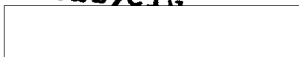




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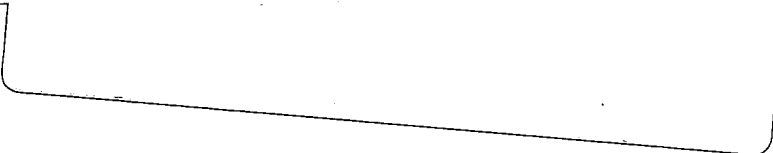
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National Intelligence Daily

*Thursday
27 October 1983*

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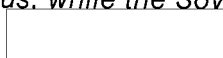
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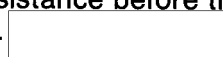
GRENADA: International Reactions

As organized resistance draws to a close, the magnitude of the Cuban presence in Grenada is becoming clear. Reactions from Central America continue to be cautious, while the Soviets and their East European allies express outrage.



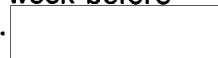
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More than 600 Cubans, including their commander, an Army colonel, have been captured so far. Cuban President Castro said yesterday that there were more than 700 Cubans in Grenada, including 500 construction workers. These workers were nearly all armed and prepared for organized resistance before the first US troops landed early Tuesday morning.



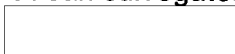
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Comment: Some additional Cubans may have been landed by the Vietnam Heroico, which has been in Grenada since the week before the coup that overthrew the late Prime Minister Bishop.



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Public statements by Cuba yesterday that all Cuban resistance had ceased, even before this was the case, indicate that the Cubans appear resigned to the loss of Grenada. They probably will step up their diplomatic demarches and media activity designed to embarrass the US. Castro may be angry enough, however, to order sabotage against US forces, bases, or embassies in the Caribbean Basin or elsewhere using Cuban surrogates or operatives that would give him plausible denial.



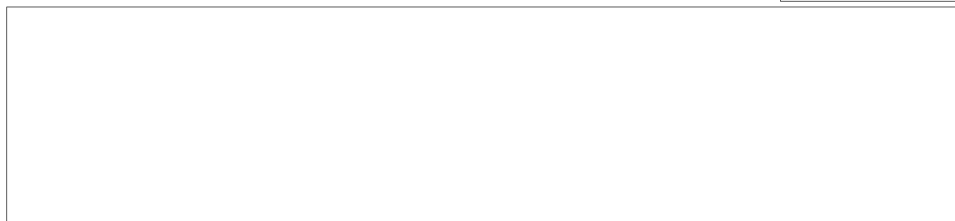
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Soviet Reaction

The USSR firmly condemned the US invasion again yesterday, calling it a crime against peace and humanity. Moscow has not made any public statement on its personnel in Grenada, but Castro claimed yesterday that none of the Soviets were military advisers.



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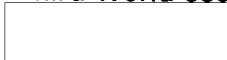
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Comment: Moscow's effort to discredit the US is likely to be substantial and long lasting. The Soviets will assert that the US action signals a heightened threat of US intervention in other Latin American countries. Moscow probably will encourage Nicaragua and other Third World countries to take the lead in international condemnation.



25X1

East European Reaction

East European governments have reacted with predictable hostility, reflecting both their alliance with the USSR and their concern about the example this move sets for superpower intervention in neighboring countries. The USSR's Warsaw Pact allies echoed the Soviet line, denouncing the invasion as aggression and a violation of the UN charter.



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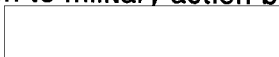
Yugoslavia also condemned the invasion as contrary to the principles of respect for independence, territorial integrity, and noninterference in internal affairs.



25X1

Central American Comment

Reaction from most Central American countries remains sparse and generally cautious. Panama, Guatemala, and El Salvador have privately endorsed the intervention, according to US Embassy reports, but Honduras is withholding comment. Both Costa Rica and Belize asserted their opposition to military action but have indicated they will not condemn the US.



25X1

The Sandinistas in Nicaragua have demanded the withdrawal of US forces from Grenada and have asserted that they are prepared to resist any US invasion of Nicaragua.



