



**Director of
Central
Intelligence**

~~Top Secret~~



OCPAS/CIG

CY# 285



National Intelligence Daily

*Monday
18 July 1983*

~~Top Secret~~

CPAS NID 83-167JX

18 July 1983

Copy 285

25X1

Page Denied

Top Secret

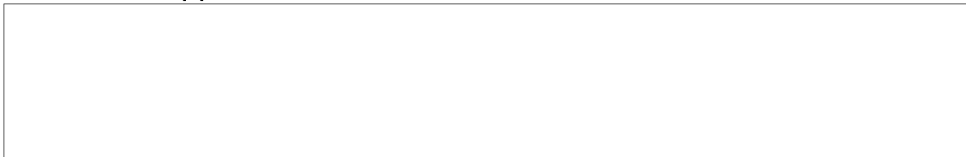


25X1

Contents

Chad: Progress in East 1

Canada: Opposition to Cruise Missile Decision 2



25X1

USSR: Status of Gas Export Pipeline 6



25X6

USSR-US: Editorial on START Position 8

West Germany: Conservatives Attack Strauss's Policies 8

EC: Reaction Against US Specialty Steel Measures 9

International: Socialist Action on Central America 9



25X1

Poland: Walesa's Future Activities 10

Ethiopia-Somalia: Border Flareup 11

Portugal: Tackling Economic Problems 11

UK: Cuts in Defense Budget 12

Indonesia-UK: Arms Purchase Negotiations 12



25X1

25X1

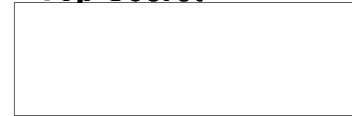
Top Secret



25X1

18 July 1983

Page Denied



25X1

CHAD: Progress in East

President Habre's forces still retain the initiative in the east, but both sides are experiencing logistic and resupply problems.



25X1

25X1



The OAU issued a pro forma statement on Chad over the weekend calling for an end to hostilities and foreign intervention and for Chad's factions to reconcile; the government rejected the call. Two French KC-135 tanker aircraft recently were sent to Gabon to support a squadron of Jaguar fighters already in Libreville for use should Paris decide to intervene in Chad. About five truckloads of UN food are now arriving daily in N'Djamena from Nigeria.



25X1

Comment: Habre's presence at the front and his skilled tactics, together with French arms and advisers, have for now reversed the fortunes of the overextended rebels. But Habre's endurance in battles to come depends in large part on adequate supply lines because the rebels still are superior in numbers and firepower.



25X1

25X1



Top Secret



25X1

Top Secret



25X1

CANADA: Opposition to Cruise Missile Decision

Canada's domestic peace movement will continue its vigorous opposition to testing US air-launched cruise missiles in Canada, despite Ottawa's announcement on Friday that it will permit such tests.



25X1

The Canadian Peace Congress—the country's largest peace organization and often the spokesman for the domestic peace movement as a whole—immediately condemned the decision and announced it would try to organize nationwide protests against cruise missiles during the week of 6-13 August. Another peace group, Operation Dismantle, said it would seek a court injunction to block testing. In addition, a spokesman for the United Church, Canada's largest Protestant denomination, called testing a sin and urged all church members to protest the decision to their parliamentary representatives.



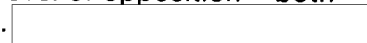
25X1

Comment: Although Ottawa's approval was expected, the final cabinet meeting was significantly longer than usual, suggesting that there continues to be considerable opposition to testing within the government. In announcing the decision, in fact, External Affairs Minister MacEachen apparently bowed both to the dissenters within the government and to the domestic peace movement by indicating that the decision would be subject to review and possibly to alteration should "an important development" occur in the arms control negotiations in Geneva.



25X1

Prime Minister Trudeau has consistently identified cruise missile testing as an essential aspect of Canada's contribution to NATO. Without a breakthrough in Geneva, his government probably will stand by its decision to test, whatever the level of opposition—both within the government and from the public.



