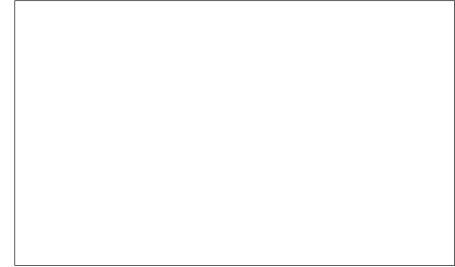




Director of  
Central  
Intelligence

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CCPAS/CIG  
CY# 285

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# National Intelligence Daily

*Friday*  
*30 September 1983*

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CCPAS/CIG  
30 September 1983

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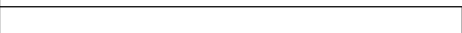
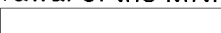
**SYRIA-LEBANON: Focus on the MNF**

*The withdrawal of the Multinational Force probably will be a principal Syrian goal at the proposed national reconciliation talks.* 

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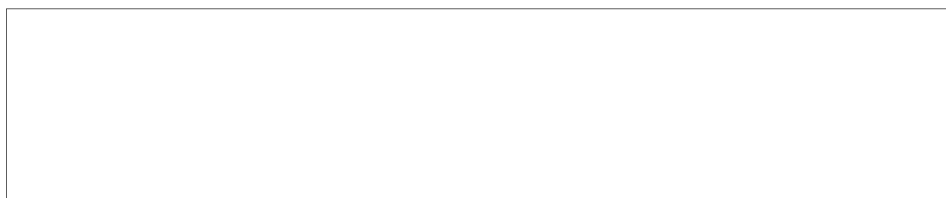


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 Foreign Minister Khaddam, in interviews during the past week, has called for withdrawal of the MNF and criticized the presence of US Marines in Beirut. 

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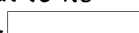
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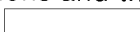
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Meanwhile, the security committee tasked with maintaining the cease-fire agreed to reopen Beirut International Airport yesterday. The committee members also exchanged lists of persons who were kidnaped or captured during the past weeks of fighting. 

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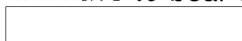
**Comment:** Syrian President Assad almost certainly believes the US support will strengthen President Gemayel's ability to avoid concessions to Muslim and Syrian demands. He probably fears that renewed fighting could lead to US-Syrian clashes. Damascus also is likely to be laying the groundwork for adding an MNF pullout to its preconditions for eventual Syrian withdrawal from Lebanon. 

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Earlier this week Druze leader Junblatt had made the reopening of the airport conditional on the achievement of a comprehensive security agreement. He has now dropped his demand probably in order to appear more reasonable than Gemayel. Junblatt probably expects that Gemayel will not make substantial concessions and then will have to bear the onus for the failure of negotiations. 

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[Redacted]

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**CHILE: Political Momentum Shifting**

*The political dialogue with the opposition Democratic Alliance remains suspended while conservative supporters of President Pinochet's government are forming a new party and gaining momentum.* [Redacted]

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[Redacted]

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The new conservative political movement, the Democratic Independent Union, supports Interior Minister Jarpa's initiatives on political liberalization. It favors advancing the date of congressional elections and keeping the President's term unchanged. [Redacted]

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**Comment:** The indecision over tactics and the expected rotation in the presidency of the Alliance in the near future could temporarily reduce the pressure on the government to liberalize the political system. In coming weeks these factors also may help shift the political initiative to more conservative groups. [Redacted]

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[Redacted]

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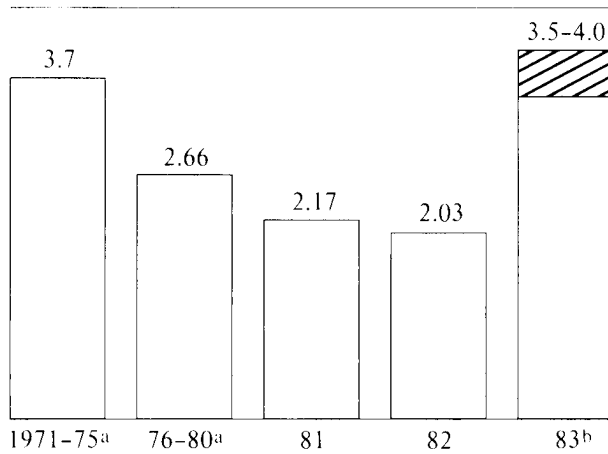
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### USSR: Percentage Growth of GNP



<sup>a</sup> Average annual rate of growth.

