



Director of
Central
Intelligence

~~Top Secret~~

25X1

OCPAS/CIG
[Redacted]
CY# 285



25X1

National Intelligence Daily

Monday
19 December 1983

~~Top Secret~~

CPAS NID 83-285 IX

[Redacted]
19 December 1983

25X1

Copy
285

Page Denied

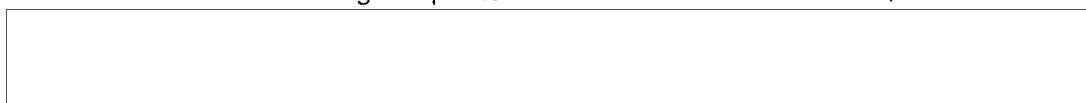
Top Secret



25X1

Contents

Kuwait: Trial of Bombing Suspects 1



25X1

South America-Argentina: Nuclear Developments 4

Uruguay: Politicians Challenge Junta 5



25X1

Yugoslavia: Difficulties With the IMF 6



25X1

Mexico: Crackdown on Local Leftists 7

North Korea-Japan: Pressure on Defector Case 8

Special Analysis

South Africa-Mozambique: Regional Outlook 9

25X1

Top Secret



25X1


19 December 1983

Top Secret




25X1

KUWAIT: Trial of Bombing Suspects

Kuwait will put on trial 10 persons today for their role in the bombings last Monday of the US and French Embassies and Kuwaiti facilities. 



25X1

A government spokesman says the suspects—seven Iraqis and three Lebanese in Kuwait on resident visas—were all members of the Iranian-backed Shia dissident Dawa faction and have confessed to planning the bombings. 

25X1



25X1

 Meanwhile, the Army has increased roadblocks and security checks, arrested a number of Palestinian radicals, and taken over the port of Shuaybah—a target of the bombers. 

25X1


25X1

25X1

The US Chargé in Kuwait notes that Kuwaiti security capabilities are stretched to the limit, and he believes the government may be moving into a state of martial law. He claims there are expressions of elation in some circles that the US has been dealt another blow and disappointment that no US citizen was killed. Although native Kuwaitis reportedly have rallied around government countermeasures, they make up only 40 percent of the population.



25X1

Comment: Kuwait is reacting quickly and harshly to show it has the security situation under control. The government probably will not be able, however, to monitor effectively vulnerable facilities and suspected elements of the population for any length of time. 

25X1



25X1

25X1

Top Secret



25X1



Page Denied

Next 1 Page(s) In Document Denied

Top Secret

[Redacted]

25X1

SOUTH AMERICA-ARGENTINA: Nuclear Developments

The public response in South America to Argentina's announcement that it is developing uranium enrichment capabilities has been restrained and mostly favorable.

[Redacted]

25X1

25X1

Reaction from Venezuela and Uruguay has been uncritical and not focused on proliferation concerns. Even in Chile, military officers do not appear alarmed, according to the US defense attache.

[Redacted]

25X1

[Redacted]

25X1

25X1

Comment:

[Redacted]

25X1

[Redacted]

most Latin

25X1

American countries are likely to continue viewing the new Argentine capabilities positively, although they will watch carefully for confirmation of President Alfonsin's peaceful intentions. Argentina's value as a supplier of nuclear materials will grow for the Peruvians, who are already using Argentine technology for their own programs.

[Redacted]

25X1

Top Secret

[Redacted]


25X1

Top Secret




25X1


URUGUAY: Politicians Challenge Junta

Uruguay's political parties, encouraged by a large turnout for a recent rally, are pressing the 10-year-old military government for democratic elections next November. 


25X1

The rally in Montevideo late last month attracted approximately 400,000 people— 14 percent of the country's population—including banned leftist and Communist politicians as well as members of the traditional Blanco and Colorado Parties. The assembly endorsed a proclamation demanding an immediate end to political proscriptions and the restoration of constitutional guarantees. 


25X1

A prominent Colorado Party spokesman has asserted that the political parties have put the regime on the defensive. The military had earlier proposed that elections be held in November 1984, but talks broke down when the officers unsuccessfully sought significant political concessions from the civilians. 


25X1

President Alvarez—who has repeatedly sought support to extend his term—criticized the rally and emphasized the strong participation of leftists. The regime's only punitive action, however, has been the closing of two minor political papers for publishing articles on banned politicians. According to press reports, the Blanco Party on 17 December posed a new challenge by nominating exiled leader Wilson Ferreira as its presidential candidate. 

25X1

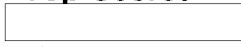
Comment: Constitutional negotiations are unlikely to resume until at least after the summer vacations beginning this month. Meanwhile, the parties will maintain their hard line and continue to press the government. 

