. This measure is especially significant because the government's lottery to distribute the travel grants allows even the poorest citizen to hope that he might someday be able to comply with this basic Islamic duty—an obligation

that even the greatest sacrifices on his part might not allow him to fulfill without outside help. According to the US Embassy in Algiers, this program will cost the government as much as \$30 million in hard currency even though the allocation per person has been slightly reduced from \$1,300 to \$1,200 per person. [redacted]

25X1
25X1
25X1

The government is also making a special effort to prevent the fundamentalists from establishing an institutional base from which they can appeal to the nation's youth. The regime is spending large sums of money in building schools, universities, cultural centers, sports complexes, and summer camps in the hope that these institutions will compete with the mosques for the young people's time and attention. It also is trying to keep religion out of its institutions except on its own terms. It has refused to allow prayer in schools and has resisted vigilante moves to restrict alcoholic beverages, while allowing provincial governments the option of doing so within the existing bureaucratic structure. [redacted]

25X1

Outlook

The fundamentalists have gained some support among youth, but the government's efforts to contain them have kept radical Islam on the periphery of Algerian politics. The regime's effective security network closely monitors the fundamentalists, and this further reduces the threat. Moreover, no identifiable leadership or organization for a religious-based opposition movement has surfaced. [redacted]

25X1

The regime will persevere with its two-pronged program over the near term. It also will continue to try to make its secular and national ethos attractive to larger numbers of young Algerians. The country's difficult social and economic conditions will probably preclude it from achieving major success in that regard, but only in the unlikely event that these conditions worsen appreciably or the government appears incapable of dealing with national problems will fundamentalism gain widespread support in the next few years. [redacted]

25X1

[redacted] 25X1

Secret

Secret

Algeria: Current Internal Political Dynamics

25X1

We do not believe that President Chadli Bendjedid, who has ruled Algeria for nine years, faces an immediate threat to his hold on power. Leftist opponents of the regime, such as Communists and former leaders in exile, represent marginal groups. Fundamentalists and Berber nationalists have larger followings but have been effectively repressed by the government's pervasive security apparatus.

loyalists and eradicate corruption and mismanagement. He hopes to create a foreign policy climate conducive to his reforms by improving relations with Morocco and Libya and expanding economic ties to the United States and Western Europe.

25X1

Nevertheless, we believe that the President's authority has slipped over the past year largely because of mounting economic and social problems and factional infighting among the ruling elite. The decline in government revenues caused by lower international oil and gas prices, coupled with Algeria's rapid growth in population and urbanization, has crippled efforts to meet growing demand for housing, food, and health and educational services. These failures have created public disgruntlement which flared into riots late last year and student disturbances this spring.

Despite these efforts, the President's opponents—spearheaded by FLN Permanent Secretary Messaadia and other party leftists—are gaining momentum. Leftists have long argued that Bendjedid's proposed changes—which would undermine their prerogatives in the large public sector—are ideologically unpalatable. They have seized on new uncertainty over the economy to support their contention that further change will increase social turmoil. Leftists also argue that economic constraints necessitate continued reliance on Moscow for major weapon systems and keeping a distance from the United States—a point that finds a receptive audience among some key Army leaders such as acting Chief of Staff Belhouchet.

25X1

25X1

25X1

25X1

Consensus Politics Fraying

Collegial decisionmaking, in which the President is "first among equals" within the ruling group of senior military officers and officials of the ruling National Liberation Front (FLN), has been the trademark of the Bendjedid government. The leadership has generally been united in its maintenance of a highly centralized political system, government control of leading economic sectors, and budget austerity to deal with the economic downturn. Domestic problems in 1986-87, however, have produced acrimonious debate among the rulers over financial and political priorities.

We believe that the resurgence of hardline opposition has compelled Bendjedid to slow the pace of reform. Earlier this year he was only partly successful in electing new people to the country's legislature—a development that probably convinced him to abandon rumored Cabinet changes. He has been reluctant to force much-needed retirements in the country's topheavy and aging officer corps. The President's recent foreign policy moves to improve relations with Libya, to escalate the fighting in Western Sahara by the Algerian-backed Polisario guerrillas, and to purchase new weapons from Moscow probably were also intended to placate hardline rivals.

