



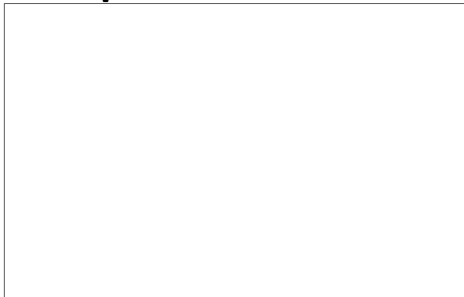
Director of
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National Intelligence Daily

Wednesday
7 December 1983

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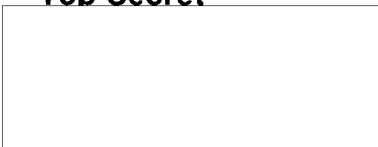
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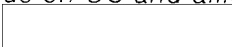


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USSR: Intentions Toward START Talks

The Soviets may refuse to set a date for resuming START negotiations when the current round ends tomorrow, hoping to increase public demands on US and allied leaders for a softening of arms control positions. 

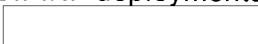
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At the press conference on Monday, First Deputy Foreign Minister Korniyenko said that new NATO INF deployments will have consequences for the START talks, but he declined to elaborate. Chief of the General Staff Ogarkov said the START talks "are moving in the same direction" as the disrupted INF negotiations. 

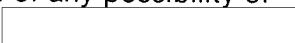
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General Secretary Andropov had said on 27 October that deployment of new NATO INF systems would make it impossible to continue the talks in Geneva, implying that START as well as INF would be disrupted. His announcement on 24 November of the Soviet walkout from the INF talks, however, made no reference to START. 

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Comment: Refusal to set a date for resuming the START talks would be consistent with Soviet efforts to maintain a state of tension over arms control issues. The Soviets would foreclose none of their options—including a return to the talks after a normal two-month interval—and they could observe reactions in the West before announcing under what conditions they would be willing to resume the talks. They might claim a need to adjust their negotiating position to account for new INF deployments and perhaps for British and French systems. 

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An indefinite recess is more likely than an outright announcement by the USSR that it is breaking off the START negotiations. Moscow would have to consider that such intransigence would undercut its efforts to influence Western opinion. A walkout also would be more difficult to reverse and would deprive the Soviets of the alternative of introducing INF issues in the START forum and of any possibility of early progress in limiting US strategic systems. 

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ETHIOPIA-CUBA-ANGOLA: Troop Withdrawal

The withdrawal of Cuban combat troops from Ethiopia carries some risks for the Mengistu regime, but they are outweighed by potential benefits. [Redacted]

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The US Embassy in Addis Ababa reports that 3,000 to 4,000 Cuban troops have left Ethiopia during the past month as part of a reduction. [Redacted] 2,000 to 3,000 troops are destined for Angola. [Redacted]

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The Embassy says about 2,000 to 3,000 Cuban combat troops are to remain in Ethiopia and will be stationed near the capital—apparently to protect the regime against internal threats. All Cuban troops are to be withdrawn from the Ogaden, where they have acted as a strategic reserve [Redacted]

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Comment: A troop withdrawal may have begun, but the departure of specific Cuban units is not yet confirmed. Cuban troops in the Ogaden have not engaged in combat since 1978 and are likely candidates to be withdrawn. [Redacted]

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The Somali military no longer is a serious threat to Ethiopian control of the Ogaden, and there is little need to retain a Cuban presence in the region. Moreover, Addis Ababa as well as Havana and Moscow are likely to welcome the reduction of the financial burden of maintaining Cuban troops there. [Redacted]

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A troop reduction may appease senior Ethiopian military officers, who have resented the Cuban presence and who reportedly asked Mengistu in late October to begin reducing their number. Some officers may hope the Cuban withdrawal will free equipment for use by Ethiopian units against northern insurgents. [Redacted]

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Mengistu's reported decision to retain some Cuban troops near the capital is probably intended to prevent opponents from concluding that reduction will weaken the regime's defenses. Their retention, moreover, encourages continued Soviet-Cuban support. Mengistu clearly recognizes the necessity of Soviet military aid in his campaign against the insurgencies. [Redacted]

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[Redacted]

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ITALY-LEBANON: Concern About MNF Contingent

There is growing sentiment in Italy for withdrawing Italian forces from Lebanon, and the government wants to link a continued presence in Beirut to a successful conclusion of the peace talks in Geneva.



