



**Directorate of
Intelligence**

~~Secret~~



25X1

Indications of Political Instability in Key Countries



25X1

May 1986

~~Secret~~

*GI IPI 86-002
May 1986*

Copy 648

Page Denied



**Directorate of
Intelligence**

Secret

25X1

Indications of Political Instability in Key Countries

25X1

May 1986

This quarterly was produced by and coordinated within the Directorate of Intelligence. Comments and suggestions are welcome and may be directed to

25X1

Reverse Blank

Secret

*GIIP1 86-002
May 1986*

Secret

25X1

Contents

		<i>Page</i>	
	Preface	v	
	Summary: Levels of Concern	vii	
Part 1.	Developments and Trends [redacted]	1	25X1
Part 2.	Countries With Developments of Special Interest [redacted]	33	25X1
	Nigeria: Babangida's Fall From Grace [redacted]	33	25X1 25X1
	[redacted]		
	Egypt: Mubarak's Troubles Mount [redacted]	37	25X1 25X1
	[redacted]		
	South Korea: Foes Call Chun Another Marcos [redacted]	41	25X1 25X1
	[redacted]		
	Mexico: Election Irregularities May Backfire [redacted]	45	25X1 25X1
	[redacted]		
	[redacted]		25X1

Secret



25X1

**Indications of
Political Instability
in Key Countries**



25X1

This quarterly publication is designed to provide timely warning of significant instability in countries of key importance to US interests. The quarterly, which in this issue includes data from 1 February through 30 April, examines events and processes that could lead to major regime or policy changes. The paper assesses our levels of concern regarding the potential for instability in the short term and over the next two years through the consistent application of 24 indicators.

The quarterly includes three parts:

- Part 1 includes a brief narrative assessment of each country and country-specific tables tracing significant political and economic changes during the past two years. The 30 countries we assess have been identified as particularly salient to US interests because they are strategic choke points, major oil producers or debtors, key US friends or allies, geographically close to the United States, or especially influential in the Third World.
- Part 2 presents a more detailed analysis of select countries in which there have been developments of special interest. Included in each assessment are subsections listing indicators to be watched with reference to the scenarios that we believe are most likely to unfold and alternative scenarios.



25X1

Secret

*GI IPI 86-002
May 1986*

Secret

25X1

Status of Key Indicators

Developments in First Quarter, 1986, and Prospects

Legend

- Negligible concern
- Low concern
- Moderate concern
- Substantial concern
- Serious concern
- ▲ Concern has increased since last quarter
- ▼ Concern has decreased since last quarter

		Social change/conflict	Economic factors	Opposition activities	Military attitudes/activities	External factors	Regime activities/capabilities	Concern for policy or irregular regime change during next six months	Concern for policy or irregular regime change six months to two years
Latin America	Mexico			▲	○	○	○		
	El Salvador		●	●					●
	Guatemala		●						●
	Honduras	○							●
	Panama					○			●
	Colombia	○					○		
	Venezuela	○		○	○	○	○	○	○
	Peru		●	●					●
	Brazil	○		○	○	○	○	○	
	Argentina			○		○	○		
	Chile								●
Europe	Spain	○		○	○	○	○	○	○
	Greece	○		○	○	○	○	○	○
	Turkey	○		○	○				
Near East and South Asia	Morocco			○	○	○	○		
	Egypt			▲	○	○	▲	▲	●▲
	Sudan	●	●	●	●		▼	●▼	●
	Saudi Arabia	○		○	○		○	○	▲
	Iraq							●	●▲
	Iran		●					●	●
	Pakistan		○		○	○			●▲
	India		○	○		○	○		
Africa	Nigeria	●	●	○	●	○	●	●	●
	Somalia	○	○	○	○	○	○	▲	
	Kenya			○		○	○		
	Zaire				○				
	South Africa				○		○		
East Asia	Philippines	○▼				○	○▼	▼	●
	Indonesia			○	○	○	○	○	
	South Korea		○▼			▲		●	●

308901 5-86

25X1

Secret

Secret

25X1

**Indications of
Political Instability
in Key Countries**

25X1

**Summary:
Levels of Concern**

The countries whose stability we are most concerned about this quarter continue to be concentrated in the volatile Near East–South Asia region and in Central America:

- In *Egypt*, President Mubarak has muddled through since the police mutiny in February, but public confidence in his leadership has been shaken by the cumulative effect of a series of crises.
- The return of Benazir Bhutto to *Pakistan* in April has heightened concern for stability there as she mounts a drive for new elections.
- The prospects for political turbulence in *Sudan* appear fairly high in the near term—especially in view of the increased Libyan involvement there—although the fact that the military delivered on its promise of elections in April was a good sign.
- Among the most significant developments in the quarter was the heavy psychological blow to *Iraq* that came with *Iran's* capture of the Iraqi port city of Al Faw and surrounding territory. Despite the setback, the ruling Ba'th Party still appears to have some resiliency, and Tehran's victory only temporarily eased war weariness in Iran—where substantial underlying discontent remains.

The threats to stability in Central America appear to be somewhat longer term, but formidable economic difficulties are preoccupying many governments in the region now:

- Presidents Duarte in *El Salvador* and Cerezo in *Guatemala* both have come under sharp public criticism for their austerity programs. President Delvalle in *Panama* also weathered a violent general strike sparked in part by his regime's belt-tightening reforms.
- In *Honduras*, on the other hand, President Azcona—who has avoided tough economic decisions—is under sharp public rebuke for being weak and indecisive.

Secret

Secret

25X1

- In *Mexico* the political-economic system is under serious strain as oil prices drop, further aggravating the country's already massive debt problem. In our opinion, a plan by the ruling party to use election rigging to prevent opponents from exploiting these problems politically could backfire, creating even greater instability in the longer term.

Elsewhere in Latin America, we remain concerned especially about:

- *Peru*, where terrorist bombings have increased and guerrillas are active, and *Chile*, where both the Communists and the mainstream parties are mounting campaigns against President Pinochet.

In Africa our concern continues at the highest level regarding:

- *Nigeria*, where President Babangida's regime has stumbled badly and now is virtually under siege. The country continues to suffer from factionalism that has fostered six coups since Nigeria became independent in 1961.

In the Far East, our primary focus centers on:

- The *Philippines*—where the new government's problems are by no means over—and *South Korea*, where opponents of President Chun Doo Hwan have seized upon President Marcos's downfall to increase pressure on the government.

25X1

Secret

Secret

25X1

Part 1. Developments and Trends

25X1

The six categories of indicators used in the following charts focus on a broad array of issues that may impact on stability:

- The *social change/conflict* indicators examine developments such as labor or religious unrest that could undermine the regime's legitimacy and ability to rule effectively.
- The *economic factors* link various dimensions of economic performance to potential instability.
- *Opposition activities* assess whether the opposition can mobilize effective antiregime activity or carry out acts that undermine public security.
- The *military attitude/activities* category addresses the military's degree of dissatisfaction with regime policies, involvement in coup plotting, and behavior relevant to the political process.
- The *external factors* category looks at foreign influences that could affect internal stability.
- Finally, the *regime capabilities/actions* category focuses on what the government is doing that could lessen popular support, otherwise undermine its authority, and affect its ability to govern efficiently.

25X1

Secret

Mexico^a:
Selected Instability Indicators

Outlook

The ruling party appears intent this year on continuing a policy begun in 1985 of rolling back opposition electoral gains through the use of voting irregularities. This year's elections begin in July and include 13 gubernatorial races, including three in northern states where the opposition believes it could win in a fair vote. The government's tactics seem likely to result in increased protests—which could turn violent. The authorities should be able to contain any unrest with the support of the military, but we believe the fraud could result in greater public alienation and be destabilizing in the longer term. []

^a See Part 2 for a more detailed discussion.

Prospects for major regime or policy change

During next six months

During next six months to two years

Indicators

Legend

○ Negligible concern
 ○ Low concern
 ○ Moderate concern

◐ Substantial concern
 ● Serious concern

		1984			1985				1986
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent	○	○	○	○	○	○	○	○
	Demonstrations, riots, strikes								
Economic factors	General deterioration	●	●	●	●	●	●	●	●
	Decreased access to foreign funds	○	○						●
	Capital flight					●	●	●	●
	Unpopular changes in taxes, subsidies, or price controls	●							
	Food/energy shortages								
	Inflation	●	●	●	●	●	●	●	●
Opposition activities	Organizational capabilities						○	○	
	Opposition conspiracy/planning	○	○	○	○	○	○	○	○
	Terrorism and sabotage	○	○	○	○	○	○	○	○
	Insurgent armed attacks	○	○	○	○	○	○	○	○
	Public support						○	○	
Military attitudes/activities	Threat to corporate military interests/dignity	○	○	○	○	○	○	○	○
	Discontent over career loss, pay, or benefits	○	○	○	○	○	○	○	○
	Discontent over government action/policies	○	○	○	○	○	○		
	Reports/rumors of coup plotting	○	○	○	○	○	○	○	○
External factors	External support for government	○	○	○	○	○	○	○	○
	External support for opposition	○	○	○	○	○	○	○	○
	Threat of military conflict	New category			○	○	○	○	○
Regime actions/capabilities	Repression/brutality	○	○	○			○	○	○
	Security capabilities	○	○	○	○	○	○	○	○
	Political disunity/loss of confidence	○	○	○	○	○			
	Loss of legitimacy						○	○	○

308902 5-86

25X1

25X1

Secret

**El Salvador:
Selected Instability Indicators**

Outlook

President Duarte's economic austerity plan continues to provoke harsh public criticism from the left and the right. But so far neither unions, the private sector, nor opposition parties have been able to sustain widespread protests. Duarte's willingness to compromise has softened the impact of the program, and, in our view, his concern that opponents will be able to exploit further belt-tightening suggests that more backsliding is likely. Even if the economic package survives this round of challenges intact, it probably will not be sufficient to restore either domestic or international confidence.