25X1

25X1

Bendjedid, supported by other pragmatists, wants to break up state-run farms, promote private initiative, attract Western investment in selected industries, and decentralize the government to rationalize the country's inefficient bureaucracy. As part of his efficiency program, he has attempted to replace party officials in government with qualified technocrats and

Prospects

Bendjedid probably will not abandon his reform program, but he is likely to move cautiously. We believe that gradualism is the most expedient course

Secret

NESA NESAR 87-021
11 September 1987

Secret

for the President over the short term, even though it risks further political immobility, economic decline, and social turmoil. As long as the entire leadership believes in the need to maintain tight political control over the country, Bendjedid will continue to have the necessary support for dealing harshly with political threats from outside the government.

25X1

25X1

Secret

**Algeria: Bendjedid's
Foreign Policy**

25X1

President Bendjedid has been undertaking highly visible foreign policy initiatives in response to foreign and domestic pressures. We believe that his moves, which entail risks, are designed to refurbish his leadership at home and in the Arab world. They also probably will create difficulties for US-Algerian relations.

Recent Meetings

Over the past five months Bendjedid met with Tunisian President Bourguiba, took part in summit meetings with Libyan leader Qadhafi, Morocco's King Hassan, and Saudi Arabia's King Fahd, and was host to the Palestine National Congress. We believe that these events represent an uncharacteristic activism on the part of the usually cautious Bendjedid.

Bendjedid's Motives

The President's key foreign policy objective is to push Morocco to agree to a compromise settlement of the Western Sahara dispute. Algeria and the Polisario guerrillas it supports are stymied by Morocco's static defense behind an earthen berm:

- Bendjedid hopes his efforts to expand cooperation with Qadhafi will help isolate Morocco and force Hassan to compromise on terms for a settlement, or at least lead to financial support from Tripoli for the Polisario.
- As part of this plan, he hopes to coax Tunisia and Mauritania into allowing Libya to join their Treaty of Fraternity and Concord, despite his lack of success in resolving disputes between Tunisia and Libya.

Bendjedid also is eager to establish Algeria's leadership in the Arab world as well as his own credentials as a senior Arab statesman. He actively supports reconciliation of the Palestinian factions and has ties to radical Palestinian groups. He continues to play a role as an intermediary in the war in Chad.

Domestic considerations have also influenced Bendjedid's actions. He almost certainly hopes his foreign policy offensive will strengthen his position against his rivals at home, or at a minimum deflect public attention from the country's increasing economic and social problems.

Risks for the President

Bendjedid probably overestimates his ability to control Qadhafi, obtain financial compensation for Tunisian workers expelled from Libya in 1985, or stop Libyan meddling in Tunisian affairs. New terrorism by Libya or radical Palestinian groups could provoke Western censure. Bendjedid is probably also too optimistic about his ability to force King Hassan to meet Algerian terms for a settlement of the Western Sahara dispute. Moreover, his foreign policy initiatives may increase frictions among competing factions in his government over how best to deal with Morocco and Libya.

Implications for the United States

Bendjedid undoubtedly realizes that some of Algiers's moves will not be welcome in Washington. He evidently has decided, however, that the possible regional and domestic gains are worth the strains in US-Algerian relations. He is most likely dissatisfied with US neutrality on the Western Sahara issue. He also probably believes that Qadhafi is weathering his military defeats in Chad, is less vulnerable to a coup, and that Algiers must seize the opportunity to develop a working relationship with the Libyan leader on more favorable terms.

25X1

Secret

Mauritania's Debt Situation: Trying Hard—With Few Resources

25X1

Since early 1985, Mauritania has adhered to a rigid austerity program aimed at reducing its debt problems. Foreign debt was about \$1.6 billion in 1986 but the rate of growth of debt slowed during the year and the ratio of debt to the value of exports fell.