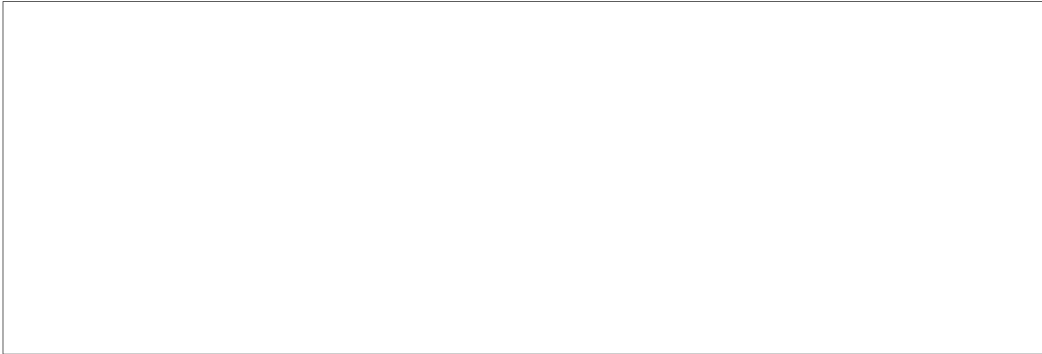
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Comment: The sentiment in the government for withdrawal is partly caused by genuine concern for the safety of Italian troops. Policy on Lebanon also is an issue in the struggle between the Christian Democrats and the Socialists for leadership of the government.



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USSR: Signs of Andropov's Return to Work

US Embassy officers in Moscow observed General Secretary Andropov's motorcade on Monday, and another Moscow-based diplomat believes he saw Andropov entering the Kremlin a week earlier.

[Redacted]

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[Redacted] *Pravda* announced on Saturday the appointment of a new department chief in the Central Committee to replace one of Brezhnev's cronies who stepped down in early September. [Redacted]

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Comment: These indications, along with the scheduling of the Supreme Soviet for 28 December, suggest that Andropov's health has improved enough to permit a more normal work schedule. Last Thursday he probably attended the Politburo session, which presumably approved the scheduling of the Supreme Soviet. The appointment of the new department chief is another indication that Andropov is making his presence felt again. [Redacted]

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ISRAEL-US: Public Reaction to Agreements

The negative Israeli public reaction to the agreements reached during Prime Minister Shamir's visit to the US last week has put the government on the defensive and probably will reinforce Shamir's reluctance to take a more active military role in Lebanon. The Labor Party and most major newspapers have criticized the agreements. They fear that there are secret provisions that may draw Israel—at great cost—into renewed hostilities with Syria in support of US objectives in Lebanon. The four-man Communist faction in the Knesset has submitted a motion of no-confidence over the accords that will be discussed today. [Redacted]

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Comment: Shamir probably recognizes that, in the absence of a clear threat from the Syrians, a more active Israeli role in Lebanon would be politically risky. [Redacted]

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USSR-SYRIA: Delivery of Reconnaissance Drone

The Soviets have provided the Syrians a low-altitude tactical photoreconnaissance drone, the DR-3, which may carry a television camera for immediate battlefield surveillance. [Redacted]

[Redacted]