25X1

Prospects for major regime or policy change

During next six months

● *During next six months to two years*

Indicators

Legend

○ *Negligible concern*
○ *Low concern*
○ *Moderate concern*

● *Substantial concern*
● *Serious concern*

		1984			1985				1986
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent								
	Demonstrations, riots, strikes	●	●	●	●	●	●	●	●
Economic factors	General deterioration								
	Decreased access to foreign funds								
	Capital flight								
	Unpopular changes in taxes, subsidies, or price controls						●	●	●
	Food/energy shortages	●	●	●	●	●	●	●	●
	Inflation						●	●	●
Opposition activities	Organizational capabilities	●	●	●	●	●	●	●	●
	Opposition conspiracy/planning	●	●	●	●	●	●	●	●
	Terrorism and sabotage	●	●	●	●	●	●	●	●
	Insurgent armed attacks	●	●	●	●	●	●	●	●
	Public support								
Military attitudes/activities	Threat to corporate military interests/dignity	●							
	Discontent over career loss, pay, or benefits								
	Discontent over government action/policies	●							
	Reports/rumors of coup plotting	●							
External factors	External support for government	●	●	●					
	External support for opposition	●	●	●	●				
	Threat of military conflict	New category							
Regime actions/capabilities	Repression/brutality	●							
	Security capabilities	●	●	●	●	●	●	●	●
	Political disunity/loss of confidence								
	Loss of legitimacy								

308903 5-86

25X1

Secret

Secret

Guatemala:
Selected Instability Indicators

Outlook

President Cerezo's austerity plan has provoked sharp criticism from business and labor groups. There may be stronger protests, including sporadic labor strikes and street demonstrations, once the impact of Cerezo's plan is felt after implementation in May. High popular expectations that Cerezo will produce an economic turnaround could erode his mandate in the mid- to longer term. For now, Cerezo's pragmatic approach to reforms in human rights and the security forces has reduced military and private-sector concern that the Christian Democratic President would embark on a more populist course.

25X1

Prospects for major regime or policy change

During next six months

During next six months to two years

Indicators

Legend

○ Negligible concern
● Low concern
● Moderate concern

● Substantial concern
● Serious concern

		1984			1985				1986
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent	○	○	○	○	○	○	○	○
	Demonstrations, riots, strikes	○	○	○	○	○	●	●	●
Economic factors	General deterioration								
	Decreased access to foreign funds								
	Capital flight						●	●	●
	Unpopular changes in taxes, subsidies, or price controls	○	○	○	●	●	●	●	●
	Food/energy shortages	○	○	○	○		●	●	●
	Inflation	○	○	○	○	○	●	●	●
Opposition activities	Organizational capabilities	○	○	○	○	○	○		
	Opposition conspiracy/planning								
	Terrorism and sabotage								
	Insurgent armed attacks								
	Public support	○	○	○	○	○	○	○	○
Military attitudes/activities	Threat to corporate military interests/dignity	○	○	○	○	○	○		
	Discontent over career loss, pay, or benefits	○	○	○	○	○	○		
	Discontent over government action/policies								
	Reports/rumors of coup plotting								
External factors	External support for government								
	External support for opposition								
	Threat of military conflict				New category	○	○	○	○
Regime actions/capabilities	Repression/brutality								
	Security capabilities	○	○	○					
	Political disunity/loss of confidence								
	Loss of legitimacy								

308904 5-86

25X1

Secret

**Honduras:
Selected Instability Indicators**

Outlook

President Azcona does not appear in danger of being toppled within the next few months, but domestic criticism of him as a weak and hesitant leader almost certainly will continue. We believe that the armed forces' suspicion of Ascona's competence and his "leftist" advisers will aggravate civil-military relations, and political opponents in Congress may try to undermine the President's tenuous consensus on security policies—including support for the anti-Sandinista insurgents. The government's avoidance of difficult economic issues dims near-term prospects for much-needed reforms.

25X1

Prospects for major regime or policy change

During next six months

● *During next six months to two years*

Indicators

Legend

○ *Negligible concern*
○ *Low concern*
○ *Moderate concern*

● *Substantial concern*
● *Serious concern*

		1984			1985				1986
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent	○	○	○	○	○	○	○	○
	Demonstrations, riots, strikes	○	○	○	○	○	○	○	○
Economic factors	General deterioration								
	Decreased access to foreign funds								
	Capital flight								
	Unpopular changes in taxes, subsidies, or price controls				○	○	○	○	○
	Food/energy shortages	○	○	○	○	○	○	○	○
	Inflation	○	○	○	○	○	○	○	
Opposition activities	Organizational capabilities								
	Opposition conspiracy/planning								
	Terrorism and sabotage								
	Insurgent armed attacks	○	○	○	○	○	○	○	○
	Public support	○	○	○	○	○	○	○	○
Military attitudes/activities	Threat to corporate military interests/dignity				○	○	○	○	○
	Discontent over career loss, pay, or benefits	○	○	○	○	○	○	○	○
	Discontent over government action/policies								
	Reports/rumors of coup plotting	○	○						
External factors	External support for government	○	○	○	○	○	○	○	○
	External support for opposition								
	Threat of military conflict	New category							
Regime actions/capabilities	Repression/brutality	○	○	○		○	○	○	○
	Security capabilities	○	○	○	○	○	○	○	○
	Political disunity/loss of confidence	○							
	Loss of legitimacy	○	○	○	○	○	○	○	○

308905 5-86

25X1

Secret

Secret

**Panama:
Selected Instability Indicators**

Outlook

President Delvalle's subservience to the military and improved prospects for assistance from international lenders have bolstered the chances for his political survival, at least for the near term. Delvalle, with powerful Defense Chief Noriega's backing, pushed labor, agricultural, and industrial reforms through the National Assembly in March. The package triggered a 10-day, violence-marred general strike, but it demonstrated the willingness of the regime—and the military—to try to address World Bank preconditions for the release of long-delayed funds.

25X1

Prospects for major regime or policy change

○ During next six months

◐ During next six months to two years

Indicators	Legend	○ Negligible concern ○ Low concern ◐ Moderate concern	◐ Substantial concern ● Serious concern
-------------------	---------------	---	--

		1984			1985				1986
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent	○	○	○	○	○	○	○	○
	Demonstrations, riots, strikes	○	○	○	○				
Economic factors	General deterioration								
	Decreased access to foreign funds	○	○	○	○	○			
	Capital flight	○	○	○	○	○	○	○	○
	Unpopular changes in taxes, subsidies, or price controls	○	○		○	○	○	○	○
	Food/energy shortages	○	○	○	○	○	○	○	○
Opposition activities	Inflation	○	○	○	○	○	○	○	○
	Organizational capabilities	○	○	○	○	○	○	○	○
	Opposition conspiracy/planning	○			○	○			
	Terrorism and sabotage	○	○	○	○	○	○	○	○
	Insurgent armed attacks	○	○	○	○	○	○	○	○
Military attitudes/activities	Public support	○	○	○	○	○	○	○	○
	Threat to corporate military interests/dignity	○	○	○	○	○			
	Discontent over career loss, pay, or benefits	○	○	○	○	○	○	○	○
	Discontent over government action/policies	○	○	○	○	○	●		○
External factors	Reports/rumors of coup plotting	○	○	○	○	○		○	
	External support for government	○	○	○	○	○	○	○	○
	External support for opposition	○	○	○	○	○	○	○	○
Regime actions/capabilities	Threat of military conflict	New category			○	○	○	○	○
	Repression/brutality	○	○	○	○	○	○	○	○
	Security capabilities	○	○	○	○	○	○	○	○
	Political disunity/loss of confidence	○	○	○	○				
	Loss of legitimacy	○	○	○	○	○			

308906 5-86

25X1

Secret

**Colombia:
Selected Instability Indicators**

Outlook

President Betancur has tightened security nationwide to prevent large-scale guerrilla disruptions, but urban terrorist attacks are likely before the 25 May presidential election. Despite heavy losses in a two-month-long insurgent offensive in rural southwestern Colombia, the M-19 group and its allies continue to challenge the authorities there. The largest insurgent group, the Revolutionary Armed Forces of Colombia, has again extended its truce with the government, but continues recruitment and small rural attacks. Meanwhile, its political front uses propaganda and threats to extend its influence.