Mauritania will need further debt relief as current loans mature, but, if Nouakchott continues to comply with the adjustment program, we believe commercial and official lenders—who have been impressed with Mauritania's performance thus far—will reschedule and perhaps grant other relief. The improvement in the country's debt situation, however, comes at the cost of higher unemployment and prices for consumer goods, threatening the popularity of the Taya regime.

Persistent Debt Problems

Mauritania's foreign financial problems steadily worsened during the 1970s and early 1980s. The failure of several large, unwise development projects and the collapse of the price of iron ore—then Mauritania's main export—forced Nouakchott to adopt austerity programs in 1978 and 1980. The latter IMF-supported program was abandoned in 1984 because a prolonged drought forced increased food imports and Mauritania refused to devalue its currency.

Turning the Corner

After a coup in 1984, the new leader, Colonel Taya, met with the IMF within 48 hours after taking power to restore the austerity program and revive the economy. Twelve-month standby loans were granted in April 1985 and April 1986. By the end of 1986 Mauritania had:

- Eliminated all foreign and domestic debt arrearages—about \$100 million.
- Reduced the current account deficit from 22 to 7.7 percent of GDP, exceeding the target for the end of 1988.
- Achieved a budget surplus of about 1 percent.
- Reduced investment by eliminating wasteful projects.
- Let the currency depreciate about 22 percent by adopting a flexible exchange rate.

Table 1
Mauritania: Debt Indicators *Percent*
(except where indicated)

	1975	1984	1986
Foreign debt (<i>million US \$</i>)	188	1,323	1,582
Debt as a share of exports of goods and services	99	391	344
Debt service as a share of exports of goods and services	21	17	25
Interest payments as a share of goods and services	3	11	12

25X1

Because it has continued to impress lenders, Mauritania has been able to obtain new support. Since August 1986 the IMF has granted a structural adjustment loan and approved a third 12-month standby for about \$13 million; the World Bank has lent about \$42 million; and Saudi Arabia and West Germany have cofinanced an additional \$8 million. The Paris Club has rescheduled Mauritania's debt over 15 years. No creditor has asked for significant changes in targets or performance. All apparently are satisfied with the program and Mauritania's compliance.

Cost of Austerity

Progress has had a cost. Because of the costs of the austerity program, the government has only limited ability to provide employment for the population steadily streaming into the cities from the desert. Unemployment is high and increasing. Consumer discontent is rising because of higher prices. Some food prices have doubled in recent months, according to the US Embassy in Nouakchott. The costs of electricity and water increased 15 and 10 percent, respectively, [redacted] Although price liberalization and the reduction in the number of

25X1

Secret

NESA NESAR 87-021
11 September 1987

Mauritania: The Economy at a Glance

Agriculture, Mauritania's main economic sector, has been devastated by drought, poor farming techniques, and overgrazing. As a result, the Sahara is replacing former farmland at a rate of about 7 kilometers per year. Desertification has led to extremely rapid urbanization. Since the late 1960s the urban population has risen from about 15 percent of total population to about 85 percent. Nouakchott, for example, has increased from about 30,000 people to approximately 500,000. Unemployment is high, and the government has adopted food-for-work programs including sweeping sandy streets.

Mauritania has few marketable natural resources. Iron ore provides about 40 percent of foreign exchange earnings. The market, however, is severely depressed, and Mauritania was forced to accept a 10-percent price cut in March 1987 that left real prices lower than they were in 1975. Copper mining was suspended in 1979, and there is little phosphate mining because of low prices. Oil in commercially viable amounts has not been discovered.

Fish are the most valuable resource. Fishing and rental of fishing rights have become the main source of foreign exchange. The fishing industry is small but growing, and Nouakchott usually requires foreign firms to hire and train Mauritians and to invest in equipment.

In late June 1987 the fishing treaty with the Soviet Union was renewed on terms favorable to Mauritania. The Soviets agreed to reduce significantly the size of their catch but to pay more, according to the US Embassy. We believe that Mauritania will try to get similar terms in impending negotiations with other countries. We doubt, however, that the country's small Navy can enforce the treaties, and we expect Mauritania to seek Western aid to upgrade its capabilities.