<sup>b</sup> Projected.



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**USSR: Economic Performance**

*Economic performance in the USSR improved during the first eight months of 1983 in almost all sectors, and GNP probably will grow by 3.5 to 4 percent by the end of the year—well above the 2-percent annual growth rate achieved in 1981-82.* [Redacted]

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**Comment:** The biggest improvement has been in agriculture, and total farm output could reach a record level. The grain harvest probably will be the best in five years, other crops are doing well, and livestock production is at an all-time high. [Redacted]

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Growth of industrial production is likely to reach 3 percent by the end of the year. Although this would be higher than rates achieved in the past few years, it largely reflects a short-term recovery from the performance registered in early 1982. [Redacted]

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Performance in the consumer sector has been mixed. Food supplies were greater through August than during the same period last year, and a record high in per capita meat consumption should be achieved if recent high levels of imports continue. The consumer has fared less well in the availability of nonfood items as production of these goods continues to increase slowly. [Redacted]

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The anticipated higher growth levels this year are unlikely to continue throughout the decade. Much of the improvement, particularly in agriculture and transportation, is the result of the mild winter of 1982-83 and favorable growing conditions so far this year. [Redacted]

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The factors constraining growth since the late 1970s—smaller additions to the labor force, sluggish growth of the capital stock, raw materials shortages, and transportation bottlenecks—probably will not be resolved soon. These same factors are likely to keep average growth for the 1980s below the levels achieved this year. [Redacted]

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**GUATEMALA: Mejia Placating the Right**

*Chief of State Mejia's decisions this week on elections and tax reforms will help mollify the political opposition, but they are likely to increase concern that he is being influenced by rightwing parties.*

[Redacted]

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A government spokesman recently said Mejia may call soon for constituent assembly elections, although he did not indicate whether they will be advanced from the scheduled date of July 1984 as urged by rightwing parties. He also said Mejia intends to turn power over to an elected civilian government by July 1985. The government has canceled a program to issue new identity cards designed to reduce electoral fraud, ostensibly because it would have prolonged the electoral timetable. [Redacted]

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The survival of the quasi-legislative Council of State—set up by former President Rios Montt and long opposed by the rightwing parties—was ordered dissolved yesterday. Mejia removed the Council's president earlier this month and had not consulted it on his policy initiatives. [Redacted]

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In another move favored by rightwing political forces, press reports state the government will reduce the rate of a controversial value-added tax from 10 to 7 percent. [Redacted]

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**Comment:** Mejia may not be ready to move up the election date. The Supreme Electoral Tribunal, an autonomous body set up to oversee and legitimize the election process, publicly opposes changing the schedule. An early call for elections will create problems for some 20 new political parties, however, especially if it requires them to collect beforehand the 4,000 signatures necessary to be inscribed. [Redacted]

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The Council of State is the only political institution in which Guatemala's Indian population is represented, and its abolition will further alienate the Indians from the political process. Mejia's recent decisions are likely to increase the fears of moderate political and labor organizations that he is bowing to pressure from the political right. [Redacted]

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**BULGARIA: Change in the Leadership**

*Alexandur Lilov's removal from the Bulgarian leadership, the first major political change in Eastern Europe since the Soviet succession, may portend presuccession maneuvering.* [Redacted]