25X1

Alvarez and his military supporters are uncertain about how to deal with the politicians. The President probably still hopes that by seeking to heighten concern about leftists he can muster military support both for his own candidacy and for a much tougher stance against politicians that would eventually lead to their boycotting the elections. 

25X1

Top Secret



25X1

Page Denied

Top Secret

[Redacted]

25X1



25X1

YUGOSLAVIA: Difficulties With the IMF

Problems in negotiations between the IMF and Yugoslavia on a stabilization program may delay agreement on a refinancing package from Western creditors for 1984. According to US Embassy sources, Belgrade regards specific Fund targets on credit, budgetary growth, and incomes policy as overly restrictive and rejects the Fund's forecast that inflation will accelerate in 1984. Several of Yugoslavia's republics also have rejected as interference in their internal affairs the Fund's proposal that enterprises sell all foreign exchange earnings to the Yugoslav National Bank. The Yugoslavs fear that the IMF could seriously complicate negotiations if it continues to press for new money contributions from foreign commercial banks. [Redacted]

25X1

Comment: A credible IMF program is imperative to sustaining creditor support, and the Yugoslavs are likely to have to make concessions on most issues. Placating regional interests will take time, however, and could seriously impede a successful conclusion of the refinancing package. [Redacted]

25X1

Top Secret

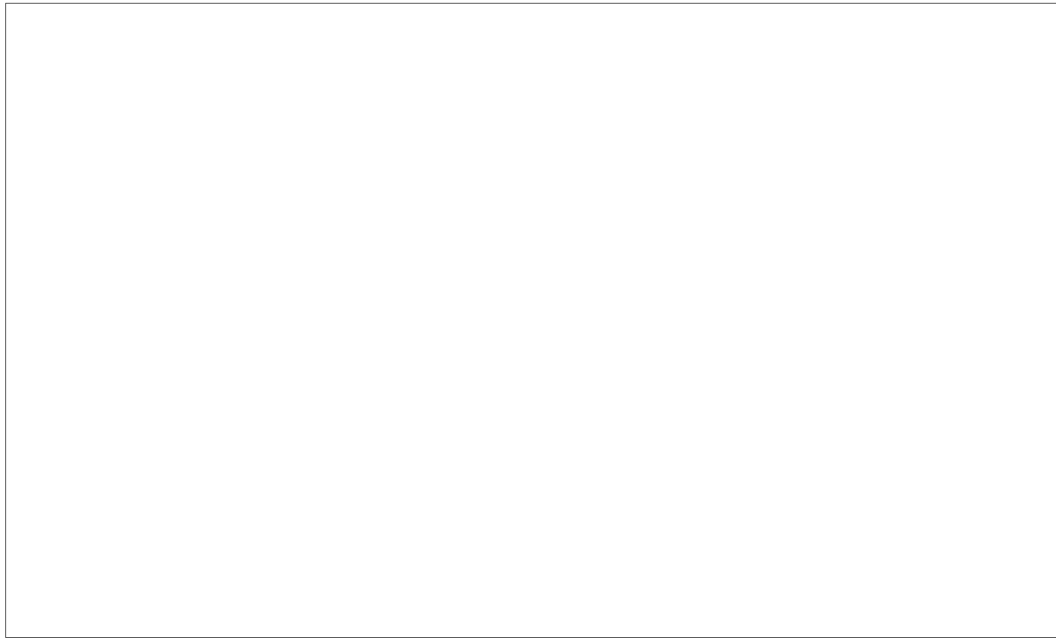
[Redacted]

25X1

Top Secret



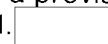
25X1



25X1

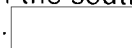
MEXICO: Crackdown on Local Leftists

President de la Madrid, after several months of mounting tensions, is taking strong measures against leftist elements in a key southern city. According to press accounts, government security forces were used to oust members of a leftist coalition who had refused to vacate city offices after Mexico City installed a provisional administration in August. Several injuries were reported.



25X1

Comment: President de la Madrid's willingness to use force reflects his determination to limit opposition protest activities. By waiting until all state and local elections were over for the year before sending in troops, he reduced the risk that tensions would spread to other areas of intense political competition. Although the move will provide opposition parties with more ammunition to criticize the government, it is unlikely to help the leftists strengthen either their ranks or their appeal beyond their small constituency. More bloodshed is possible, however, if leftist leaders in the southern city stage demonstrations or try to retake the city hall.



25X1

Top Secret




25X1

Top Secret



25X1

NORTH KOREA-JAPAN: Pressure on Defector Case

North Korea has publicly linked its seizure last month of a Japanese freighter and its crew to the earlier defection of a North Korean soldier. The North Korean official news agency claimed on Saturday that crew members of the ship had confessed to helping a North Korean Army sergeant defect to Japan in late October. North Korea detained the ship when it returned in mid-November, and the ship's captain and engineer are being held for investigation of alleged espionage activities. 