[Redacted]

items subject to artificially low price controls will increase incentives to produce and will make prices reflect the costs of production, many Mauritians resent their reduced purchasing power and blame the Taya government and the IMF and World Bank for their plight.

Outlook

We expect Mauritania to continue its efforts to limit the growth of its debt in the coming year while trying to build an economic base for long-term growth. Adherence to the structural adjustment program will almost surely continue as long as Taya stays in power.¹ Tax revenues will probably continue to rise because of increased collection efforts. Nouakchott and the IMF are exploring ways to increase revenues without creating serious disincentives to saving and investment. For example, special tax exemptions that are no longer regarded as socially useful—such as exemptions from tariffs on raw materials and spare parts—may be eliminated, [Redacted] There is also a proposal to unify the tariff system at lower overall rates. This fall the proposals will be evaluated, and improvements will be written into the 1988 Budget Law.

Interest payments on foreign debt will increase about 7 percent this year, more—in percentage terms—than any other item in the budget except spending on social services, according to Mauritanian data [Redacted] [Redacted] Although military expenditures will continue to be the largest amount in the budget, they will grow by only about 1 percent this year. Subsidies to public firms that sell products have been abolished.

We believe that Nouakchott will be better able to keep track of its spending because budgeting procedures will be improved. This fall Nouakchott

[Redacted]

25X1

25X1
25X1

25X1

25X1

Secret

Table 2 *Million US \$*
Mauritania's Foreign Debt, 1979-86

	Total Debt
1979	683
1980	824
1981	1,042
1982	1,199
1983	1,349
1984	1,323
1985	1,465
1986	1,582

and the IMF will evaluate several new budgeting measures tested this year, [redacted] Successes will be carried over to the 1988 budget along with new suggestions. Special attention will be paid to the cost effectiveness of social services spending and to increased local financing.

Plans call for the banking system to be restructured—with IMF assistance—to increase the Central Bank's ability to regulate the money supply, control other banks, and use interest rates to increase investment. With IMF and World Bank help, two other banks will merge to form a development bank. One bank has been privatized, and two others will be as soon as their balance sheets improve. To overcome the shortage of skilled bankers, Mauritania is trying to recruit foreigners.

Increased efficiency will not come without political risk. Under the nationalized system, managers often granted loans to politically important people and relatives who could not or would not repay. Banks rarely tried to collect, according to the US Embassy in Nouakchott. We believe that some of these influential businessmen will resent the new policy of granting loans based on creditworthiness and may begin to encourage opposition to the Taya regime.

Real GDP will probably grow about 4 percent next year if Taya stays in power and the weather is good. Two new dams on the Senegal River that will begin operation will increase food production. We expect fishing revenues to increase because newly signed treaties entail significantly higher fees.

25X1

Despite these economic improvements the country will remain impoverished and in need of foreign aid and debt relief because growth will be from a very low base. Aside from the structural adjustment program, the economy remains in extremely bad shape with little prospect for significant improvement. Mauritania is almost certain to remain poor. Population growth of almost 3 percent per year will lead to only a slight increase in the per capita income of about \$450 per year.

25X1

25X1

Secret

**Near East and
South Asia Briefs**

25X1

Saudi Arabia**Effects of Gas Plant Explosion**

25X1

The explosion at the Ju'aymah natural gas plant in the industrial port of Al Jubayl on 15 August will curtail petrochemical exports for up to one year. The US Consulate in Dhahran reports that both ethane production trains at Ju'aymah sustained damage as a result of an industrial accident and fire. The facility is the chief source of feedstock for a variety of petrochemical factories in the Al Jubayl area, according to the US Consulate. The Saudis are planning to draw down stored ethane, but supplies are limited. Excess ethane production capacity at the Yanbu industrial complex also is being brought back on line, but the feedstock must be shipped around the Arabian Peninsula to Al Jubayl at added cost. Repairs are estimated to cost up to \$100 million. Although petrochemical exports from Al Jubayl probably will fall up to 35 percent until the damaged ethane production facilities are brought back into service, prices of petrochemicals are unlikely to be affected because of excess world production capacity.