25X1

Top Secret



25X1

Page Denied

Next 3 Page(s) In Document Denied

Top Secret

[Redacted]

25X1

USSR: Status of Gas Export Pipeline

Pipelaying operations on the USSR's gas export pipeline are likely to be finished by this fall. [Redacted]

25X1

Soviet media reported recently that all but 50 kilometers of the pipeline have been welded into a continuous strand and that less than 200 kilometers still need to be laid. The media also report that over 3,000 kilometers of the 4,451-kilometer-long pipeline have been tested, including most of the difficult eastern portion of the route from Urengoy to the Urals. [Redacted]

25X1

By the end of this year, the Soviets plan to have 18 compressor stations in operation. [Redacted]

25X1

[Redacted]

25X1

[Redacted] The media have reported, however, that a lack of support infrastructure is hampering construction at some sites.

25X1

[Redacted]

25X1

Comment:

[Redacted]

25X1

[Redacted] the media claims probably are fairly accurate. The Soviets are unlikely, however, to complete 18 compressor stations by the end of 1983. [Redacted]

25X1

25X1

Nevertheless, the pipeline could be operated at less than full capacity. [Redacted]

25X1

[Redacted]

25X1

There almost certainly will be enough compressor power on line to meet delivery obligations to Western Europe in 1984. [Redacted]

25X1

Top Secret

[Redacted]

25X1

Page Denied

Top Secret

25X1

USSR-US: Editorial on START Position

An authoritative *Pravda* editorial on Saturday contrasted official Soviet START negotiating proposals, which it said would result in warhead ceilings below current US levels, with US proposals that it charged would result in a race to increase warhead totals. The editorial called the US willingness to consider limits on ICBMs and SLBMs above the 850 level an attempt to provide for new US ICBM programs. It also asserted that the US proposal for a reduction in ballistic missile warheads to 5,000 units would exclude "more than 12,000" cruise missiles it said the US was planning to deploy. [redacted]

25X1

Comment: The apparent purpose of the editorial is to undercut what Moscow probably considers one of the US START team's strongest and most publicly effective positions—its emphasis on the need for deep reductions in ballistic missile warhead numbers to make the nuclear balance more stable. The editorial's appearance now suggests that Moscow is trying to build on the generally favorable reception that the Western press has accorded rumors of recently submitted Soviet proposals for reductions in the number of strategic launchers. [redacted]

25X1

WEST GERMANY: Conservatives Attack Strauss's Policies

Rightwing forces at the Christian Social Union's annual congress, meeting in Munich, have expressed their displeasure with party chairman Strauss's role in arranging a \$400 million loan for East Germany. Strauss was reelected to his post by only 662 of the 949 delegates—his worst showing in 22 years as party leader. The conservatives, who had long followed Strauss's hardline rhetoric on intra-German matters, were shocked that he had apparently abandoned his demands for measures in return for any West German concessions. [redacted]

25X1

Comment: Strauss will attempt to vindicate his *Ostpolitik* this week during visits to Poland and East Germany, where he plans to meet with East German leader Honecker concerning East German concessions. The conservatives' protest may actually have strengthened Strauss's negotiating position. If, as expected, East Berlin agrees to concessions on travel and other personal contacts, Strauss not only will have justified himself to the conservatives, but he also will have enhanced his stature as an influence on foreign policy.

25X1

Top Secret

25X1

Top Secret

25X1

EC: Reaction Against US Specialty Steel Measures

Today's EC Council meeting is expected to announce retaliatory measures in response to new US restrictions on specialty steel imports. EC Industry Commissioner Davignon has warned US officials that the reaction will be sharp. The UK and West Germany have been the harshest critics among the member states. According to the US Embassy in London, Robin Gray, Deputy Secretary of the British Department of Trade and Industry, is urging for the Community to show the US that protectionism is not cost free. [redacted]

