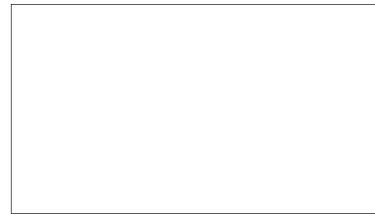




Director of  
Central  
Intelligence

*OC PAS / Cable Editor*

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# National Intelligence Daily (Cable)

5 April 1982

DIA review  
completed.

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*CPAS NIDC 82-079C*

5 April 1982

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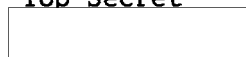
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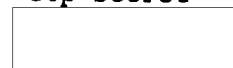
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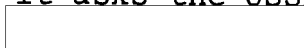
INTERNATIONAL: Nonaligned Criticism of the US

*The 34-member Coordinating Bureau of the nonaligned movement will discuss the Palestinian question at its ministerial conference opening today in Kuwait and probably will issue a communique condemning US policy in the Middle East.*



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The draft communique, prepared by Cuba and the PLO, accuses the US of hostility toward the Palestinian people and of making Israel a base for colonialism and racism. It also denounces the introduction of "NATO forces" into the Middle East--a reference to the multinational force stationed in the Sinai--and claims that these forces are planning operations outside the Sinai. In addition, it asks the USSR to increase its assistance to the PLO.



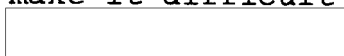
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The Coordinating Bureau's moderate members have made virtually no contribution to the draft and are disturbed by its bias. They want the movement to be equally disassociated from the US and the USSR and are considering trying to revise the draft at the conference.



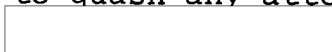
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Comment: The moderates probably will not try hard. Israel's recent actions in the West Bank and the importance of the Palestinian issue to radical members will make it difficult to counsel moderation at the conference.



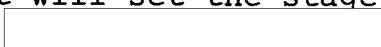
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Moreover, the Cubans and other radicals dominate the Coordinating Bureau and are determined to make anti-Americanism an integral part of nonaligned philosophy. Cuba will use its considerable power as chairman to quash any attempt to make major changes in the draft.



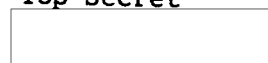
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The moderates, however, probably will assert themselves more strongly after the conference. At the summit in Baghdad in September, Iraq--which is less pro-Soviet than Cuba--will assume the chairmanship and the members will select a new Coordinating Bureau. The moderates are organizing to exert greater influence in the preparatory meetings that will set the stage for the transfer of leadership.



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USSR: Announced INF Reductions May Include SS-20s

When President Brezhnev announced a freeze in deployment of SS-20s in the European USSR last month, he also said the USSR intends to reduce a "certain number" of its medium-range missiles.

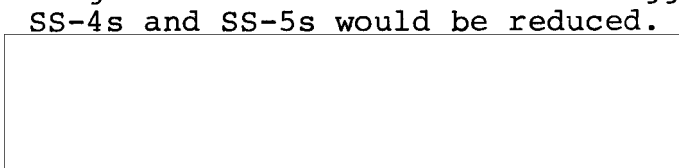


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Comment: Brezhnev's failure to specify which medium range SS-20 missiles he meant suggested that only aging SS-4s and SS-5s would be reduced.



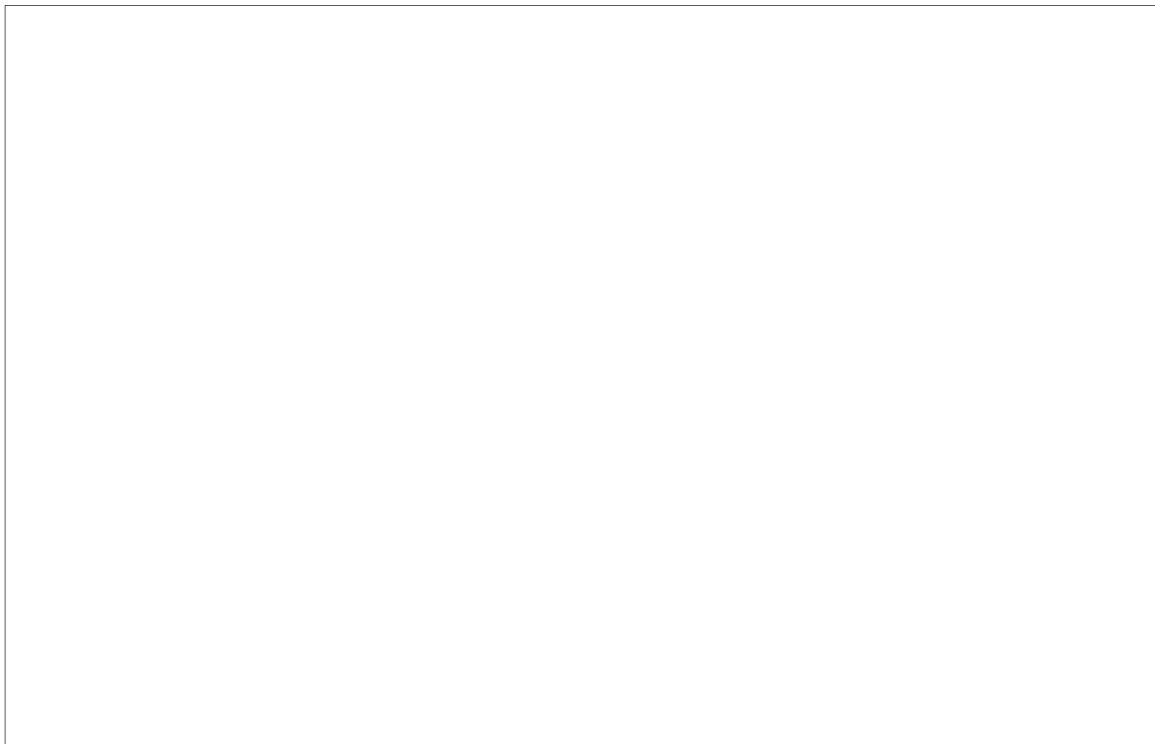
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may hope any announced intention to decrease the number of SS-20s will enhance the campaign to block deployment of new US missiles in Europe.