25X1

Prospects for major regime or policy change

During next six months
During next six months to two years

Indicators

Legend

- Negligible concern
- Substantial concern
- Low concern
- Serious concern
- Moderate concern

		1984			1985				1986
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Demonstrations, riots, strikes		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>				
Economic factors	General deterioration								
	Decreased access to foreign funds								<input type="radio"/>
	Capital flight								
	Unpopular changes in taxes, subsidies, or price controls	<input type="radio"/>					<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Food/energy shortages	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Inflation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
Opposition activities	Organizational capabilities								
	Opposition conspiracy/planning								
	Terrorism and sabotage								
	Insurgent armed attacks								
	Public support	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Military attitudes/activities	Threat to corporate military interests/dignity	<input type="radio"/>	<input type="radio"/>						
	Discontent over career loss, pay, or benefits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>				
	Discontent over government action/policies								
	Reports/rumors of coup plotting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
External factors	External support for government	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	External support for opposition								
	Threat of military conflict	New category			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Regime actions/capabilities	Repression/brutality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	Security capabilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>				
	Political disunity/loss of confidence	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Loss of legitimacy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

308907 5-86

25X1

Secret

Secret

Venezuela:
Selected Instability Indicators
Outlook

The severe drop in oil prices virtually assures a continuation of economic stagnation into its eighth year in Venezuela. This situation, however, does not threaten the country's entrenched two-party democratic system and is unlikely to weaken President Lusinchi in the near term. There is no significant social unrest, and organized labor remains a committed ally of the ruling party. In our judgment, only a more severe and sustained recession—perhaps as campaigning intensifies for national elections in 1988—could undercut the standing of President Lusinchi and the conservative members of his party.

25X1

Prospects for major regime or policy change

- During next six months
 During next six months to two years

Indicators**Legend**

Negligible concern
 Low concern
 Moderate concern

Substantial concern
 Serious concern

		1984			1985				1986
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Demonstrations, riots, strikes	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Economic factors	General deterioration			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>			
	Decreased access to foreign funds			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	Capital flight				<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Unpopular changes in taxes, subsidies, or price controls						<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Food/energy shortages	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Inflation					<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
					<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Opposition activities	Organizational capabilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Opposition conspiracy/planning	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Terrorism and sabotage	<input type="radio"/>	<input type="radio"/>			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Insurgent armed attacks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Public support	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Military attitudes/activities	Threat to corporate military interests/dignity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Discontent over career loss, pay, or benefits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Discontent over government action/policies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Reports/rumors of coup plotting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
External factors	External support for government	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	External support for opposition	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Threat of military conflict				New category	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Regime actions/capabilities	Repression/brutality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Security capabilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Political disunity/loss of confidence	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Loss of legitimacy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

308908 5-86

25X1

Secret

Peru:
Selected Instability Indicators

Outlook

President Garcia is still riding a popular crest after eight months in office, but he faces some difficult challenges. Guerrilla activity continues unabated, and in February he declared a state of emergency in Lima following a new wave of terrorist bombings. Peru's labor force is highly underemployed, and Garcia's intransigence on debt repayments has further reduced the availability of foreign credit needed for job-creating economic development. Although Garcia has avoided confrontation with the far-left opposition and mollified the military with pay raises and public praise, mutual mistrust persists.

25X1

Prospects for major regime or policy change

- During next six months*
- *During next six months to two years*

Indicators	Legend	1984			1985				1986
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent	○	○	○	○	○	○	○	○
	Demonstrations, riots, strikes	●	●	●	●	●			
Economic factors	General deterioration	●	●	●	●	●	●	●	●
	Decreased access to foreign funds	●	●	●	●	●	●	●	●
	Capital flight	●	●	●	●	●			
	Unpopular changes in taxes, subsidies, or price controls					●		○	○
	Food/energy shortages								
Opposition activities	Inflation								
	Organizational capabilities								
	Opposition conspiracy/planning						○	○	○
	Terrorism and sabotage	●	●	●	●	●	●	●	●
Military attitudes/activities	Insurgent armed attacks	●	●	●	●	●	●	●	●
	Public support						○	○	○
	Threat to corporate military interests/dignity	○					●	●	
External factors	Discontent over career loss, pay, or benefits						●	●	
	Discontent over government action/policies	●							
	Reports/rumors of coup plotting							○	○
	Threat of military conflict	○	○	○	○	○			
Regime actions/capabilities	External support for government	○							
	External support for opposition	○					○	○	○
	New category				○	○	○	○	○
	Repression/brutality		●	●	●	●			
	Security capabilities								
Loss of legitimacy	Political disunity/loss of confidence	●	●	●	●		○	○	○
	Loss of legitimacy	●	●	●	●	○	○	○	○

308909 5-86

25X1

Secret

Secret

Brazil:
Selected Instability Indicators

Outlook

President Sarney is using his powers more freely to consolidate his political base and combat high inflation. Increasingly self-confident, he has streamlined his cabinet and presidential staff; he made his boldest move since taking office when he announced a sweeping austerity program in February. The plan includes currency reform, a temporary wage and price freeze, and gradual elimination of a pervasive indexation system. Sarney has won widespread popular support for these moves, which should allow him to retain the backing of the centrist majority and the military, while keeping the left off balance.

25X1

Prospects for major regime or policy change

- During next six months
- During next six months to two years

Indicators	Legend	<input type="radio"/> Negligible concern <input type="radio"/> Low concern <input type="radio"/> Moderate concern	<input checked="" type="radio"/> Substantial concern <input checked="" type="radio"/> Serious concern
-------------------	---------------	---	--

		1984			1985				1986
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Demonstrations, riots, strikes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>				
Economic factors	General deterioration								
	Decreased access to foreign funds								
	Capital flight								
	Unpopular changes in taxes, subsidies, or price controls	<input checked="" type="radio"/>							
	Food/energy shortages		<input type="radio"/>	<input type="radio"/>					
	Inflation		<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
Opposition activities	Organizational capabilities		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Opposition conspiracy/planning	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Terrorism and sabotage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Insurgent armed attacks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Public support		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Military attitudes/activities	Threat to corporate military interests/dignity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>
	Discontent over career loss, pay, or benefits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Discontent over government action/policies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Reports/rumors of coup plotting	<input type="radio"/>	<input type="radio"/>			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
External factors	External support for government	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	External support for opposition	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Threat of military conflict				New category	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Regime actions/capabilities	Repression/brutality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Security capabilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Political disunity/loss of confidence								
	Loss of legitimacy					<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

308910 5-86

25X1

Secret

**Argentina:
Selected Instability Indicators**
Outlook

President Alfonsin's popularity remains high because of his successful inflation control program and the conviction of former junta members for human rights abuses. To maintain his standing, however, we believe he must spur economic growth by reducing the role of the inefficient public sector and by improving the investment climate. Alfonsin also faces contentious wage negotiations with an increasingly militant labor movement. In addition, the military remains concerned that more human rights trials—this time prosecuting junior and middle-level officers—are in the offing and is pressing the President for an amnesty.

25X1

Prospects for major regime or policy change

During next six months

During next six months to two years

Indicators**Legend**

○ Negligible concern
○ Low concern
○ Moderate concern

● Substantial concern
● Serious concern

		1984			1985				1986
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent	○	○	○	○	○	○	○	○
	Demonstrations, riots, strikes								
Economic factors	General deterioration								
	Decreased access to foreign funds				●	○	○	○	
	Capital flight								
	Unpopular changes in taxes, subsidies, or price controls	○	○	○	○	○	○		
	Food/energy shortages	○	○	○	○	○	○	○	○
	Inflation	●	●	●	●	●			
Opposition activities	Organizational capabilities						○	○	
	Opposition conspiracy/planning	○	○	○	○	○	○	○	○
	Terrorism and sabotage	○	○				○	○	○
	Insurgent armed attacks	○	○	○	○	○	○	○	○
	Public support	○	○	○	○	○	○	○	○
Military attitudes/activities	Threat to corporate military interests/dignity	○	○						
	Discontent over career loss, pay, or benefits	○							
	Discontent over government action/policies					○	○	○	
	Reports/rumors of coup plotting	○	○	○	○	○	○	○	○
External factors	External support for government	○	○	○	○	○	○	○	○
	External support for opposition	○	○	○	○	○	○	○	○
	Threat of military conflict				New category	○	○	○	○
Regime actions/capabilities	Repression/brutality	○	○	○	○	○	○	○	○
	Security capabilities	○	○	○	○	○	○	○	○
	Political disunity/loss of confidence	○	○	○	○	○	○	○	○
	Loss of legitimacy	○	○	○	○	○	○	○	○

308911 5-86

25X1

Secret

Secret

Chile:**Selected Instability Indicators****Outlook**

Both the Communists and the mainstream political parties plan sustained campaigns against President Pinochet this year. The Communists intend to carry out violent acts countrywide and are insisting that Pinochet can be removed only through armed action. Most mainstream parties, frustrated over Pinochet's refusal to negotiate on a transition to democracy, are planning nonviolent protests, including a national strike. Some moderates are cooperating with the Communists. Pinochet is determined to quell all protests and has ordered the security forces to act even more vigorously than in the past.