25X1

Comment: Private backing from Central American governments will not necessarily translate into public endorsements because most Central Americans have memories of past interventions in their own countries. Nevertheless, they probably are encouraged by the US action in Grenada, seeing in it additional indications of Washington's resolve to contain Cuba and Nicaragua. Despite the Sandinistas' confidence that they could resist US intervention, they are likely to point to events in Grenada in an effort to obtain additional military aid from Cuba and the USSR.



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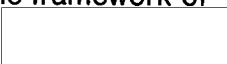


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Surinamese Move Against Cuba

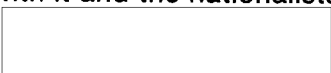


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 In a television address, Bouterse reviewed the Grenadian situation, noting "certain problems" in Suriname's relations with Cuba and expressing concern about the activities of the Cuban Ambassador. The Army Commander said that projects undertaken within the framework of bilateral agreements would be drastically curtailed. 

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Comment: Bouterse admired Bishop's revolutionary charisma, and he probably perceives that Bishop was abandoned by Cuba. The chilling of relations with Havana is probably a reaction to what Bouterse may view as a possible future challenge to his position by pro-Cuban radicals, as occurred in Grenada. At the same time, however, Bouterse's remarks were carefully worded to avoid isolation from the far left and preserve his future with it and the nationalists, whose continued support he must retain. 

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WESTERN EUROPE-GRENADA: Views on US Policy

Most Allied governments are disturbed by US actions in Grenada, and some have been openly critical. [Redacted]

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British Foreign Secretary Howe, in an emergency Parliamentary debate, avoided condemnation of US actions despite strong opposition criticism. He expressed regret that the US ignored British advice not to intervene and said consultations between London and Washington had been "less than he would have wished." [Redacted]

25X1

Canadian Prime Minister Trudeau yesterday said that he regretted US actions in Grenada. He said that, "without further explanation," the intervention is unjustified, but he refused to condemn the US moves categorically. [Redacted]

25X1

A West German spokesman said yesterday that his government regretted the events in Grenada and would have advised against the US action had it been consulted beforehand. When asked about the possible impact on the INF debate, he said the government would discuss that with its Allies. Chancellor Kohl and Foreign Minister Genscher told the US Ambassador in Bonn that opposition groups would cite the Grenada actions as proof that the US is pursuing an aggressive policy. [Redacted]

25X1

French President Mitterrand, according to press reports, condemned US actions at a Cabinet meeting and stressed the right of all peoples to self-determination. Prime Minister Mauroy told the National Assembly that the operation is an attack on international law and said that the information the government had received could not justify US intervention. [Redacted]

25X1

Comment: Prime Minister Thatcher probably will continue to stress the importance of not allowing disputes over the Caribbean to damage more important Alliance considerations such as INF deployment. Despite her irritation at what she sees as US insensitivity to British concerns, she probably will express her displeasure through private channels [Redacted]

25X1

Some West German Social Democrats are trying to use the Grenada issue to foment more opposition to INF deployment during the period leading up to a crucial debate in the Bundestag. [Redacted]

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WESTERN EUROPE-LEBANON: Foreign Ministers' Meeting

The French, British, and Italian Foreign Ministers almost certainly will agree on continued participation in the Multinational Force in Beirut at their meeting in Paris today, but they may contend that troop reductions will be necessary in the next few months. [Redacted]

25X1

French Foreign Minister Cheysson expressed reservations to Western diplomats on Monday about long-term French participation in the Force. He noted that the French public will urge a withdrawal if the Lebanese cannot restore order and if there are additional French casualties. [Redacted]

25X1

Cheysson and British Foreign Secretary Howe agreed on Tuesday, however, on the need to maintain the MNF in Beirut. They also agreed it is necessary to urge the Lebanese Government to seek accommodation with the various factions and for the MNF participants to develop a long-term strategy for Lebanon. [Redacted]

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[Redacted]

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Comment: The governments of West European contributors to the MNF remain very concerned about the domestic reaction to any further casualties. Events in Grenada may also make them even more sensitive to criticism that their participation in the MNF adds to an increasing East-West confrontation in the Third World. [Redacted]