25X1

Comment: P'yongyang's tough action is in line with its attitude toward Tokyo following Japan's sanctions against North Korea for the recent terrorist attack in Rangoon. North Korea may be trying to use the detained ship and crew as leverage to force the return of the defector or at least to discourage Japan from permitting the defector to resettle in South Korea. Tokyo would like to resolve the issue before a new Japanese cabinet takes office, but the complex diplomatic and legal ramifications make early settlement doubtful. 



25X1
25X1

Top Secret



25X1

Top Secret

[Redacted]

25X1

Special Analysis

SOUTH AFRICA-MOZAMBIQUE: Regional Outlook

Declining economic conditions and a South African-backed insurgency have prompted the beleaguered regime of President Machel to seek closer ties with the West and a negotiated settlement with Pretoria. Ministerial discussions, which began late last year, are scheduled to resume tomorrow, but the deep differences between the two countries will make any progress slow and difficult. [Redacted]

25X1

The next session, like the two previous ones, will center on Pretoria's demands that Mozambique deny African National Congress insurgents from South Africa the use of its territory to stage military operations into South Africa. As a precondition for broader discussions on bilateral economic and security issues, Pretoria is likely to give Maputo the names of "undesirable" South African refugees residing in Mozambique and demand they be expelled in a verifiable way. [Redacted]

25X1

25X1

[Redacted]

Machel Looks to the West

Machel has tried over the past year to improve relations with the West, and it is in this context that he is willing to negotiate with the South Africans. Maputo's growing insurgency and economic problems—which the US Ambassador describes as catastrophic—underlie its attempt to obtain more Western aid and to secure US help in bringing an end to South African aid to Mozambique's National Resistance Movement. [Redacted]

25X1

25X1

[Redacted]

Machel has said privately that he is willing to come to terms on almost any issue in order to achieve better relations with the West. He has cited as an example a recent policy reversal under which the

continued

Top Secret

[Redacted]

25X1

Top Secret

[Redacted]

25X1

government is now encouraging private enterprise at the expense of state-run enterprises. Mozambique is seeking membership in the IMF and the Lome Convention, and US officials recently reached an agreement in principle to sign an OPIC agreement by the end of this month. [Redacted]

25X1

In addition, Machel reportedly has counseled Zimbabwean leader Mugabe not to ruin his country's relations with the West and has offered to help Washington make progress on Cuban withdrawal from Angola. The US Embassy in Maputo reports that Mozambican media treatment of the US has improved markedly. Machel also has expressed his willingness to impose a more moderate tone on Mozambique's UN voting record. [Redacted]

25X1

Machel's pro-Western tendencies reflect economic necessity more than an ideological change of heart. [Redacted]

25X1

25X1

[Redacted]

Moreover, Machel's failure to obtain any significant new aid commitments during his West European tour in October may have reduced his expectations of receiving large amounts of Western economic assistance any time soon. [Redacted]

25X1

The Mozambican President's principal objective in talks with Pretoria is to gain relief from the South African-backed insurgents. Embassy reporting indicates that he strongly believes—probably incorrectly—that the National Resistance Movement would die away without South African logistic support. [Redacted]

25X1

Like other black African leaders, Machel overestimates US influence on Pretoria. He probably would view continued South African stonewalling as a sign that the West was ignoring his recent overtures, which could prompt him to end Mozambique's current moderate policy. [Redacted]

25X1

In any case, Mozambique's heavy dependence on Soviet military support to fight the insurgents restricts Machel's flexibility. Even as Machel has turned increasingly to the West during the past year, the Soviets have delivered new attack helicopters and MIG fighters to strengthen the regime. [Redacted]

25X1

Pretoria's Attitude

Pretoria's deep antipathy toward the Machel government is a major impediment to any mutual accommodation between the two neighbors. [Redacted]

25X1

continued

Top Secret

[Redacted]

25X1

Top Secret

[Redacted]

25X1

[Redacted]

25X1

[Redacted] Senior South African officials frequently have said that the regime cannot be trusted to abide by any agreement reached between the two countries. [Redacted]

25X1

25X1

25X1

South Africa's skepticism about the possibility of peaceful coexistence is reinforced by Mozambique's ties with the USSR. [Redacted]

25X1

[Redacted]

25X1

Pretoria's ties with the National Resistance Movement insurgents probably are based as much on its hostility toward Maputo and its Soviet backers as it is on South African interest in developing a force to offset the ANC. South Africa is unlikely to stop supporting its Mozambican surrogates. [Redacted]