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The Bulgarian press reports that earlier this week the party Central Committee relieved Lilov of his posts in the Politburo and Secretariat "at his request." Lilov—formerly the secretary for ideological affairs and a Politburo member since 1972—is believed to be extremely pro-Soviet and was at one time considered a possible successor to General Secretary Zhivkov. Last year the US Embassy in Sofia reported rumors from East European sources that Lilov had fallen out of favor with Zhivkov but that Zhivkov had abandoned attempts to remove him because of Lilov's strong Soviet support. [Redacted]

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**Comment:** The move reaffirms Zhivkov's control over the leadership. It also will be seen as Zhivkov's desire to emphasize Bulgaria's autonomy over its internal affairs before General Secretary Andropov's visit to Sofia next month. [Redacted]

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Lilov's downfall may be the result of his criticism of economic reforms for focusing on pragmatic economic issues at the expense of ideological orthodoxy. He also may have supported conservative efforts to reverse the liberal cultural policies associated with Zhivkov's daughter, Lyudmila, who died in 1981. [Redacted]

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Milko Balev—a Politburo member, Central Committee secretary, and longtime Zhivkov loyalist—has appeared and traveled with Zhivkov extensively since being promoted to the Politburo last year. He now appears to have strengthened his position by assuming Lilov's important ideology portfolio. Zhivkov, who is 72, may be preparing for his own eventual departure by grooming Balev as his successor. [Redacted]

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**EAST GERMANY-WEST GERMANY: Relations Improving**

*Humanitarian concessions by East Germany could lead to more near-term improvements in relations with West Germany.* [Redacted]

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The press reports that the East Germans, since early September, have been dismantling automatic firing devices and possibly some mines along the border with West Germany. The West German Government has told the media that it has indications that East Germany will remove all the firing devices but not the mines. [Redacted]

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East Germany recently announced new legal provisions for family reunification and marriages of East Germans to foreigners, implying more East Germans will be allowed to move to the West. In addition, East Berlin has abolished the minimum currency exchange requirement for Western visitors under age 14. [Redacted]

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**Comment:** The West Germans presumably will continue to ask for further concessions and portray the concessions made so far as only the beginning of substantial improvements in bilateral relations. The East German moves will help Bonn to justify its earlier loan guarantee and allow it to facilitate similar loans to East Germany in the future. [Redacted]

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The West German Government wants East Germany to have enough financial support to avoid economic and social instability that could cause it to impose severe restrictions on contacts between the two Germanies. Bonn wants East Berlin to make some concessions to help it maintain domestic backing for economic cooperation with East Germany. [Redacted]

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Despite their popular appeal in West Germany, the East German measures will cost little in financial terms and will not reduce tight border controls. East Berlin probably hopes its moves will help its prospects for new loan guarantees and direct financial support from Bonn. At the same time the East Germans may be trying to convince Bonn that additional improvements in relations are possible and that such opportunities could be lost if INF deployment proceeds. [Redacted]  
[Redacted]

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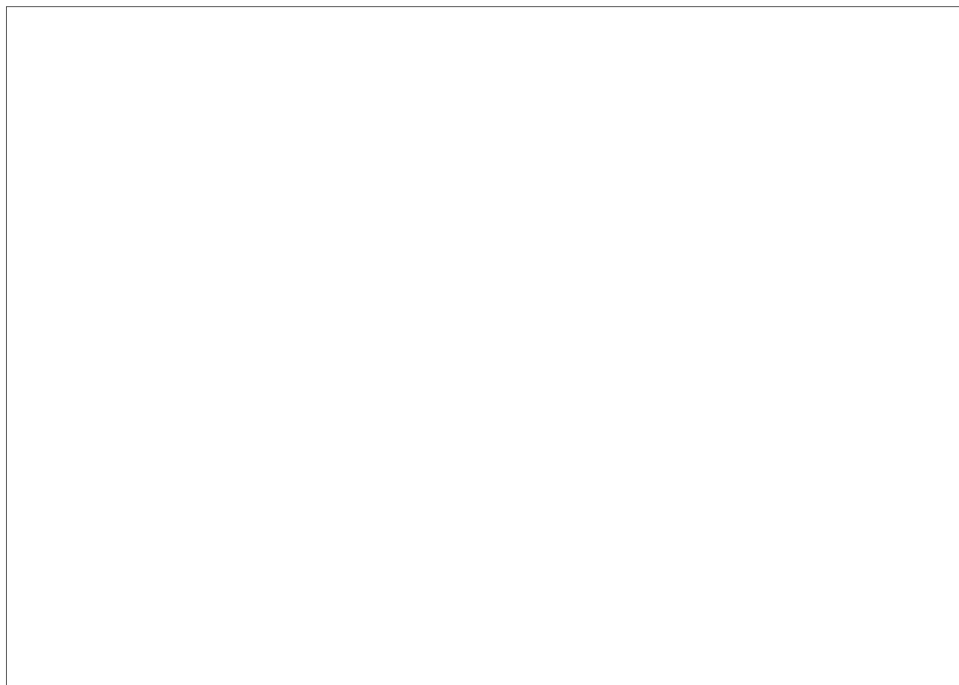
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**FRANCE-AFRICA: Summit Meeting**