25X1

25X1

Women in the Work Force

25X1

Recent gains by some Saudi women in the work force give promise of still greater opportunities. The US Embassy says that one foreign oil company plans to hire more women for clerical positions after an overwhelming female response to a vacancy notice. Female employees usually outperform their male counterparts in such positions and approach their work with greater enthusiasm. Male secretaries often see clerical work as menial and below their abilities. Moreover, better education and encroaching Western values are increasing the desire of some women for a greater role in the work force and for loosening the strictures against broader female participation. Pressure from religious quarters, however, remains strong, and one foreign oil company plans to reduce its female work force by attrition. Progress also will be hindered by the spread of Islamic fundamentalism and the continuing Gulf recession.

25X1

Lebanon**Syria Still Deeply Involved in the Bekaa Drug Scene**

25X1

Syrian security forces controlling Lebanon's Bekaa Valley continue to benefit from the area's lucrative drug production despite Damascus's claim of mounting a major antidrug program in the region. Syrian leaders announced widespread drug eradication campaigns in eastern Lebanon earlier this year, claiming to have significant financial support from several Western countries and the United Nations. however, there is no evidence to suggest that Damascus has received international

25X1

Secret

NESA NESAR 87-021
11 September 1987

Secret

antinarcotics funds in 1987. Furthermore, in our judgment, Syria's limited eradication activities in the Bekaa reflect an effort to channel drug profits to corrupt Syrian military commanders and confirm their control of the region's narcotics business. [redacted]

25X1

[redacted] leading Syrian military officers continue to extend their protection to the Bekaa's poppy and marijuana growers. [redacted]

25X1

25X1

[redacted] Damascus's antinarcotics efforts this year have been limited to punishing Lebanese families who failed to buy protection from the Syrian military. Local opium and hashish producers believe that, if Damascus received foreign antidrug funds, they were shared among the local Syrian commanders in the Bekaa and not applied toward drug eradication. [redacted]

25X1

25X1

In our judgment, Damascus has little motivation to pursue a serious antinarcotics effort in Lebanon because:

- Drug money underwrites much of the local economy.
- Extortion by Syrian forces stationed in the Bekaa offsets the low salaries Damascus pays both soldiers and commanders.
- Attempting to eradicate the popular and lucrative drug trade would unnecessarily alienate the local population. [redacted]

25X1

India**Corruption Underwrites Continuing Opium Production** [redacted]

25X1

The corrupting influence of strong and resilient networks of local drug growers and traffickers prevents effective drug enforcement programs in India. There is little likelihood for success in locally initiated antinarcotics efforts in Indian states—Uttar Pradesh, Madhya Pradesh, and Rajasthan in particular—where illegal drug money supports longstanding relationships among private growers and local officials. Moreover, the federal government is unlikely to mount the kind of committed long-term campaign necessary to break these linkages. [redacted]

25X1

Farmers in north India grow illicit opium poppies, confident that they have the protection of powerful local, state, and central government officials. [redacted]

25X1

[redacted] New Delhi outlawed licit opium growing in Uttar Pradesh in 1962, but opium growers in the state's isolated northwest use a complex system of payoffs and kickbacks to guarantee local officials' support. The source notes that farmers and officials have grown mutually dependent on the income from narcotics. Local and state officials rely on drug money to subsidize the large campaign chests necessary to secure public office. Farmers in economically depressed areas of the state rely on the relative stability of the illicit opium market to supplement their incomes and to earn the large sums necessary to buy bureaucratic protection [redacted]

25X1

Corrupt state officials are in turn protected by powerful figures in the national government, according to the source. New Delhi's efforts last spring to reduce the opium output in Uttar Pradesh were thwarted by the intervention of members of the national legislature who used their influence to prevent anything more than symbolic poppy eradication in a few isolated villages [redacted]

25X1

Secret

Secret

Secret