25X1

The governments probably hope to make at least a symbolic reduction in their forces in the near future. They may suggest that the US persuade the government of President Gemayel to be more flexible in the national reconciliation talks. They may also raise the possibility of integrating the MNF into a UN peacekeeping force to expand participation and provide a stronger justification for its presence. [Redacted]

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USSR: Andropov's Statement on INF

General Secretary Andropov's offer to negotiate an INF agreement that would freeze SS-20 deployments in the eastern USSR and reduce the number of Soviet missiles opposite NATO to approximately 140 was coupled with a threat to break off the talks once US INF deployments begin. [Redacted]

25X1

In a *Pravda* interview today, Andropov insisted that Moscow would not retreat from its opposition to any US missile deployments in Europe or its stand on taking British and French systems into account in an agreement. He said Moscow would be more flexible on the issue of aircraft limitations. [Redacted]

25X1

Andropov's offer to freeze SS-20s in the eastern USSR was contingent on no substantial change in the strategic situation in Asia. He maintained that a reduction to about 140 SS-20 launchers opposite NATO would ensure equality in warheads with British and French missiles. [Redacted]

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[Redacted]

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Andropov was quoted as saying that "the appearance of new American missiles in Western Europe would make it impossible to continue the talks now being held in Geneva." At the same time, he stated that if the US postponed its missile deployments, the USSR would begin to reduce its remaining SS-4 missiles, which he said number more than 200. [Redacted]

25X1

Comment: This is the most authoritative Soviet statement that the USSR will break off the INF talks once US deployments begin. Its wording leaves open the possibility of a breakoff of START talks as well. [Redacted]

25X1

Although a suspension of either or both talks would be a dramatic gesture, it would not necessarily mean that the USSR was no longer interested in arms negotiations as a means of limiting US deployments. After reassessing the prospects for negotiations, Moscow might even propose the merger of START and INF talks. It might take a number of months to work out the details of such a proposal and resume negotiations. [Redacted]

25X1

Andropov's offer to reduce to 140 the number of SS-20 launchers opposite NATO was made implicitly in June, when he offered to count warheads rather than launchers. Nonetheless, Moscow can be expected to emphasize its willingness to remove 100 SS-20 launchers from its forces opposite NATO. [Redacted]

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While opponents of INF will use the offer to press their governments at least to postpone deployments, almost all West European government officials will reject the Soviet proposals. At the same time, however, they will stress the need for negotiations to continue after INF basing begins later this year. [Redacted]

25X1

Many officials expected the USSR to propose even greater reductions, and they will continue to oppose Soviet demands that British and French systems be taken into account. They may even note that NATO publicly credited the USSR with 140 SS-20s in December 1979, when the Alliance made its dual-track INF decision in an effort to deal with that threat. [Redacted]

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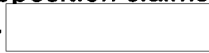
USSR-PHILIPPINES: Soviets Stick With Marcos

Continuing favorable Soviet media coverage of President Marcos suggests Moscow believes he will survive the current political turmoil.



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Soviet coverage of opposition complaints against Marcos has increased as the crisis has continued, but it has not been sympathetic. One commentator recently said the rightwing opposition had been upset by the President's independent foreign policy. He expressed doubt about opposition claims that Marcos was involved in the Aquino assassination.



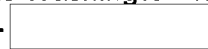
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The Soviets also have played up ties between the Philippine opposition and the US and have suggested that Washington was behind Aquino's death. Moscow has cited foreign allegations that dissatisfaction with Philippine trade and military policies led the US to conclude that Marcos had to be replaced.



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The US Embassy in Moscow reports that a Soviet Foreign Ministry official recently said the USSR appreciates the Marcos government's frequent support for nonaligned positions at the UN and welcomes its questioning of the need for US bases in the Philippines. According to the official, Moscow expects Washington to use its influence with Manila to stabilize the situation.



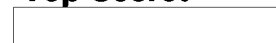
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Comment: Moscow's decision not to ally itself with the opposition is partly due to its belief that no probable successor to Marcos is likely to be as sympathetic to Soviet interests. Marcos is the only current ASEAN head of state to have visited the USSR and to have agreed to accept Soviet economic aid. In addition, the pro-Soviet left in the Philippines is weak and has virtually no chance of playing an important political role.