25X1

Outlook

Deep mutual suspicions probably will keep South Africa and Mozambique from reaching common ground during the ministerial meetings. Maputo is unlikely to accede to Pretoria's demand for the verifiable expulsion of ANC members without assurances that the South Africans will end support for the National Resistance Movement insurgents. Pretoria, however, continues to deny any connection with or control over the group. [Redacted]

25X1

Without South Africa's agreement to reduce its support for the Mozambican guerrillas, the beleaguered Machel government is likely to look increasingly to the Soviets and their allies for materiel and training, while entreating the West to provide much-needed economic assistance. Mozambique is likely to continue its political dealings with the West, hoping the US will eventually be able to persuade South Africa to ease the pressure in the Mozambique region. [Redacted]

25X1

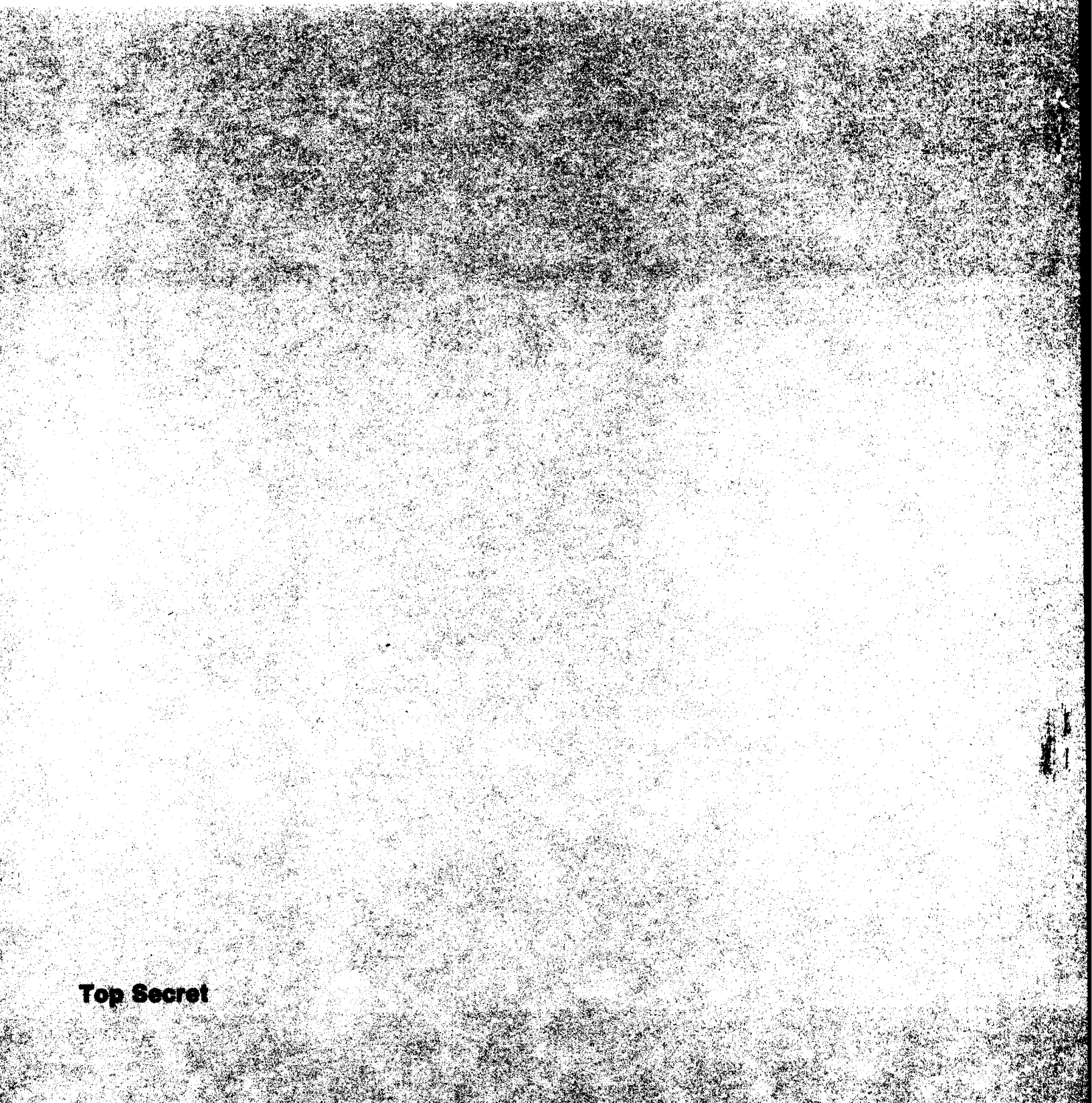
[Redacted]

25X1

Top Secret

[Redacted]

25X1



Top Secret