



Director of  
Central  
Intelligence

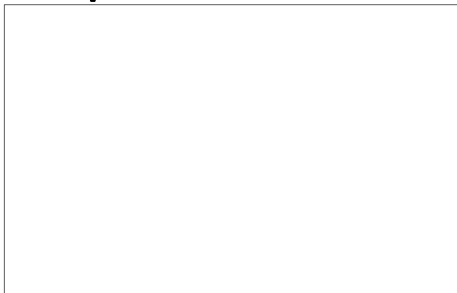
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# National Intelligence Daily

*Thursday*  
*15 December 1983*

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DCPAS/ND 63-282/J

15 December 1983

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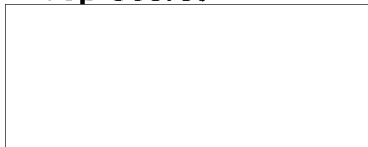
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**JAPAN: Lower House Elections**

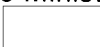
*The Liberal Democratic Party is likely to lose some seats in the lower house election on Sunday, but its control of the Diet probably is not in danger.* 

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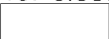
The party has to win 256 seats to retain a majority, 



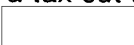
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**Comment:** The Liberal Democratic Party's landslide victory in 1980 almost certainly guarantees it will lose seats this time. Other uncertainties mark the campaign, especially the question of how seriously the bribery conviction of former Prime Minister Tanaka—Nakasone's major ally—will damage the party. 


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An unusually large number of Liberal Democrats and independents are running. This will increase the possibility that close races will be lost because of a split conservative vote. Bad weather, which is forecast for election day, traditionally holds down the Liberal Democratic vote. 


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Nonetheless, the weakness of most opposition parties, general satisfaction with the standard of living, and the popularity of recently enacted administrative reforms and a tax cut suggest the Liberal Democrats will retain their majority. 

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Nakasone's political position—and thus his ability to take action on issues of interest to the US—will depend on how the faction leaders of the Liberal Democratic Party evaluate the party's performance. His position as Prime Minister will be secure and his chances for reelection as party president next November will be good, if his rivals conclude that the party did as well as could be expected. 

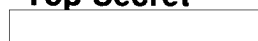
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If the election goes poorly, Nakasone would have to deal with an immediate struggle for influence in the party. He might even face a challenge to his presidency from rival leaders in the party. 

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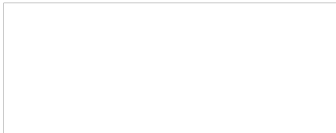
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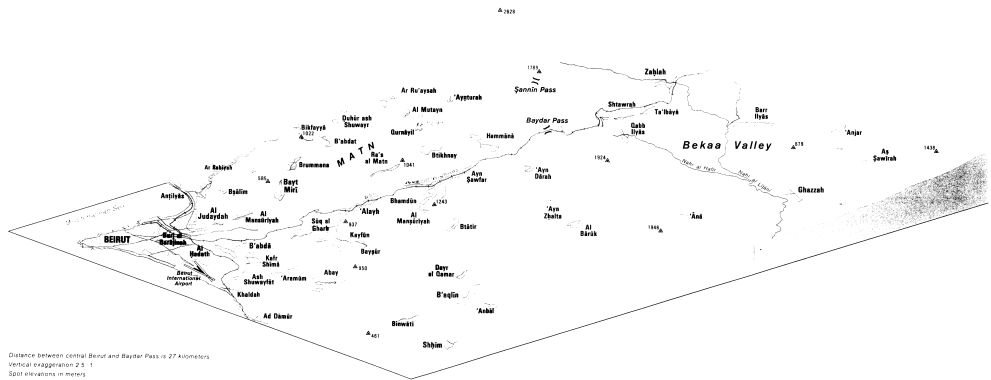
**SYRIA-US-LEBANON: Military Tension**

Damascus shows no sign of backing down in the face of US retaliation against Syrian military positions yesterday, but it is unlikely to take action that risks provoking larger US attacks.

A Syrian Government spokesman yesterday accused US forces of carrying out "premeditated aggression" against Syrian forces in Lebanon. The Syrians claim one soldier was wounded by the US naval bombardment.