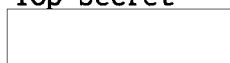
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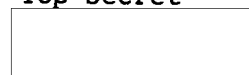
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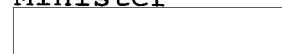
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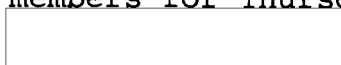
AUSTRALIA: Opposition Labor Party Wins Local Election

//Voting returns on Saturday show that the Labor Party achieved a comfortable majority in elections for the Victoria State Legislative Assembly. The Labor victory ends the 27-year dominance of Prime Minister Fraser's Liberal Party in his home state.//



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Comment: //The defeat of the Liberal Party apparently represents public reaction to Fraser's tight monetary policies and the high unemployment rate. Fraser may well face a challenge to his leadership of the party from former Foreign Affairs Minister Peacock and has called a meeting of Liberal Party senators and house members for Thursday to reconfirm his leadership.//



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SPECIAL ANALYSIS


JAMAICA: Seaga's Prospects




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*//Nearly 18 months after the Labor Party's landslide victory, Prime Minister Seaga's government has begun to turn around Jamaica's economy and to reestablish public order. Much remains to be done, however, and Seaga will need continued large amounts of external assistance to keep his programs moving.//* 


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*//Without sustained economic improvement, Seaga's popularity will begin to erode. In any event, letdown seems inevitable, because public expectations are high and progress is certain to be slow and painful.//* 


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*//To rebuild the shattered economy, the government has moved to dismantle state economic management and to encourage market forces and private enterprise. Seaga's efforts to restore business confidence and encourage new investment, while impressive, have not been as successful as initially anticipated.//* 

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*//The world recession has set back development plans. In addition, the economy has been hit hard by the weak demand for bauxite, Jamaica's primary source of foreign exchange. Tourism, on the other hand, has rebounded and is an economic bright spot.//* 

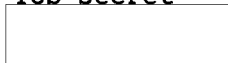
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*//To keep on track, Seaga will need foreign aid to bridge a \$1 billion financial gap this year. Unpopular measures to reduce the government deficit and more rapid elimination of price and import controls are required to ensure vital IMF financial support. Even with help from the Caribbean Basin Initiative, Jamaica will not be able to buy sufficient imports in 1982 to raise economic activity much above the level of last year.//* 

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//Disappointing economic growth and continuing high unemployment are likely to erode public support over the longer term. Managerial talent is extremely scarce, and Seaga's personal involvement in implementing these policies is taking a toll on his health.//



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#### Relations With the US

//Seaga is closely identified with the US, and other moderate leaders in the Caribbean will use his progress to gauge what Washington could do to promote political stability and economic well-being for their countries. With Jamaica viewed as the showcase of the Caribbean Basin Initiative, the island's failure to achieve political stability and economic growth would have a demoralizing impact throughout the region.//



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#### Political Challenges

//Seaga's opponents, led by former Prime Minister Manley, still have not recovered from their overwhelming defeat at the polls. Nonetheless, radicals in control of the opposition party will attempt to exploit Seaga's difficulties and weaknesses.//



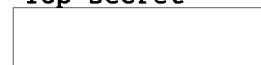
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//Political violence has declined since the election, but the high crime rate will continue until the government improves economic conditions. Jamaica's security forces still lack the manpower to eliminate outbreaks of leftist-inspired terrorism.//



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