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Comment: The delivery of the drone is another indication of the Soviets' willingness to provide the Syrians with the latest military equipment. It gives them capabilities comparable to those of the Israelis, who have long used drones to monitor Syrian military activity. The drone could provide timely information on Israeli ground activity in Lebanon and be of particular value in heavily defended areas. The aircraft is vulnerable to ground fire, however, and Damascus may choose to reserve its use for crisis situations. Soviet personnel will have to operate it if it is to be employed soon, but Moscow probably plans to train Syrians in its use. [Redacted]

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USSR-ALGERIA: Ogarkov's Visit

Chief of the General Staff Ogarkov arrived in Algeria yesterday on what TASS describes as an "official friendly" visit. The last high-ranking Soviet military official to travel to Algeria was Air Force Commander in Chief Kutakhov, who visited there in 1981. [Redacted]

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Comment: The visit underlines Algeria's importance to the USSR as a longstanding arms customer that pays in hard currency. In recent years Algiers has expanded its purchases of arms from the West, and Ogarkov may be trying to halt this trend. Last summer the USSR delivered some advanced early warning radars, and it probably hopes to play a major role in Algeria's current program to improve its air defenses. [Redacted]

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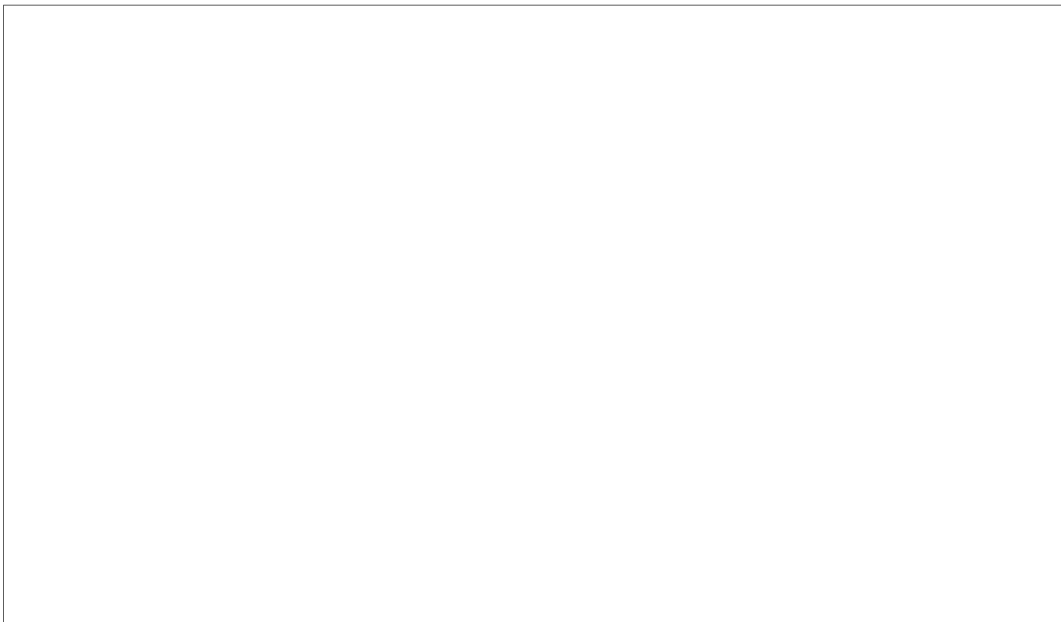
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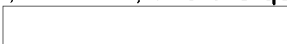


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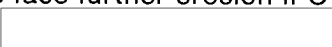


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OPEC: Dispute Over Production Accord

OPEC's oil ministers meet today in Geneva, amid renewed market weakness and demands by several producers for higher production quotas. Most members are resolved to maintain the current benchmark price of \$29 per barrel and to reaffirm the cartel's production ceiling of 17.5 million barrels per day, but Nigeria, Venezuela, Iran, and Iraq are seeking higher individual allocations. The Iranian oil minister also will lobby to restore the OPEC benchmark price of \$34 per barrel. Other issues that are expected to be discussed include overproduction by Saudi Arabia; rumored price discounting by Qatar, Indonesia, and Iran; and the question of OPEC's next secretary general. 