25X1

Prospects for major regime or policy change

○ During next six months

● During next six months to two years

Indicators**Legend**○ Negligible concern
○ Low concern
○ Moderate concern● Substantial concern
● Serious concern

		1984			1985				1986
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent	○	○						
	Demonstrations, riots, strikes								
Economic factors	General deterioration								
	Decreased access to foreign funds		●	●	●	●			
	Capital flight								
	Unpopular changes in taxes, subsidies, or price controls	○	○	○	○	○	○	○	○
	Food/energy shortages	○	○	○	○	○	○	○	○
	Inflation								
Opposition activities	Organizational capabilities						●	●	●
	Opposition conspiracy/planning								
	Terrorism and sabotage	●							
	Insurgent armed attacks	○	○	○					
	Public support								
Military attitudes/activities	Threat to corporate military interests/dignity	○	○	○	○	○	○	○	○
	Discontent over career loss, pay, or benefits								
	Discontent over government action/policies		○				●	●	●
	Reports/rumors of coup plotting	○	○	○	○	○	○	○	○
External factors	External support for government								
	External support for opposition								
	Threat of military conflict				New category	○	○	○	○
Regime actions/capabilities	Repression/brutality								
	Security capabilities								
	Political disunity/loss of confidence	○	○						
	Loss of legitimacy								

308912 5-86

25X1

Secret

**Spain:
Selected Instability Indicators**

Outlook

Prime Minister Gonzalez's victory in the referendum on NATO membership on 12 March reinforces his position as a favorite to win another term in office in the national election that must take place by the end of the year. He is likely to push hard this summer in talks with Washington to reduce the US military presence in Spain. Madrid remains concerned about the Basque terrorist threat, although there has been some slowing of violent incidents in recent months.

25X1

Prospects for major regime or policy change

- During next six months
- During next six months to two years

Indicators

Legend

- Negligible concern
- Low concern
- Moderate concern
- Substantial concern
- Serious concern

		1984			1985				1986
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Demonstrations, riots, strikes			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Economic factors	General deterioration								
	Decreased access to foreign funds	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Capital flight	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Unpopular changes in taxes, subsidies, or price controls	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Food/energy shortages	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Inflation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Opposition activities	Organizational capabilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Opposition conspiracy/planning	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Terrorism and sabotage								
	Insurgent armed attacks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Public support	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Military attitudes/activities	Threat to corporate military interests/dignity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Discontent over career loss, pay, or benefits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Discontent over government action/policies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Reports/rumors of coup plotting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
External factors	External support for government	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	External support for opposition	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Threat of military conflict			New category	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Regime actions/capabilities	Repression/brutality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Security capabilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Political disunity/loss of confidence	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Loss of legitimacy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

308913 5-86

25X1

Secret

Secret

Greece:
Selected Instability Indicators

Outlook

Prime Minister Papandreu is holding firm on the austerity plan he adopted last fall, despite grumbling within his Socialist ranks and limited labor unrest. Papandreu's efforts to turn the economy around have been complicated by terrorist activity in the region, which has had a devastating impact on Greece's tourist revenues. The economic difficulties do not appear to be a destabilizing factor, however, or as yet even a serious political vulnerability. Polls indicate that most Greeks blame world economic conditions for Greece's troubles and still believe Papandreu is the best leader to mend the economy.

25X1

Prospects for major regime or policy change

- During next six months
- During next six months to two years

Indicators

Legend

- Negligible concern
- Substantial concern
- Low concern
- Serious concern
- Moderate concern

		1984			1985				1986
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Demonstrations, riots, strikes					<input type="radio"/>	<input type="radio"/>		
Economic factors	General deterioration								
	Decreased access to foreign funds								
	Capital flight								
	Unpopular changes in taxes, subsidies, or price controls	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
	Food/energy shortages	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Opposition activities	Inflation								
	Organizational capabilities	<input type="radio"/>	<input type="radio"/>						
	Opposition conspiracy/planning	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Terrorism and sabotage		<input type="radio"/>	<input type="radio"/>					
	Insurgent armed attacks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Military attitudes/activities	Public support	<input type="radio"/>	<input type="radio"/>			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Threat to corporate military interests/dignity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Discontent over career loss, pay, or benefits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Discontent over government action/policies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>					<input type="radio"/>
External factors	Reports/rumors of coup plotting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	External support for government	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	External support for opposition	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Regime actions/capabilities	Threat of military conflict				New category			<input type="radio"/>	<input type="radio"/>
	Repression/brutality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	Security capabilities								
	Political disunity/loss of confidence					<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Loss of legitimacy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

308914 5-86

25X1

Secret

Turkey:
Selected Instability Indicators
Outlook

The government of Prime Minister Ozal retains its majority in parliament despite continued public unhappiness with high inflation and unemployment. The impact of falling oil prices, however, may boost the government's standing in time for possible parliamentary byelections next fall. Separatist Kurdish terrorism remains worrisome—activity by Iraqi Kurds has surged in step with Iranian advances in the Gulf war. Frictions continue with Bulgaria, Greece, and Syria, and another concern for Ozal is Turkey's failure so far to achieve its goals in ongoing defense and economic talks with the United States.

*Prospects for major regime or policy change**During next six months**During next six months to two years***Indicators****Legend**

○ Negligible concern
 ● Low concern
 ● Moderate concern

● Substantial concern
 ● Serious concern

		1984			1985				1986
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent								
	Demonstrations, riots, strikes	○	○	○	○	○	○	○	○
Economic factors	General deterioration	○							
	Decreased access to foreign funds	○	○	○	○	○	○	○	○
	Capital flight								
	Unpopular changes in taxes, subsidies, or price controls	○							
	Food/energy shortages	○	○	○	○	○	○	○	○
Opposition activities	Inflation								
	Organizational capabilities								
	Opposition conspiracy/planning								○
	Terrorism and sabotage								
	Insurgent armed attacks	○							
Military attitudes/activities	Public support	○	○	○	○	○	○	○	○
	Threat to corporate military interests/dignity	○	○	○	○	○	○	○	○
	Discontent over career loss, pay, or benefits	○	○	○	○	○	○	○	○
	Discontent over government action/policies	○							
External factors	Reports/rumors of coup plotting	○	○	○	○	○	○	○	○
	External support for government	○	○	○	○	○	○	○	○
	External support for opposition	○	○	○	○	○	○	○	○
Regime actions/capabilities	Threat of military conflict	New category							
	Repression/brutality	○	○	○					
	Security capabilities	○	○	○	○	○	○	○	○
	Political disunity/loss of confidence	○							
	Loss of legitimacy	○	○	○	○	○	○	○	○

308915 5-86

25X1

25X1

Secret

Secret

Morocco:**Selected Instability Indicators****Outlook**

Financial difficulties continue to haunt Morocco despite a lower oil import bill and breathing room provided by the recent debt rescheduling agreement. Sales of Morocco's primary exports—phosphate and agricultural goods—remain depressed, and large-scale aid from traditional Arab donors is unlikely. The 30 percent of the urban population that is unemployed provides a fertile ground for political unrest should these problems result in significant shortages of essential goods or services. Nevertheless, we believe the regime's security forces can contain the unrest as long as incidents remain isolated.