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ZAMBIA: National Election

President Kaunda, running unopposed in the national election today, should win a strong "yes" vote for another five-year term, but his new mandate could erode rapidly if Zambia fails to make some economic gains in the near future. 

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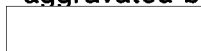
Inflation is approaching 30 percent for the year, and copper and cobalt mining, which accounts for more than 90 percent of Zambia's export earnings, is operating at a loss. A slight rise in copper prices earlier this year has been offset by the high cost of oil and other essential imports. Mismanagement, corruption, and drought have contributed to the gloomy economic picture. 

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Kaunda has had to cope with Zambia's independent and aggressive labor unions, which represent some 300,000 laborers or about 80 percent of the work force. Earlier this year, he prevented widespread strikes by agreeing to a modest pay raise for workers and by appointing a number of labor union officials to the board of directors of the state-run Industrial and Mining Corporation. 

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Comment: Zambia's economy probably will continue to decline because there is little likelihood of a substantial rise in the price of copper and cobalt in the near term. The country's economic woes are aggravated by the lack of economic expertise within the government.

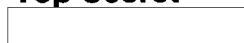


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Kaunda, in preparing for the election, has had to defend a wide range of recent austerity measures required by the IMF in exchange for financial assistance. Those measures include devaluation and cuts in imports and government spending. If he has to impose additional austerity moves, he is likely to be opposed by the labor unions, which regard themselves as champions of the population at large as well as protectors of the workers. 

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NIGERIA-OPEC: Discord Over Production Levels

The US Embassy in Lagos reports that Nigerian officials are angry about increased oil production in Saudi Arabia and Iran and are relaxing controls on output imposed in August. Nigeria previously had ordered foreign operators to limit its production to its OPEC allocation of 1.3 million barrels per day through the end of the year. The officials say that, because other OPEC members are exceeding their quotas, Nigeria will produce an additional 100,000 barrels per day until overall OPEC production falls within its ceiling. OPEC production currently is running nearly 1.5 million barrels per day above the cartel's self-imposed daily limit of 17.5 million barrels.

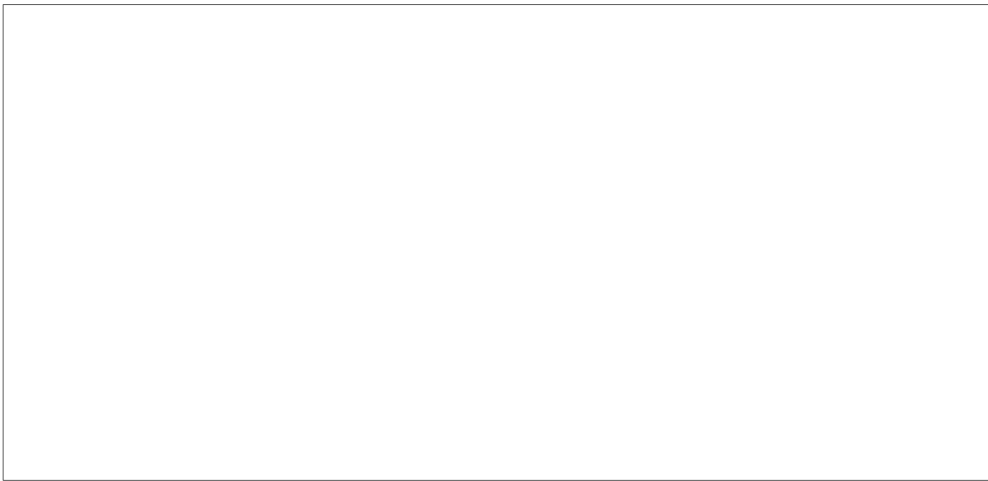


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Comment: The Nigerians probably will try to raise the issue of Saudi and Iranian overproduction when OPEC's Monitoring Committee meets in Vienna today. Nigeria's decision to increase output could lead to more violations of the already shaky OPEC accord and put the cartel in a poor position to defend prices when seasonal demand weakens again early next year.