The French will work for a diplomatic solution in Chad during the annual Franco-African summit meeting in Vittel, France, next Monday and Tuesday. Presidential adviser Penne told US diplomats that France hopes for a consensus urging the Libyans to withdraw as a condition for opening negotiations. Representatives of over 35 nations will be present, including observers from several non-French-speaking countries. [Redacted]

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**Comment:** Paris is not pushing a specific plan, but it wants to encourage an African solution that would help keep the Chadian crisis from becoming a superpower confrontation and allow France to maintain its influence. The French still appear to be looking for alternatives to the current rival leaders, President Habre and dissident chief Goukouni. Moderate Francophone leaders, who count Habre within their ranks, will balk at a solution that entails sacrificing him. [Redacted]

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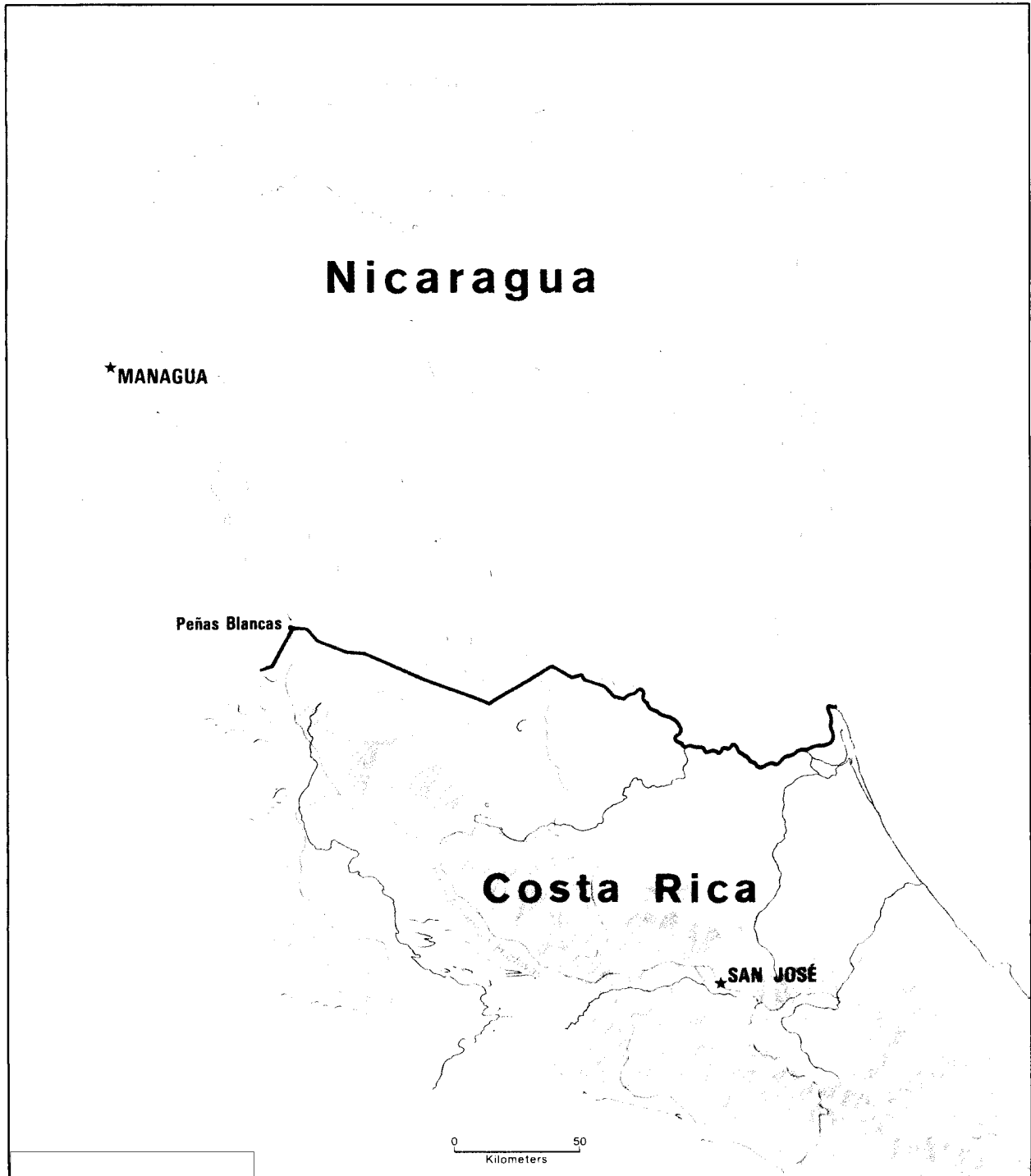
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**NICARAGUA-COSTA RICA: Border Post Attacked**