25X1

*Prospects for major regime or policy change**During next six months**During next six months to two years***Indicators****Legend**

○ Negligible concern
○ Low concern
○ Moderate concern

● Substantial concern
● Serious concern

		1984			1985				1986
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent								
	Demonstrations, riots, strikes								
Economic factors	General deterioration								
	Decreased access to foreign funds								
	Capital flight	○	○	○					
	Unpopular changes in taxes, subsidies, or price controls								
	Food/energy shortages	○	○	○	○	○	○	○	○
	Inflation	○	○	○					
Opposition activities	Organizational capabilities	○	○	○	○	○	○	○	○
	Opposition conspiracy/planning								
	Terrorism and sabotage	○	○	○	○	○	○	○	○
	Insurgent armed attacks	○	○	○	○	○	○	○	○
	Public support								
Military attitudes/activities	Threat to corporate military interests/dignity	○	○	○					
	Discontent over career loss, pay, or benefits								
	Discontent over government action/policies	○	○	○	○	○	○	○	
	Reports/rumors of coup plotting	○	○	○	○	○	○	○	○
External factors	External support for government	○	○	○	○	○	○	○	○
	External support for opposition	○	○	○	○	○	○	○	○
	Threat of military conflict	New category							
Regime actions/capabilities	Repression/brutality								
	Security capabilities	○	○	○	○	○	○	○	○
	Political disunity/loss of confidence	○							
	Loss of legitimacy	○	○	○	○	○	○	○	○

308916 5-86

25X1

Secret

Egypt^a:**Selected Instability Indicators****Outlook**

The Mubarak government has weathered the recent mutiny by security police—its gravest crisis to date—but more troubles loom on the horizon. If Cairo does not develop an effective strategy for handling Egypt's myriad problems—in particular its economic difficulties—we expect opposition activities by Islamic fundamentalist groups and others to intensify sharply. Basic economic indicators are not encouraging, pointing to a further erosion of the standard of living and of Egypt's external financial position.

^a See Part 2 for a more detailed discussion.

25X1

Prospects for major regime or policy change

○ During next six months

● During next six months to two years

Indicators**Legend**

○ Negligible concern

● Substantial concern

○ Low concern

● Serious concern

○ Moderate concern

		1984			1985				1986
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent	○	○	○	○				
	Demonstrations, riots, strikes				○				●
Economic factors	General deterioration								
	Decreased access to foreign funds					○			●
	Capital flight	○	○	○	○	○	○	○	
	Unpopular changes in taxes, subsidies, or price controls	○					●	●	
	Food/energy shortages	○	○	○	○	○	○	○	○
	Inflation					○			
Opposition activities	Organizational capabilities				○	○	○	○	○
	Opposition conspiracy/planning			○	○		○	○	○
	Terrorism and sabotage	○	○						
	Insurgent armed attacks	○	○	○	○	○	○	○	○
	Public support					○	○	○	
Military attitudes/activities	Threat to corporate military interests/dignity	○	○	○	○	○	○	○	○
	Discontent over career loss, pay, or benefits					○	○	○	○
	Discontent over government action/policies	○	○	○	○	○	○	○	○
	Reports/rumors of coup plotting	○	○	○	○	○	○	○	○
External factors	External support for government	○	○	○	○	○	○	○	○
	External support for opposition	○	○	○	○	○	○	○	○
	Threat of military conflict	New category			○	○	○	○	○
Regime actions/capabilities	Repression/brutality	○	○	○	○	○	○	○	○
	Security capabilities	○	○	○	○	○	○	○	
	Political disunity/loss of confidence	○	○	○	○	○	○		
	Loss of legitimacy	○	○	○	○	○	○	○	○

308917 5-86

25X1

Secret

Sudan:
Selected Instability Indicators

Outlook

The Sudanese military, which seized power from Jaafar Nimeri a year ago, delivered on its promise of elections in April. But the new civilian government must immediately curb political factionalism or risk another takeover by the armed forces. The regime—which most likely will be led by moderate Muslim religious leader Sadiq Mahdi—probably can count on Libyan and other Arab donors to provide a brief initial cushion against acute shortages. Ramadan observances and summer heat may help limit northern opposition activities until fall. The southern rebels, however, almost certainly will keep up pressure.

25X1

Prospects for major regime or policy change

- During next six months
- During next six months to two years

Indicators	Legend	○ Negligible concern ● Low concern ● Moderate concern	● Substantial concern ● Serious concern
-------------------	---------------	---	--

		1984			1985				1986
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent		●	●	●	●	●	●	●
	Demonstrations, riots, strikes				●	●	●	●	●
Economic factors	General deterioration			●	●	●	●	●	●
	Decreased access to foreign funds		●	●			●	●	●
	Capital flight								●
	Unpopular changes in taxes, subsidies, or price controls				●	●			●
	Food/energy shortages		●	●					
	Inflation				●	●	●	●	●
Opposition activities	Organizational capabilities		●	●	●	●	●	●	●
	Opposition conspiracy/planning			●	●	●	●	●	●
	Terrorism and sabotage								●
	Insurgent armed attacks		●		●		●	●	●
	Public support				●				
Military attitudes/activities	Threat to corporate military interests/dignity					●	●	●	●
	Discontent over career loss, pay, or benefits								
	Discontent over government action/policies				●	●	●	●	●
	Reports/rumors of coup plotting			●	●	●	●	●	●
External factors	External support for government								
	External support for opposition							●	●
	Threat of military conflict				New category				
Regime actions/capabilities	Repression/brutality								○
	Security capabilities					●	●	●	●
	Political disunity/loss of confidence				●	●	●	●	
	Loss of legitimacy				●				

308918 5-86

25X1

Secret

Saudi Arabia:
Selected Instability Indicators

Outlook

Although the Saudi Government remains firmly in control, reduced government spending is affecting the lifestyles of many Saudis, [redacted]
[redacted]
[redacted] Riyadh is concerned about Iranian successes in the war with Iraq and the possible spread of the conflict onto the Arabian Peninsula. Oil revenues remain depressed, and the Saudi policy of defending a greater market share has exacerbated tensions with Iran. [redacted]

25X6
25X6
25X6

25X1

Prospects for major regime or policy change

- During next six months
- During next six months to two years

Indicators

Legend

- Negligible concern
- Substantial concern
- Low concern
- Serious concern
- Moderate concern

		1984			1985				1986
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent								
	Demonstrations, riots, strikes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Economic factors	General deterioration	<input type="radio"/>							
	Decreased access to foreign funds	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	Capital flight	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	Unpopular changes in taxes, subsidies, or price controls	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
	Food/energy shortages	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Opposition activities	Inflation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	Organizational capabilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	Opposition conspiracy/planning			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	Terrorism and sabotage								
	Insurgent armed attacks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Military attitudes/activities	Public support	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	Threat to corporate military interests/dignity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	Discontent over career loss, pay, or benefits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	Discontent over government action/policies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	Reports/rumors of coup plotting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
External factors	External support for government	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	External support for opposition					<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	Threat of military conflict				New category	<input type="radio"/>	<input type="radio"/>		
Regime actions/capabilities	Repression/brutality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>				
	Security capabilities					<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	Political disunity/loss of confidence	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	Loss of legitimacy	<input type="radio"/>	<input type="radio"/>			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

308919 5-86

25X1

Secret

Secret

Iraq:**Selected Instability Indicators****Outlook**

Iran's crossing of the Shatt al Arab and capture of the deserted Iraqi port city of Al Faw in February was a psychological blow to Baghdad. The Iranians, however, have been unable to exploit their success militarily. Meanwhile, Iraq's economic problems are mounting. Declining oil revenues most likely will force some cutbacks in consumer goods and services, contributing to morale problems and increasing the likelihood of civilian unrest over the longer term. Even so, Iraq's political elite—the leaders of the ruling Ba'th Party and Iraq's top military commanders—continue for now to support the regime of President Saddam Husayn.

25X1

Prospects for major regime or policy change

- ☞ *During next six months*
 ● *During next six months to two years*

Indicators**Legend**

- *Negligible concern*
 ● *Low concern*
 ● *Moderate concern*
 ● *Substantial concern*
 ● *Serious concern*

		1984			1985				1986
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent				●	●	●	●	●
	Demonstrations, riots, strikes				○	○	○		
Economic factors	General deterioration	○	○	○	○				●
	Decreased access to foreign funds								●
	Capital flight	○	○	○	○	○	○	○	
	Unpopular changes in taxes, subsidies, or price controls	○	○	○	○	○	○	○	
	Food/energy shortages					○	○	○	
	Inflation	○	○						
Opposition activities	Organizational capabilities	○	○	○	○	○	○		
	Opposition conspiracy/planning	○	○	○	○	○	○		
	Terrorism and sabotage					●			●
	Insurgent armed attacks	○			●	●		●	●
	Public support	○	○	○	○	○			
Military attitudes/activities	Threat to corporate military interests/dignity	○	○	○	○	○	○		
	Discontent over career loss, pay, or benefits	○	○	○	○	○	○	○	○
	Discontent over government action/policies	○	○	○	○	○	○		
	Reports/rumors of coup plotting	○	○	○	○	○	○	○	○
External factors	External support for government	○	○	○	○	○	○	○	○
	External support for opposition				●	●		●	
	Threat of military conflict	New category			●	●	●	●	●
Regime actions/capabilities	Repression/brutality	○	○	○	○	●	●	●	●
	Security capabilities	○	○	○					
	Political disunity/loss of confidence	○	○	○	○	○	○		○
	Loss of legitimacy	○	○	○	○	○	○	○	○

308920 5.86

25X1

Secret

**Iran:
Selected Instability Indicators**

Outlook

Although the regime remains firmly in control and enjoys the support of a majority of the population, there is—in our judgment—considerable dissatisfaction beneath the surface. Tehran's capture of the Iraqi port of Al Faw has temporarily eased war weariness, and there have been no overt expressions of dissent, despite economic hardships. Nevertheless, we believe continued low oil prices will force the regime to make even deeper cuts in consumer and industrial imports—the regime slashed imports by one-third in 1985—and that Khomeini's deteriorating health and the poor economy will intensify factionalism.