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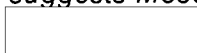


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Special Analysis

POLAND: Jaruzelski at the Plenum

First Secretary Jaruzelski's performance in the party plenum this month demonstrated his control over the party leadership and his determination to continue a moderate course. He has helped put his critics on the defensive by decimating the Solidarity underground and by limiting the impact of the papal visit. Positive press treatment in the USSR of Jaruzelski and the course of the plenum suggests Moscow is generally satisfied with political trends in Poland.



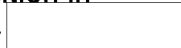
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Jaruzelski sidestepped possible criticism of his policies by avoiding any serious debate on controversial issues at the first plenum devoted to ideology in 20 years. In his speech to the plenum, Jaruzelski condemned his domestic critics as "armchair revolutionaries" and reaffirmed his commitment to improving the party's governing style.



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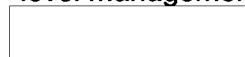
The Polish leader's failure to implement any of the long-rumored personnel changes suggests, however, that he is not entirely confident of his control. Jaruzelski apparently wanted to promote moderate Vice-Premier Rakowski to the Politburo and secretariat as early as last April, opposition in Poland and in the USSR has deterred him from doing so.



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Jaruzelski showed his command of the party leadership in particular by securing the adoption of a new cadre policy. The policy will allow some qualified nonparty people to hold middle- and lower-level management positions traditionally reserved for party members.

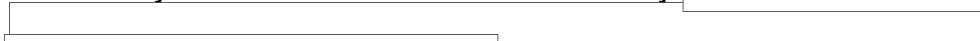


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The First Secretary will find it difficult to carry out the new cadre policy, however, because his control of the party leadership does not necessarily extend down to the local bureaucracy.



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In addition, a moderate commentator in the party press has complained that hardliners and inefficient bureaucrats are merely being shifted to other positions.



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Resistance to Jaruzelski's efforts could appear during the next several months, when local and regional party organizations hold elections. A source of the US Embassy claims that the disruptions

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caused by Solidarity and martial law have left only "crusty apparatchiks" and hardliners in the rank and file. The elections could put such party officials into middle- and lower-level leadership positions, assuring continued resistance to Jaruzelski's policies.

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A Cautious Approach

The plenum indicated that Jaruzelski will move deliberately and is not prepared to take dramatic steps to gain popular support or to restructure the economy. In his closing speech, Jaruzelski said that Poland's political and economic problems will take many years to overcome.

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Jaruzelski again flatly rejected any dialogue with Solidarity, denouncing underground activists as "favorites of imperialist subversion." The regime's virtually complete control of the security situation allows Jaruzelski generally to ignore the underground's demands.

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Several Solidarity activists recently implied to US Embassy officers that underground activity is shifting from planning demonstrations to organizing educational activities. Such a move would help reduce pressure on the government.

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Despite increased criticism in the press of the political role of the church, the restrained tone of the Politburo report suggests the regime is not prepared to launch a new crackdown. The press attacks and the recent highly publicized investigations of activist priests, including Lech Walesa's adviser in Gdansk, probably are intended to discourage the clergy from taking actions hostile to the regime.

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The Polish episcopate, according to the US Embassy, is not greatly concerned with the attacks or the government's removal of religious symbols from public buildings and factories. The church judges that such tactics will only reinforce its popular support.

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The criticism of the US in the Politburo report, although not as strident as recent statements by the leadership, nonetheless coincides with an extension of police harassment to US Consulates in Poznan and Krakow. This step, which is satisfying to both hardliners and the Soviets, may be intended to show the regime's displeasure over the awarding of the Nobel Prize to Walesa or the lack of significant steps by the US toward easing sanctions.

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In the USSR, positive media coverage of the plenum suggests strong Soviet backing for Jaruzelski. If Jaruzelski travels to Moscow soon, the Soviets probably will reiterate their support.

[Redacted]

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Jaruzelski's failure to announce personnel changes at the plenum may have removed some of Moscow's reservations about portions of the party program that are not in the Soviet mold. Moscow probably was especially pleased that Rakowski was not promoted.

[Redacted]

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The Next Steps

Jaruzelski will have the opportunity to announce personnel changes soon in a session of the legislature, and he may try to improve his position by bringing more of his followers into key government positions. He also may try to use the current round of meetings examining the activities of individual party members and organizations to eliminate opponents at the local and regional level.