25X1

Comment: At a minimum the EC will formally announce plans to seek compensation for the new trade restrictions under provisions of the GATT. Some form of direct reprisal against US industrial products entering the Community also is possible. Moreover, the French are pressing for limits on imports of US agricultural products, such as corn gluten. Most EC members are not yet prepared to expand the dispute beyond industrial products. [redacted]

25X1

INTERNATIONAL: Socialist Action on Central America

[redacted] Socialist International leaders have decided to encourage the US, the USSR, and Cuba to reduce their military assistance in Central America. The leaders believe that war between Honduras and Nicaragua is imminent and that unpredictable changes in the region are likely to result. Although the Socialist International leadership has become disenchanted with the Sandinistas' failure to fulfill the promises of their revolution, it does not plan to withdraw support for Managua. The message to Nicaragua on the anniversary of the revolution, however, will urge the Sandinistas to develop a constitution guaranteeing civil and political rights and an early election. [redacted]

25X1

Comment: The decision by the leadership of Socialist International to put pressure on the USSR and Cuba is a departure from previous policy, which tended to ignore Soviet and Cuban military intervention in the Third World. This new policy is likely to be opposed by many members, but, if a consensus should be achieved, the Socialist International probably would adopt a low-key approach stressing the two countries' economic self-interest in avoiding a war in Central America. In addition to their genuine concern about increasing tensions in Central America, the leaders also may fear that a war between Nicaragua and Honduras would further divide the Socialist International by deepening differences between various members' positions on Nicaragua. [redacted]

25X1

25X1

Top Secret

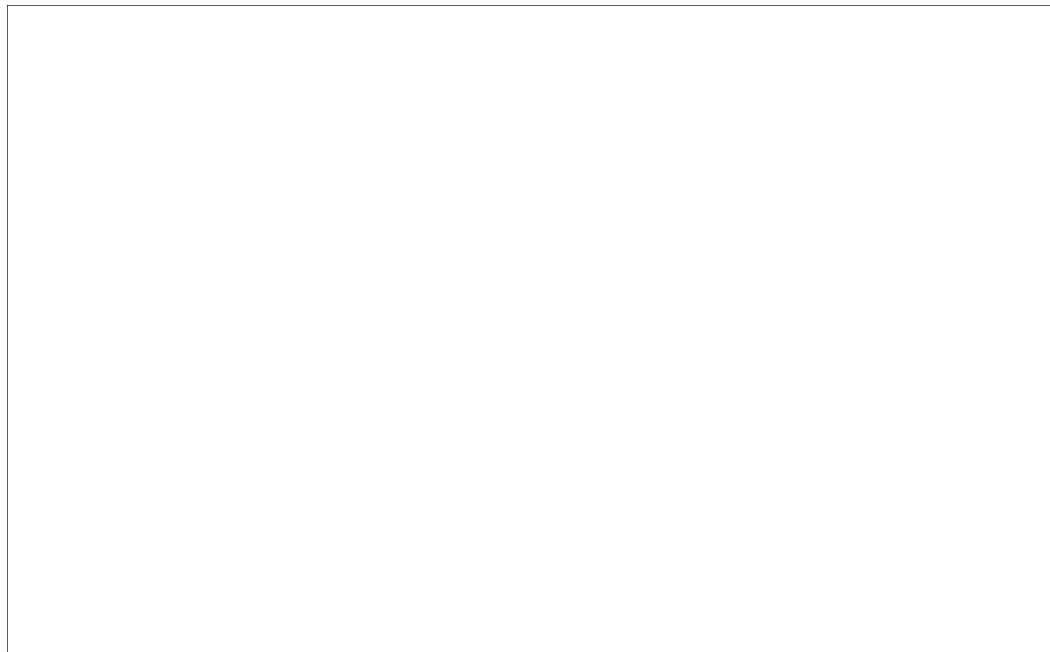
25X1

Page Denied

Top Secret

[Redacted]