25X1

Prospects for major regime or policy change

- During next six months
- During next six months to two years

Indicators **Legend**

○ Negligible concern ● Substantial concern

○ Low concern ● Serious concern

○ Moderate concern

		1984			1985				1986
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent								
	Demonstrations, riots, strikes				●	●		○	○
Economic factors	General deterioration						●	●	●
	Decreased access to foreign funds						●	●	
	Capital flight				●	●	●	●	
	Unpopular changes in taxes, subsidies, or price controls								●
	Food/energy shortages								
	Inflation								
Opposition activities	Organizational capabilities	○	○	○	○	○	○	○	○
	Opposition conspiracy/planning								
	Terrorism and sabotage								
	Insurgent armed attacks								
	Public support								
Military attitudes/activities	Threat to corporate military interests/dignity								
	Discontent over career loss, pay, or benefits								
	Discontent over government action/policies								
	Reports/rumors of coup plotting								
External factors	External support for government	○	○	○	○	○	○	○	○
	External support for opposition	○	○	○	○	○	○	○	○
	Threat of military conflict				New category	●	●	●	●
Regime actions/capabilities	Repression/brutality								
	Security capabilities	○	○	○					
	Political disunity/loss of confidence								
	Loss of legitimacy	○							

308921 5-86

25X1

Secret

Secret

Pakistan:
Selected Instability Indicators

Outlook

The return of People's Party leader Benazir Bhutto in early April probably marks the end of the honeymoon for Prime Minister Junejo's new civilian government. Bhutto has launched a month-long drive calling for a new election and President Zia's resignation as Army chief. Both her party and the government have shown restraint so far, but massive rallies will test the government's forbearance. Meanwhile, Islamabad has contained a significant threat to stability—it appears to have regained the upper hand over tribes along the Afghan border, which have been stirred up by a Soviet-inspired campaign.

25X1

Prospects for major regime or policy change

○ *During next six months*

● *During next six months to two years*

<i>Indicators</i>	<i>Legend</i>	○ <i>Negligible concern</i>	● <i>Substantial concern</i>
		○ <i>Low concern</i>	● <i>Serious concern</i>
		○ <i>Moderate concern</i>	

		1984			1985				1986
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent			○					○
	Demonstrations, riots, strikes		○	○		○	○		●
Economic factors	General deterioration					○	○	○	○
	Decreased access to foreign funds	○	○	○	○	○		○	○
	Capital flight	○	○	○	○	○	○	○	○
	Unpopular changes in taxes, subsidies, or price controls	○	○	○	○	○	○	○	○
	Food/energy shortages	○	○	○	○				
	Inflation					○	○	○	○
Opposition activities	Organizational capabilities	○	○	○		○	○	○	●
	Opposition conspiracy/planning	○	○	○		○	○	○	○
	Terrorism and sabotage	○	○	○	○	○	○	○	
	Insurgent armed attacks	○	○	○	○	○	○	○	○
	Public support	○	○	○		○	○	○	
Military attitudes/activities	Threat to corporate military interests/dignity	○	○	○	○	○			○
	Discontent over career loss, pay, or benefits	○	○	○	○	○	○	○	○
	Discontent over government action/policies		○			○	○	○	○
	Reports/rumors of coup plotting		○	○	○	○			○
External factors	External support for government	○	○	○	○	○	○	○	○
	External support for opposition								○
	Threat of military conflict				New category			○	
Regime actions/capabilities	Repression/brutality	○	○	○		○	○	○	○
	Security capabilities	○	○	○	○	○	○	○	○
	Political disunity/loss of confidence	○	○	○	○	○	○	○	
	Loss of legitimacy	○	○	○	○	○	○	○	○

308922 5-86

25X1

Secret

India:
Selected Instability Indicators

Outlook

A resurgence of communal conflict and opposition-led demonstrations against price increases have disrupted what had been steadily improving stability under Prime Minister Rajiv Gandhi. Sikh militants have stepped up killings of Sikh police as well as Hindus. Muslims have also clashed with Hindus over government decisions affecting divorce law and a contested mosque. Gandhi's success in restoring calm will depend heavily on his skill in deploying security forces where they are essential—without further alienating Sikh moderates—and more broadly on his ability to rally support for his policies.

25X1

Prospects for major regime or policy change

During next six months
During next six months to two years

Indicators

Legend

- Negligible concern
- Substantial concern
- Low concern
- Serious concern
- Moderate concern

		1984			1985				1986
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent			●	●	●	●		
	Demonstrations, riots, strikes								
Economic factors	General deterioration		○	○	○	○	○	○	○
	Decreased access to foreign funds		○	○	○	○	○	○	○
	Capital flight		○	○	○	○	○	○	○
	Unpopular changes in taxes, subsidies, or price controls		○	○	○	○	○	○	○
	Food/energy shortages		○	○	○	○	○	○	○
	Inflation		○	○	○	○	○	○	○
Opposition activities	Organizational capabilities		○	○	○	○	○	○	○
	Opposition conspiracy/planning				○	○	○	○	○
	Terrorism and sabotage					●	●		
	Insurgent armed attacks		○	○	○	○	○	○	○
	Public support				○	○	○	○	○
Military attitudes/activities	Threat to corporate military interests/dignity		○	○	○	○	○	○	○
	Discontent over career loss, pay, or benefits		○						
	Discontent over government action/policies								
	Reports/rumors of coup plotting		○	○	○	○	○	○	○
External factors	External support for government		○	○	○	○	○	○	○
	External support for opposition		○	○	○	○	○	○	○
	Threat of military conflict		New category						
Regime actions/capabilities	Repression/brutality		○	○	○	○	○	○	○
	Security capabilities								
	Political disunity/loss of confidence		○	○	○	○	○	○	○
	Loss of legitimacy		○	○	○	○	○	○	○

308923 5-86

25X1

Secret

Secret

Nigeria^a:
Selected Instability Indicators

Outlook

President Babangida's regime faces a financial crisis and a lack of political direction that threaten its survival. Plunging oil prices have forced Lagos to stop payment on its \$19 billion debt in order to avoid devastating import cuts and a politically explosive IMF austerity agreement. Economic deterioration could strengthen discontent in the military and further erode the regime's base of support—already battered by controversies over the execution of 10 military coup plotters and a decision to join the Islamic Conference Organization. The latter move has also provoked Christian-Muslim violence.

^a See Part 2 for a more detailed discussion.

Prospects for major regime or policy change

- During next six months
- During next six months to two years

Indicators	Legend	○ Negligible concern ● Low concern ● Moderate concern	● Substantial concern ● Serious concern
-------------------	---------------	---	--

		1984			1985				1986
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent			●	●	●	●	●	●
	Demonstrations, riots, strikes								
Economic factors	General deterioration	●	●	●	●	●	●	●	●
	Decreased access to foreign funds	●	●	●	●	●	●	●	●
	Capital flight								
	Unpopular changes in taxes, subsidies, or price controls							●	●
	Food/energy shortages	●	●	●	●	●	●	●	●
	Inflation	●	●	●	●	●	●	●	●
Opposition activities	Organizational capabilities	○	○	○	○	○	○	○	○
	Opposition conspiracy/planning	○	○	○	○	○	○	○	○
	Terrorism and sabotage	○	○	○	○	○	○	○	○
	Insurgent armed attacks	○	○	○	○	○	○	○	○
	Public support	○	○	○	○	○	○	○	○
Military attitudes/activities	Threat to corporate military interests/dignity	○	○	○	○	○	○	○	○
	Discontent over career loss, pay, or benefits	●	●	●	●	●	●	●	●
	Discontent over government action/policies	●	●	●	●	●	●	●	●
	Reports/rumors of coup plotting	●	●	●	●	●	●	●	●
External factors	External support for government	○	○	○	○	○	○	○	○
	External support for opposition	○	○	○	○	○	○	○	○
	Threat of military conflict	New category			○	○	○	○	○
Regime actions/capabilities	Repression/brutality								
	Security capabilities							●	●
	Political disunity/loss of confidence	●	●	●	●	●	●	●	●
	Loss of legitimacy	●	●	●	●	●	●	●	●

308924 5-86

25X1

25X1

Secret

Secret

Somalia:
Selected Instability Indicators
Outlook

President Siad continues to dominate the political scene. Nevertheless, dissatisfaction with his policies among rival tribal groups continues to simmer—the regime arrested several Air Force and Navy officers in April for coup plotting. The President recently reshuffled several senior military officers who are potential rivals. He has initiated talks with Ethiopia in an effort to defuse border tensions and to end Addis Ababa's support to guerrillas. Although this has generated some internal opposition, Siad appears to have the general backing of the military and population for the endeavor.