[Redacted]

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At this point, Jaruzelski's leadership position appears secure for the next several years. Entrenched bureaucrats, however, probably will continue to oppose his efforts to change the party's ruling style.

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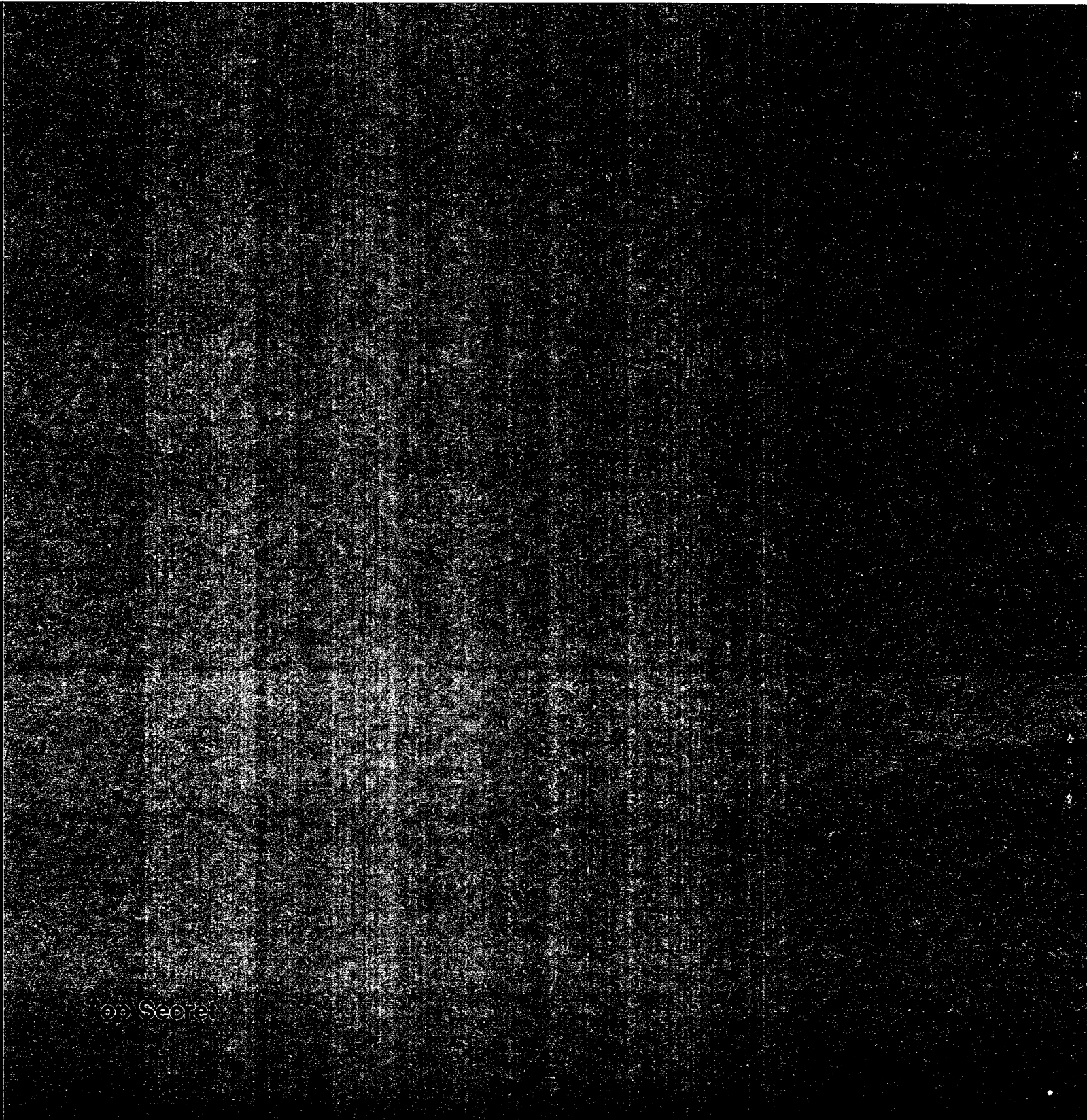
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