**Comment:** Damascus probably believes there is little danger of a military confrontation with the US in the near future. Syrian forces in the Matn region are likely to disperse their guns and strengthen their defenses. At the same time, however, they probably will continue to fire on US reconnaissance flights.



Distance between Central Beirut and Baydar Pass is 27 kilometers.  
Vertical exaggeration 2.5:1  
Spot elevations in meters  
Scale 1:1

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**GRENADA: Plans To Revive the New Jewel Movement**

*Some members of the former government hope to revive the New Jewel Movement along social democratic lines, and they are searching for international support.* [Redacted]

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The group includes former cabinet ministers who are still in Grenada and former diplomats in the US and the UK. It reportedly plans to capitalize on residual popular approval of late Prime Minister Bishop by establishing a memorial association that later could be transformed into a political party. [Redacted]

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So far, however, the pro-Bishop moderates have failed to get any backing from the Socialist International. [Redacted]

[Redacted]

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**Comment:** No popular sentiment for a revival of the New Jewel Movement has yet emerged in Grenada, but the perpetuation of the memory of Bishop as a martyr could be a useful rallying point. The party lacks organization and effective leadership. It needs international support to survive and is running out of possible sources. [Redacted]

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**EL SALVADOR: Renewed Fighting**

*The recent lull in military activity has ended, and heavy fighting is under way in the east.* [Redacted]

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The US defense attache reports that on Tuesday guerrillas attacked a National Guard unit at Ciudad Barrios and a newly trained hunter battalion at nearby Cerro Cacahuatique. Other units—including airborne troops—have been sent by helicopter to reinforce the defenders, but the insurgents claim to have dislodged the battalion with heavy losses. Helicopters, A-37 ground attack aircraft, and some artillery are providing fire support for the government forces. [Redacted]

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**Comment:** The attacks may be the beginning of the offensive the insurgents have planned for this month. Although their ultimate objective remains unclear, they may be hoping only to draw Army forces away from the central part of the country. In any case, the fighting will test the Army's new command structure. [Redacted]

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The military has some 18 medium-lift helicopters, about half of which normally are fully operational, and 15 light helicopters. Its ability to assemble elements of two battalions quickly and transport them to the battlefield is likely to give the commanders a new confidence both in the mobility of their forces and in their own command and control. [Redacted]

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**ARGENTINA: Human Rights Initiatives**

*President Alfonsin's quick action in moving to try military leaders for human rights abuses is unlikely to provoke a serious reaction in the armed forces, unless the effort becomes far more extensive.* [Redacted]

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Alfonsin has ordered trials for nine members of the junta who served between the military takeover in 1976 and mid-1982. They will be tried before military courts, but any appeals will go to civilian tribunals. Lower ranking security officials also will be subject to prosecution if they were not acting under specific orders. [Redacted]

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The President also has announced plans to introduce legislation repealing amnesty and antiradicalism laws passed in the last months of the military government. According to Alfonsin, however, he will ask for new laws to counter subversion. Moreover, he says seven terrorist leaders now in exile will stand trial if they return to Argentina.

[Redacted]

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**Comment:** Alfonsin has enough latitude to take these initial steps, because they were expected and because the military is too disorganized to oppose them. The President's fast action in carrying out his campaign pledges may preempt—if only temporarily—human rights activists who have called for more extensive investigations. Moreover, as commander in chief, he can limit the number of prosecutions. [Redacted]

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Military officers are likely to be pleased with his plans to try terrorists and to adopt tough antiradicalism measures. On the other hand, they will be apprehensive that the civilian appellate process could cause a variety of problems that would be difficult to anticipate and deal with. Military opposition to Alfonsin will intensify to the extent he goes beyond current plans to prosecute only some former members of the junta. [Redacted]

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**WESTERN EUROPE-US-CHINA: Differences Over Trade**

*West European states almost certainly will take advantage of COCOM meetings on controlling computer sales today and tomorrow to complain about US moves to expand sales of controlled goods to China.* [Redacted]

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Many member governments are concerned that, as a result of the new US trade policy, COCOM is becoming swamped by the increased number of requests for exceptions for sales to Beijing. They expect pressure to establish special procedures to streamline the review process for Chinese cases. Belgium has suggested China be taken off the proscribed lists altogether, because COCOM cannot handle the increased number of exception requests. [Redacted]

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[Large Redacted Block]

