

SECRET

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NIO/W Contribution to the Watch Committee

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Lebanon

—The precarious ceasefire also could be disrupted by Lebanese Muslim reactions to Phalangist moves to expand the territory under Christian control. Even if the PLO accepts a negotiated surrender, competition between Muslim and Christian forces for advantage in future negotiations for a political settlement is likely to produce periodic outbreaks of fighting.

USSR

—The apparent decline in Brezhnev's political authority probably has increased his vulnerability to pressure for early retirement. Competition between Chernenko and Andropov could bring succession maneuvering to a head in the near future.

—Brezhnev's failure to meet with King Hussein may signal another setback to his health that will impair both his ability to resist pressure to retire and to control the succession process.

El Salvador-Nicaragua

—The Sandinista regime may view the coordinated Salvadoran-Honduran military operation against the insurgents in northern Morazan as requiring a strong Nicaraguan response. The apparent growth in the hard-liners' influence in Managua increases the chances of such a reaction—for example, Nicaraguan attacks on anti-Sandinista camps in Honduras.

—Growing anti-Sandinista activity, coupled with the arrival of 2,000 additional Cubans, may produce a significant hardening in Sandinista policy toward El Salvador and Honduras. The Sandinistas may soon proclaim a "Socialist Republic" as a means of eliciting greater Soviet and Cuban assistance.

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