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Comment: The meeting is unlikely to result in any major changes in OPEC price and production policies. OPEC's current output of 18.4 million barrels per day has slipped nearly 800,000 barrels per day from its peak in September, but it is still nearly 1 million barrels per day above the cartel's ceiling. Current spot prices of about \$1 per barrel below official prices face further erosion if OPEC continues at existing production levels. 

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SEYCHELLES: Alleged Coup Plot

The Seychelles Government announced on Monday it had discovered a coup plot planned by an opposition group based in London. The announcement followed South Africa's arrest of five mercenaries allegedly recruited for the attempt. The Defense Minister claimed the plotters hoped to assassinate President Rene and other leaders as well as the US Ambassador and other American personnel. He said the conspirators wanted to make it appear that the regime had lost control, thereby provoking the US to conduct a "Grenada-style intervention." [Redacted]

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Comment: There is no information to confirm the government's announcement, but Rene worries constantly about real and imagined threats to his power. The Soviet Ambassador has played on his fears and has heightened his mistrust of Washington by alleging US aid to various dissident groups. Moscow has frequently demonstrated its support for Rene by sending ships for port visits at his request during coup scares. The announcement of the plot may be both a manifestation of Rene's paranoia and a ploy to head off any possible US intervention. [Redacted]

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TAIWAN: Legislative Election Results

The ruling Kuomintang's showing in the supplemental legislative elections on Saturday was stronger than expected, while militant Taiwanese ousted the moderate leadership of the opposition. All but two of the ruling party's 58 nominees won. The party's total vote dropped, however, from 84 percent in 1980 to about 70 percent. The mainlander-dominated Kuomintang now commands around 360 of the 379 legislative seats. [Redacted]

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Comment: The Kuomintang's victory is the result of its rejuvenated campaign organization, a more restrictive campaign law, and opposition infighting. Nonetheless, the election demonstrated that the militant oppositionists maintain a strong and possibly growing core of voter support among the ethnic Taiwanese majority. The collapse of the moderate opposition and success of the militants—who favor confrontational politics—may portend an increase in political tension. [Redacted]

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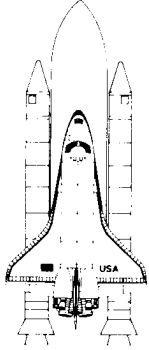
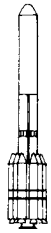

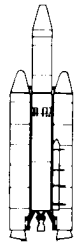


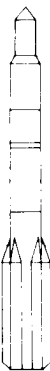
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Payload Capabilities of Selected US, French, and Soviet Launch Vehicles

	United States			France	USSR		
Vehicle	 Space Transportation System	 Delta 2914	 Atlas/Centaur	 Titan III C	 Ariane	 (SL-12) Proton	 (SL-13) Proton
Payload (kg) (Low Earth orbit)	29,500	2,000	5,135	12,275	4,700	Not used	19,000
Payload (kg) (Geostationary orbit)		335	955	1,455	950	2,700	Not used
Height (m)	56	35	43	38	47	58	58



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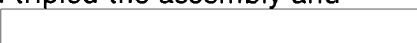
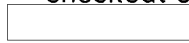
USSR: Role in the Space Services Market

The USSR is competing for a share of the growing market in space systems and services in order to supplement its hard currency earnings, open up markets for other products, acquire advanced technology, and enhance its national prestige. In the near term, the Soviets probably will continue to concentrate on the sale of launch services and, to a lesser extent, on the leasing of the services of their communications satellites. In the longer term, the Soviets' experience in processing materials in space could give them an advantage over potential competitors if they decide to sell products manufactured in space.