25X1

*Prospects for major regime or policy change**During next six months**During next six months to two years***Indicators****Legend**

○ Negligible concern
 ○ Low concern
 ○ Moderate concern

● Substantial concern
 ● Serious concern

		1984			1985				1986
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent								
	Demonstrations, riots, strikes	○	○	○	○	○	○	○	○
Economic factors	General deterioration	○	○	○	○	○	○	○	○
	Decreased access to foreign funds				○	○	○	○	○
	Capital flight	○	○	○	○	○	○	○	○
	Unpopular changes in taxes, subsidies, or price controls	○	○	○	○	○	○	○	○
	Food/energy shortages	○	○	○	○	○	○	○	○
	Inflation							○	○
Opposition activities	Organizational capabilities	○	○	○	○	○	○	○	○
	Opposition conspiracy/planning								
	Terrorism and sabotage	○	○	○	○	○	○	○	○
	Insurgent armed attacks								
	Public support	○	○	○	○	○	○	○	○
Military attitudes/activities	Threat to corporate military interests/dignity	○	○	○	○	○	○	○	○
	Discontent over career loss, pay, or benefits					○	○	○	○
	Discontent over government action/policies	○	○	○					
	Reports/rumors of coup plotting	○	○	○	○	○	○	○	
External factors	External support for government	○	○	○	○	○	○	○	○
	External support for opposition								
	Threat of military conflict	New category							
Regime actions/capabilities	Repression/brutality	○	○	○					
	Security capabilities								
	Political disunity/loss of confidence	○	○	○	○	○	○	○	○
	Loss of legitimacy	○	○	○	○	○	○	○	○

308925 5-86

25X1

Secret

Secret

Kenya:
Selected Instability Indicators

Outlook

Unrest among the Kikuyu—Kenya's largest ethnic group—continues to build. Kikuyu leaders resent President Moi's attempts to play on their divisions and reduce their privileges. Several persons, mostly Kikuyus, were arrested for antiregime plotting during the quarter, and other Kikuyus reportedly set fire to the Nairobi City Hall. Nonetheless, the military—where ethnic tensions are lower—appears able to contain the unrest. The Moi government is also benefiting from high coffee revenues, record maize and wheat harvests, low oil prices, and good relations with aid donors and regional neighbors.

25X1

Prospects for major regime or policy change

During next six months

During next six months to two years

Indicators	Legend	○ Negligible concern ○ Low concern ○ Moderate concern	● Substantial concern ● Serious concern
-------------------	---------------	---	--

		1984			1985				1986
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent								
	Demonstrations, riots, strikes	○	○	○		○	○	○	○
Economic factors	General deterioration								
	Decreased access to foreign funds	○	○	○	○	○	○	○	○
	Capital flight	○	○	○	○	○	○	○	○
	Unpopular changes in taxes, subsidies, or price controls		○	○	○	○	○	○	○
	Food/energy shortages	○				○	○	○	○
	Inflation	○	○	○	○	○	○	○	○
Opposition activities	Organizational capabilities	○	○	○	○	○	○	○	○
	Opposition conspiracy/planning		○	○	○	○			
	Terrorism and sabotage	○	○	○	○	○	○	○	○
	Insurgent armed attacks	○	○	○	○	○	○	○	○
	Public support	○	○	○	○	○	○	○	○
Military attitudes/activities	Threat to corporate military interests/dignity	○	○	○	○	○	○	○	○
	Discontent over career loss, pay, or benefits	○	○	○	○	○	○		
	Discontent over government action/policies	○	○		○	○			○
	Reports/rumors of coup plotting	○	○	○	○	○	○	○	○
External factors	External support for government	○	○	○	○	○	○	○	○
	External support for opposition	○	○	○	○	○	○	○	○
	Threat of military conflict	New category			○	○	○	○	○
Regime actions/capabilities	Repression/brutality	○	○	○	○	○	○	○	○
	Security capabilities	○	○	○	○	○	○	○	○
	Political disunity/loss of confidence	○	○	○	○	○	○	○	○
	Loss of legitimacy	○	○	○	○	○	○	○	○

308926 5-86

25X1

Secret

Zaire:
Selected Instability Indicators

Outlook

The regime of President Mobutu is under no immediate threat. The continued austerity measures outlined in the new IMF program for Zaire may lead to expressions of discontent from labor and students—but a serious challenge is not likely. Meanwhile, Libyan-US tensions in recent months have heightened concern in Kinshasa that Tripoli may sponsor a terrorist attack in Zaire. Mobutu also is concerned increasingly that Angola may renew support to Zairian dissidents in retaliation for Zaire's suspected role in facilitating US aid to UNITA.

25X1

Prospects for major regime or policy change

During next six months
During next six months to two years

Indicators

Legend

- Negligible concern
- Substantial concern
- Low concern
- Serious concern
- Moderate concern

		1984			1985				1986
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent								
	Demonstrations, riots, strikes	○	○	○	○	○	○	○	
Economic factors	General deterioration								
	Decreased access to foreign funds	○	○	○	○	○	○	○	○
	Capital flight	○	○	○	○	○	○	○	○
	Unpopular changes in taxes, subsidies, or price controls						○	○	○
	Food/energy shortages						○	○	○
	Inflation								
Opposition activities	Organizational capabilities								
	Opposition conspiracy/planning								
	Terrorism and sabotage	○							
	Insurgent armed attacks	○	○						
	Public support								
Military attitudes/activities	Threat to corporate military interests/dignity	○	○	○	○	○	○	○	○
	Discontent over career loss, pay, or benefits								
	Discontent over government action/policies	○	○	○	○	○	○	○	○
	Reports/rumors of coup plotting	○	○	○	○	○	○	○	○
External factors	External support for government	○	○	○	○	○	○	○	○
	External support for opposition	○							
	Threat of military conflict				New category	○			
Regime actions/capabilities	Repression/brutality								
	Security capabilities	○	○	○	○	○	○	○	○
	Political disunity/loss of confidence					○	○	○	○
	Loss of legitimacy					○	○	○	○

308927 5-86

25X1

Secret

Secret

**South Africa:
Selected Instability Indicators**

Outlook

Antigovernment violence and demonstrations are likely to increase as blacks commemorate the 10th anniversary of the Soweto riots in June. We do not believe that the limited reforms enacted by Parliament this session—including revision of laws affecting movements by blacks in the country—will satisfy blacks. An agreement with foreign creditors to defer most of South Africa's debt principal repayments through June 1987 probably will temporarily increase access to foreign funds. The economy is poised for a modest recovery, but any upturn is unlikely to be of sufficient magnitude to stem the rise in black unemployment.

25X1

Prospects for major regime or policy change

During next six months

During next six months to two years

Indicators	Legend	○ Negligible concern ○ Low concern ○ Moderate concern	● Substantial concern ● Serious concern
-------------------	---------------	---	--

		1984			1985				1986
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent								
	Demonstrations, riots, strikes	○		●	●	●	●	●	●
Economic factors	General deterioration	○							
	Decreased access to foreign funds	○	○	○	○		●	●	
	Capital flight	○	○	○	○	○			
	Unpopular changes in taxes, subsidies, or price controls	○				○	○	○	○
	Food/energy shortages	○	○	○	○	○	○	○	○
	Inflation								
Opposition activities	Organizational capabilities	○	○		○	○	○	○	○
	Opposition conspiracy/planning	○	○		○	○	○	○	○
	Terrorism and sabotage			○	○				
	Insurgent armed attacks	○	○	○	○	○	○	○	○
	Public support								
Military attitudes/activities	Threat to corporate military interests/dignity	○	○	○	○	○	○	○	○
	Discontent over career loss, pay, or benefits	○	○	○	○	○	○	○	○
	Discontent over government action/policies	○	○	○	○	○	○	○	○
	Reports/rumors of coup plotting	○	○	○	○	○	○	○	○
External factors	External support for government	○	○	○					
	External support for opposition	○	○	○	○	○	○	○	○
	Threat of military conflict	New category			○	○	○	○	○
Regime actions/capabilities	Repression/brutality	○	○		●	●	●	●	●
	Security capabilities	○	○	○	○	○	○	○	○
	Political disunity/loss of confidence	○	○	○					
	Loss of legitimacy	○	○	○	○	○	○	○	○

308928 5-86

25X1

Secret

Secret

**Philippines:
Selected Instability Indicators**

Outlook

President Aquino will face growing opposition as public euphoria over her ascension to power fades. Although economic prospects have improved, significant growth and gains in living standards are not likely before early 1987. Protests—such as those prompted by Aquino's efforts to replace officials elected in the Marcos era, her abolition of the legislature, and rule by decree—are likely to intensify if the new administration fails to make progress on economic and social issues. The Communists will probably maintain current levels of attacks despite government efforts to negotiate a cease-fire.