**Comment:** Most members—including the UK and West Germany—oppose differentiating between China and other Communist states and maintain that COCOM's review process has to remain technical and uniform. West European apprehension about the new US policy probably reflects an additional fear that Washington is out to capture the market in sales of high technology to China. [Redacted]

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Most West Europeans do not believe increased technology transfers to Beijing pose a potential security threat for the Allies. Many COCOM members probably fear, however, that the new US commercial policy toward China will aggravate the USSR's security concerns and contribute to a further deterioration in East-West relations. [Redacted]

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**USSR: Gold Sales Limited**

*Continued improvement in the USSR's hard currency payments position has enabled Moscow to cut back its gold sales in the international gold market for the second year in a row.* [Redacted]

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[Redacted]

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**Comment:** This low level of gold sales reflects the success of the USSR's two-year effort to limit the growth of its imports and to improve its international payments position. Foreign exchange receipts have been increased by a large volume of oil and gas exports, and the good harvests this year have allowed a reduction in grain and meat imports. As a result, gold sales this year, like those in 1982, probably will be well below the average level of recent years.

[Redacted]

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The Soviets sell gold mainly to finance trade with the West. Barring a major decline in its balance of payments—possibly caused by an agricultural setback—the USSR will have little incentive to reenter the gold market in the early months of 1984. This will be the case even if gold prices rise. [Redacted]

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**CZECHOSLOVAKIA-WEST GERMANY: High-Level Visit Canceled**

The Czechoslovak Foreign Minister canceled a visit to Bonn this week, apparently to show displeasure over INF deployments in West Germany. According to a Western diplomat in Prague, Czechoslovakia has decided to freeze political and military relations with those countries receiving NATO INF deployments. [Redacted]

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[Redacted]

**Comment:** The Czechoslovak action may reflect Soviet pressure on its allies to restrict political contacts with the West in order to impress the West Europeans that INF deployments will damage bilateral ties. Neither the Czechoslovaks nor their allies seem inclined, however, to disrupt economic relationships with Western Europe. Bonn is anxious to demonstrate that deployments will not damage relations with the East, and it will seek to play down the cancellation.

[Redacted]

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**USSR-EAST GERMANY-WEST GERMANY: Soviet Views**

[Redacted]

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**Comment:** Moscow has always carefully monitored relations between East Germany and West Germany. Senior Soviet leaders probably have tolerated the recent improvement in relations because of East Germany's current economic difficulties and because of the USSR's inability to provide increased economic aid. Nonetheless, they would not want East Germany to become too dependent on West German assistance. Bonn has sought to use trade and financial assistance to increase its influence in Eastern Europe. [Redacted]

[Redacted]

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**NORWAY-SWEDEN: Arms Cooperation Agreement**

Norway and Sweden last month signed a 15-year agreement to cooperate on research, development, and production of military equipment. The agreement also is designed to balance arms sales between the two countries. Sweden is interested in obtaining Norwegian electronics and missile technology. [Redacted]

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**Comment:** The Norwegians and Swedes apparently hope that cooperation will strengthen their respective arms industries and lead to greater self-sufficiency in weapons tailored to Nordic geography and climate. Norway also may have been motivated by growing frustration over the imbalance in its arms trade with the US. Oslo buys a large amount of materiel from Sweden, and it will be the main beneficiary under the new arrangement to balance its arms sales. Oslo probably believes that cooperation with Stockholm eventually could result in an alternate source of new technology. [Redacted]  
-CIA, DIA, NSA-

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**DENMARK: Elections in January Likely**

The US Embassy reports that the center-right minority government probably will lose a parliamentary vote tomorrow on the budget for next year, thereby setting the stage for elections in January. The opposition Social Democrats have threatened to vote against the budget for the first time since 1929. Prime Minister Schlueter has said he would call an election if he were to lose a vote on economic issues. [Redacted]

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**Comment:** Polls indicate strong public support for the government's economic policies, and elections would be likely to return the current coalition to office. Nonetheless, many Social Democrats—having decided not to call for a no-confidence vote on security issues—probably believe that challenging economic policies and offering alternatives provide a better chance to regain power over the long term. The Social Democrats, for the most part, are likely to hope that elections now would at least force the government to be less inclined to take for granted opposition support on certain issues.

[Redacted]

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