25X1



25X1

POLAND: Walesa's Future Activities

[Redacted] the former Solidarity leader has little hope of persuading the authorities to open a dialogue but believes he still has to act as a spokesman for workers. Walesa recognizes the regime is too strong and has dismissed the idea of leading a general strike. He also has [Redacted] rejected the notion of joining any Church-sponsored organization and does not share the interest of some colleagues in strengthening the underground. Nonetheless, Walesa still believes he has to speak out, from time to time, and was "livid" at the rumors that the Pope had asked him to step aside. [Redacted]

25X1

25X1

25X1

Comment: Walesa is clearly frustrated by the many constraints on him and is still searching for a role. Although he has previously threatened to go underground, he probably believes that option is inappropriate for someone of his stature and also could eventually lead to imprisonment. His recent decision to take unauthorized leave from his job at the Gdansk shipyard apparently is in part an attempt to counter talk of his political retreat. [Redacted]

25X1

Top Secret

[Redacted]

25X1

Top Secret



25X1



634714 7-83

25X1

Top Secret



18 July 1983

25X1

Top Secret

[Redacted]

25X1

ETHIOPIA-SOMALIA: Border Flareup

President Siad claimed yesterday that Somali reinforcements had forced Ethiopian and dissident troops to pull back in the area around Mataban, where they had launched an attack on Saturday.

[Redacted]

25X1

25X1

The US Embassy described Siad as distraught and demoralized yesterday as he expressed his concern that much heavier Ethiopian attacks would now be launched against other targets along the border.

25X1

25X1

Comment: The attack clearly is an escalation in the border fighting, but it is doubtful that Ethiopia has launched a major offensive.

25X1

some Ethiopian units are likely to have backed dissident forces in a border incursion, perhaps aimed at giving the dissidents a propaganda victory in a normally quiet area before a conference they have planned for tomorrow. It is unlikely that Chairman Mengistu—now seeking famine relief assistance from the West and, as chairman of the OAU, heavily preoccupied with discussions on Chad and Western Sahara—would begin a major operation against Somalia now. There is danger, however, of increased fighting resulting from a mutual misreading of intentions.

25X1

25X1

PORTUGAL: Tackling Economic Problems

The Socialist-Social Democratic coalition government has taken a number of politically sensitive measures, after less than a month in office, to revive the economy. Lisbon has devalued the escudo by 12 percent, increased food and fuel prices, and frozen investments by the state for two months. The government has won overwhelming parliamentary approval for a plan to open to private competition the nationalized sectors of the banking, insurance, cement, and fertilizer industries. A bill is pending to allow the government to rule by decree during the legislature's summer recess.

25X1

Comment: The delay on the decree law may reflect parliament's reluctance to give up its power to authorize some key measures. The government wants to use the decree powers to take unpopular actions, including establishing uniform work hours, shifting the emphasis in agriculture away from collective farms, and possibly modifying labor laws to allow companies to lay off workers during recessions. The Communists, working through the labor unions, are planning strikes and demonstrations this fall to protest these measures.

25X1

Top Secret

[Redacted]

25X1

Top Secret

[Redacted]

25X1

UK: Cuts in Defense Budget

The government of Prime Minister Thatcher has announced a cut of some \$360 million from its 1983-84 defense budget. The reduction represents only 1.5 percent of the \$24 billion budget. At the same time, the Defense Ministry won the right to carry over unspent funds from the previous fiscal year, and the UK representative to NATO has noted that this will help to make up for some of the funds lost. The representative also said the cuts would not affect major equipment programs. [Redacted]

25X1

Comment: Although the amount of the cut is not large, it does show that defense is not immune from Thatcher's austerity program. Despite the cut, real growth in defense spending should still be slightly above the NATO goal of 3 percent annually. [Redacted]

[Redacted]

25X1

25X1

INDONESIA-UK: Arms Purchase Negotiations

[Redacted]

25X1

25X1

25X1

25X1

Top Secret

[Redacted]

25X1

Page Denied

Next 2 Page(s) In Document Denied

Top Secret

25X1



Top Secret