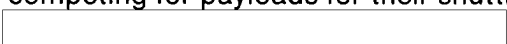
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Over the next decade the USSR is likely to have the most success in the launch service business—which industry sources estimate will gross billions of dollars worldwide each year by the late 1980s. The Soviets are entering the market using the Proton space booster. Since the early 1970s, the Soviets have tripled the production capacity at the Proton manufacturing plant, doubled the number of Proton launch sites from two to four, and tripled the assembly and checkout capability at the launch center.



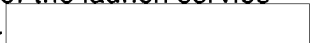
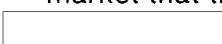
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The Soviets also are developing a heavy-lift launch vehicle and a shuttle orbiter that will become operational during the early 1990s. Because of the similarities of Soviet and US shuttle orbiters, the Soviets will be able to compete for payloads designed by Western countries to be carried on the US shuttle. Success in obtaining commercial contracts for the Proton launcher is likely to improve the Soviets' prospects for competing for payloads for their shuttle when it becomes operational.



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The Soviets probably will soon be able to produce four to six Proton boosters annually—beyond those needed for their own military and scientific missions—for commercial launches. The Proton is unlikely to enable the USSR to take scheduled customers away from the US shuttle during the 1980s. On the other hand, it probably will put the Soviets in a good position to compete with the European Space Agency and private US firms for a portion of the launch service market that the US shuttle cannot accommodate.



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INTERSPUTNIK Members



This 1983 Novosti Press Agency map shows the 14 INTERSPUTNIK members, some of which do not have operating ground stations, and one nonmember user, Algeria. In addition, other Third World nations are planning to use the system in the future; some have ground stations under construction.



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Moscow already has succeeded in having the Proton included on a list of candidate launch vehicles for the International Maritime Satellite Organization. It is offering prices that may undercut its Western competitors. [Redacted]

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Communication Services and Remote-Sensing Data

Since the late 1970s, the Soviet-sponsored INTERSPUTNIK organization has tried to compete with the US-sponsored International Telecommunications Organization—INTELSAT—in selling international communication services in the Third World. INTERSPUTNIK is a much smaller organization than INTELSAT, which currently provides services to more than 120 countries. [Redacted]

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INTERSPUTNIK primarily services the needs of countries belonging to the Warsaw Pact. It has attracted new users, however, among such pro-Soviet Third World countries as Algeria, Angola, Iraq, Libya, and Nicaragua. [Redacted]

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The export of remote-sensing data from outer space is not yet profitable, but the market for such data is growing and is potentially large for data manipulated by computers. The USSR, which has one operational military satellite system dedicated to remote sensing, currently does not yet have the technology to compete in the civilian remote-sensing market. Another Soviet system with multispectral scanners is in development, however, and it will improve the USSR's competitiveness after it becomes operational in the late 1980s. [Redacted]

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The Soviets thus far have given no public indication that they intend to try to sell remote-sensing data. Their strong support for international regulation of the dissemination of such data—because of the potential military applications—appeals to many Third World countries. [Redacted]

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Communication Satellite Systems

If the Soviets decide to sell communication satellites to a worldwide market, they will either have to increase their service life or price them low enough to offset the cost of more frequent