New attacks in Nicaragua by Eden Pastora's insurgents may result in another crackdown by Costa Rican security forces. [Redacted]

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[Redacted]

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border reportedly has been closed. Nicaragua has protested the attack, and Costa Rica has convened an emergency meeting of its State Security Council to discuss the incident. [Redacted]

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**Comment:** The attack comes at a precarious point in relations between Costa Rica and Nicaragua, which have been deteriorating as a result of activities by Pastora's forces. San Jose sought to restore credibility to its neutral status earlier this month by arresting a large number of Pastora's men and by indicating its intent to prevent military operations in the border region. Costa Rican officials now are likely to intensify these efforts. [Redacted]

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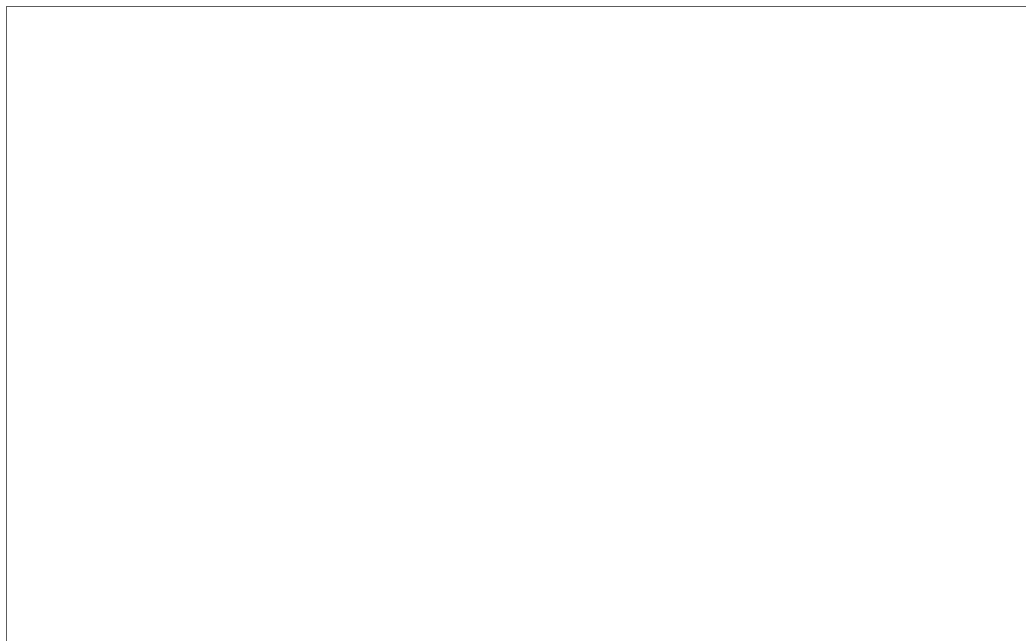
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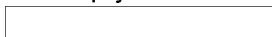
**USSR-VIETNAM-CHINA: Soviets Replay Vietnamese Attack**

After a delay of three weeks, *Pravda* has published the anti-Chinese statement Hanoi sent Moscow in response to the latter's National Day message. The message is notable for its harsh criticism of alleged Chinese collusion with the US and its open reference to the recent discussions between Soviet and Vietnamese party leaders about their mutual strategic interests. The *Pravda* item broke a monthlong moratorium on high-level Soviet media criticism of China.



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**Comment:** The publication of the statement during Secretary of Defense Weinberger's visit to China suggests that it was intended as a warning to Beijing against moving closer to the US. In addition, the USSR may have been trying to reassure Vietnam of continuing Soviet political support. Moscow has not publicly endorsed the recent white paper on Thailand issued by the Vietnamese-backed regime in Kampuchea. The white paper, which charged that Bangkok has "expansionist designs" on Kampuchea, appears to imply a much tougher approach by Vietnam toward Thailand.



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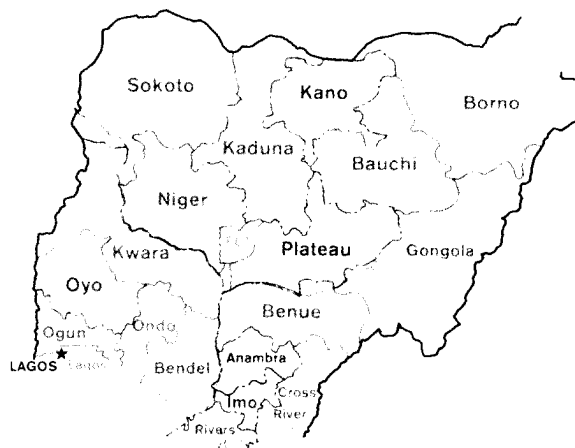


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### Nigerian Distribution of Political Power by State, 1983 Election Results

President

Governorships



Party presidential candidate having received at least 25 percent of the vote.

- National Party of Nigeria
- Unity Party of Nigeria
- Nigerian People's Party
- People's Redemption Party

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## Special Analysis

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### NIGERIA: Shagari's Second Term

*President Shehu Shagari begins his second term on Saturday facing lingering opposition resentment over the National Party's sweep of the elections in August. Charges that Shagari's party stole the elections continue, and the President needs to proceed with balanced policies that will reassure opposition ethnic groups. He also has to contend with a sluggish economy, the need for more severe adjustment measures and IMF aid, and growing concern about how to reduce corruption. Shagari is unlikely to veer significantly from the moderate, generally pro-Western foreign policies that characterized his first term.* 


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The US Embassy reports that, while the elections were more orderly and less violent than expected, they were troubled by procedural inefficiencies, and, in some cases, massive vote tampering. The poor showing of the major opposition parties in the two western states caused violent protests that led to bans on demonstrations and the delaying of legislative elections there. 

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Despite their postelection rhetoric, losers have thus far been content to wait for the courts to resolve election challenges. The courts have overturned some results, including two of three gubernatorial races where opposition party incumbents at first appeared to have lost. 

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Shagari's northern-based National Party clearly remains the country's most broadly popular party. It made substantial inroads in some southern states normally controlled by Yoruba leader Awolowo's Unity Party and Ibo leader Azikiwe's Nigerian People's Party. In addition, Shagari's party won an absolute majority in the federal senate and house of representatives and control of 11 of 19 state governorships. 