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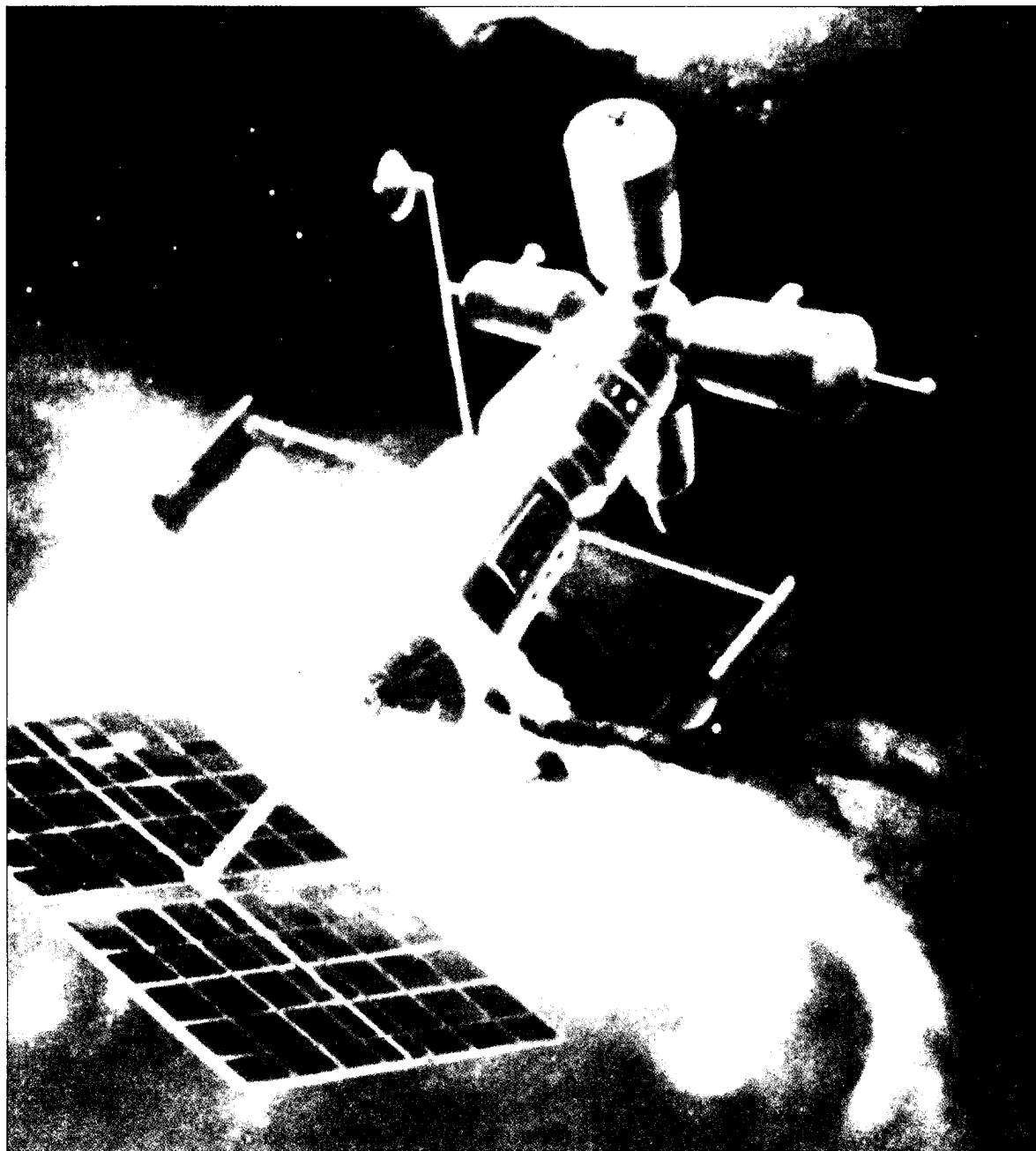
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Soviet Concept for Modular Space Station



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replacement than is required with Western equipment. The less complex Soviet satellites are cheaper than Western ones, however, and may attract some buyers among the Third World nations. [Redacted]

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Materials Processing

The USSR has conducted extensive experiments in space-based materials science on its Salyut space stations, and officials in the Soviet space program indicate they are now ready to move beyond the research and development phase of materials processing in space. They might include a processing module for special materials as part of a modular space station. [Redacted]

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Most of the products the Soviets are experimenting with have important military applications. Soviet defense industries and domestic consumers probably will have a priority claim on these products. [Redacted]

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The Soviets have not given any hint that they intend to sell space-processed products outside the USSR—except possibly in Warsaw Pact countries. They almost certainly will not launch a major effort to market these products to foreign organizations and firms in the next few years. Their experience in processing could give the Soviets at least initial advantage in future sales of space-processed products. [Redacted]

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