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### Continuing Political Rivalry

Domestic political concerns will preoccupy Shagari as his term unfolds. The constitution requires Shagari to appoint an ethnically balanced cabinet, and he has promised an extensive shakeup of the government to give it a new nationalist cast. 

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[Redacted]

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Shagari will have to move adroitly with appointments to help assure opposition ethnic groups that they still have an important economic and political stake in preserving civilian institutions. How extensively Shagari alters his cabinet and resists pressures to include corrupt and incompetent figures will be an early indicator of his political confidence and future policy directions. [Redacted]

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The President's skill in maintaining National Party discipline could be taxed by powerful factions bent on capitalizing on the party's victory. If Shagari proves unable to rein in these groups, his ability to carry out promised reforms will be limited and the party itself could split. [Redacted]

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Political infighting among potential successors to Shagari, who is constitutionally barred from a third term, already has begun. Southerners claim that party rules require that the next presidential nominee be a non-northerner. [Redacted]

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Opposition parties will try to regroup, but there is little likelihood that they can overcome longstanding ethnic and personal differences to form a united front. Pressures will mount for perennial candidates Awolowo and Azikiwe to stand aside in favor of a newer generation of politicians better able to bridge ethnic and regional divisions. [Redacted]

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Considerable party realignment is likely. Minor parties that were badly defeated in elections could be absorbed by larger parties seeking to broaden their tribal appeal. [Redacted]

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**Tough Economic Choices**

Shagari is pledged to continue austerity measures that in the past year have significantly reduced imports, increased unemployment, and slowed development projects. The willingness of Western commercial banks to extend new loans and reschedule more debts will hinge on the government's ability to complete current negotiations with the IMF. [Redacted]

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Even with an agreement, however, rapid economic recovery is unlikely. Pervasive corruption and chronic inefficiency will weaken any effort to follow through on systematic economic reform. [Redacted]

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The President has committed himself to curbing corruption. He is aware, however, that too vigorous an attack risks unsettling powerful vested interests—including many in his own party—that depend on corruption to solidify political loyalties. [Redacted]

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[redacted]

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Lagos is likely to concentrate on strengthening its nonaligned positions and continuing generally moderate policies, rather than embarking on a more activist foreign policy. Nigeria's ambitions for African leadership, however, occasionally will require criticism of the West on such issues as southern Africa and a negotiated settlement in Chad. Shagari will remain alert to any efforts by Libya to stir up Muslim fundamentalists in northern Nigeria. [redacted]

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**Outlook**

Shagari's political acumen will be tested further as he tries to calm ethnic tensions, reorganize his government, and create a political consensus that attracts opposition participation. He now has a legislative majority, and he will no longer enjoy the luxury of blaming Nigeria's problems on opposition obstructionism. Public support could begin to wane if it appears that the President has not taken charge or that no real changes are in the offing. [redacted]

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Moreover, if Shagari diverges from his evenhanded approach, the Yoruba and other frustrated ethnic groups could begin to withdraw their support for civilian institutions. Initially, opposition parties will have little opportunity to influence policy at the national level, and they are likely to concentrate on shoring up their support in traditional ethnic strongholds. Opposition state governors will be quick to exploit politically any economic adversity by blaming the federal government. [redacted]

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There is no current evidence of extensive support in the military for a coup, although there has been increased grumbling among some middle and junior grade officers from states where opposition parties fared poorly. If Shagari's policies seriously increase ethnic grievances and general economic hardship, however, these officers could start plotting out of conviction that civilian rule no longer works and that the public would support a return to military rule. [redacted]

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Lagos will look to Washington for economic and political support for its fledgling democracy. It probably sees little economic advantage to closer ties with the USSR. [redacted]

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Declining economic condition almost certainly would prompt requests for US economic help, especially food aid. If the current IMF negotiations become bogged down, or if IMF terms appear too stiff, Lagos also could seek US intercession. [redacted]

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[redacted]

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