25X1

Prospects for major regime or policy change

During next six months

● *During next six months to two years*

Indicators

Legend

○ *Negligible concern*
○ *Low concern*
○ *Moderate concern*

⊙ *Substantial concern*
● *Serious concern*

		1984			1985				1986
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent								
	Demonstrations, riots, strikes								○
Economic factors	General deterioration	●	●	●	●	●	●		
	Decreased access to foreign funds	●	●						○
	Capital flight	○	○	○	○	○	○	○	○
	Unpopular changes in taxes, subsidies, or price controls	●	●	●	●	●			○
	Food/energy shortages					○	○	○	○
	Inflation	●	●	●		○	○	○	
Opposition activities	Organizational capabilities								
	Opposition conspiracy/planning	○	○	○	○	○	○	○	
	Terrorism and sabotage								
	Insurgent armed attacks					●	●	●	●
	Public support	●	●	●	●	●	●	●	
Military attitudes/activities	Threat to corporate military interests/dignity	○	○						
	Discontent over career loss, pay, or benefits								
	Discontent over government action/policies					●	●	●	
	Reports/rumors of coup plotting	○	○	○	○	○	○		○
External factors	External support for government								○
	External support for opposition	○	○	○	○	○	○	○	○
	Threat of military conflict	New category			○	○	○	○	○
Regime actions/capabilities	Repression/brutality	○	○	○	○				○
	Security capabilities								
	Political disunity/loss of confidence	●							○
	Loss of legitimacy	●	●	●	●	●	●	●	○

308929 5 86

25X1

Secret

Secret

Indonesia:**Selected Instability Indicators****Outlook**

The sharp decline in world oil prices has forced Jakarta to implement further financial austerity and may force additional cuts in the current budget—already the most austere since the early 1970s. As the cuts and capital flight reduce chances for economic growth, rising unemployment could increase social and political discontent. The Soeharto government, however, remains firmly in control with full support of the military and, in preparation for the 1987 parliamentary election, will enforce strict discipline on the political opposition.

25X1

Prospects for major regime or policy change

- During next six months
 During next six months to two years

Indicators**Legend**

- Negligible concern
 Low concern
 Moderate concern
- Substantial concern
 Serious concern

		1984			1985				1986
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent	<input type="radio"/>							
	Demonstrations, riots, strikes	<input type="radio"/>				<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Economic factors	General deterioration	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>			
	Decreased access to foreign funds	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Capital flight	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	Unpopular changes in taxes, subsidies, or price controls	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Food/energy shortages	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Inflation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Opposition activities	Organizational capabilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Opposition conspiracy/planning	<input type="radio"/>	<input type="radio"/>			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Terrorism and sabotage	<input type="radio"/>	<input type="radio"/>			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Insurgent armed attacks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Public support	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Military attitudes/activities	Threat to corporate military interests/dignity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Discontent over career loss, pay, or benefits		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Discontent over government action/policies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Reports/rumors of coup plotting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
External factors	External support for government	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	External support for opposition	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Threat of military conflict	New category			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Regime actions/capabilities	Repression/brutality								
	Security capabilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Political disunity/loss of confidence	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Loss of legitimacy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

308930 5-86

25X1

Secret

**South Korea^a:
Selected Instability Indicators**

Outlook

His European trip behind him, President Chun is grappling with how to rein in opponents who—in the wake of Marcos’s downfall—have accelerated efforts to force Chun to concede to a direct presidential election in late 1987 or early 1988. Opposition rallies appear to have hit a plateau, but church, academic, and other opinion leaders are likely to complicate Seoul’s efforts to discredit the movement. Despite Chun’s concern about retaining US support, he may use an expected upsurge in student protests, especially around the anniversary in May of the bloody 1980 Kwangju disturbances, to tighten controls. []

^a See Part 2 for a more detailed discussion.

Prospects for major regime or policy change

- During next six months
- During next six months to two years

Indicators

Legend

- Negligible concern
- Low concern
- Moderate concern
- Substantial concern
- Serious concern

		1984			1985				1986
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent	○	○	○	○	○	○	○	○
	Demonstrations, riots, strikes			●	●	●	●	●	●
Economic factors	General deterioration	○	○	○	○				○
	Decreased access to foreign funds	○	○	○	○	○	○	○	○
	Capital flight	○	○	○	○	○	○	○	○
	Unpopular changes in taxes, subsidies, or price controls	○	○	○	○	○			○
	Food/energy shortages	○	○	○	○	○	○	○	○
	Inflation	○	○	○	○	○	○	○	○
Opposition activities	Organizational capabilities	○	○						
	Opposition conspiracy/planning								
	Terrorism and sabotage								
	Insurgent armed attacks	○	○	○	○	○	○	○	○
	Public support	○	○	○					
Military attitudes/activities	Threat to corporate military interests/dignity	○	○	○					
	Discontent over career loss, pay, or benefits	○	○	○	○	○	○	○	○
	Discontent over government action/policies	○	○	○					
	Reports/rumors of coup plotting	○	○	○	○	○	○	○	○
External factors	External support for government	○	○	○	○	○	○	○	○
	External support for opposition								
	Threat of military conflict				New category	○	○	○	○
Regime actions/capabilities	Repression/brutality	○	○						
	Security capabilities	○	○	○	○	○	○	○	○
	Political disunity/loss of confidence	○	○	○					
	Loss of legitimacy								

308931 5-86

25X1

25X1

Secret

Secret

Part 2. Countries With Developments of Special Interest

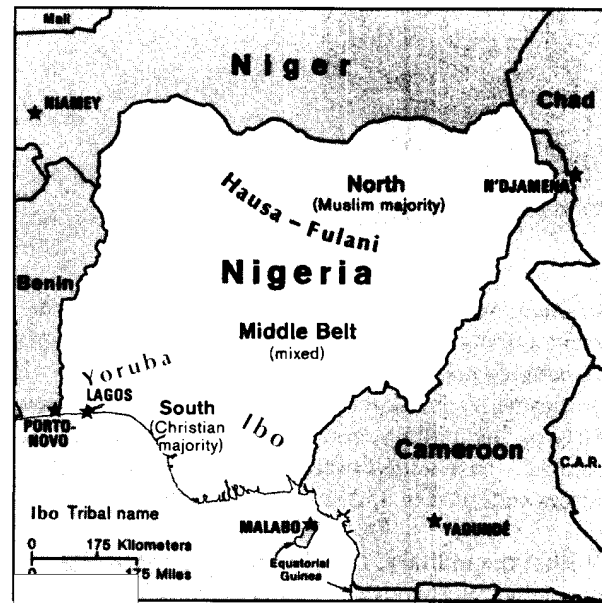
25X1

Nigeria: Babangida's Fall From Grace

- The four-month honeymoon for President Babangida, whose regime began with the promise of a more open and consensual style of politics last year, came to an abrupt end in January when his security forces received reports that a new coup attempt was being planned. Three hundred military officers and civilian suspects were rounded up; rumors of coup plotting have continued to circulate.
- After nearly a year in power, the government has yet to address, or even clearly define, most of the country's staggering economic and social problems. The bureaucracy is in disarray, and Babangida's indecisive style is attracting widespread criticism. Nigeria's financial crisis has deepened during the past three months as falling oil prices have slashed export revenues and pushed the country to the brink of financial default.
- The regime's decision to join the Islamic Conference Organization has provoked nationwide Christian protests and retaliatory Muslim violence.
- Babangida's efforts to forge a national consensus—by inviting public debate over national issues and committing himself to improving human rights—seem to be failing. Nigeria continues to be riven by the ethnic, regional, and religious factionalism that has generated six coups in the past 25 years.

Armed Forces Divided, Politicized, and Tense

President Babangida's power rests increasingly on his popularity with the armed forces—but at a time when the Nigerian military has become dangerously divided and politicized. In our judgment, the breakdown of professional standards, particularly the military's renegeing on its commitment to stay out of politics, has



25X1

25X1

25X1

25X1

25X1

turned the only institution capable of ensuring government stability into its most formidable enemy. The armed forces reflect the social, regional, ethnic, and class divisions within the general population. US Embassy reporting indicates that tensions are particularly acute between lower ranks, who claim to have been unfairly penalized by austerity cutbacks, and senior-grade officers who have already profited from their privileged access to promotions, patronage, and kickbacks.

25X1

25X1

Although plotting against the government has become endemic in the Nigerian military, the President may have bought himself a breathing space by his decisive action earlier this year against a cabal of Air Force and Army officers planning to take over the government after bombing the capital. Ten conspirators, including a member of the Armed Forces Ruling

Secret

Secret



President Ibrahim Babangida

[redacted]

the pressure of a third year of debilitating economic austerity. The plunge in world oil prices, coupled with Nigeria's rejection of an IMF agreement early this year and subsequent failure to reschedule its foreign obligations, has resulted in a halt to commercial debt repayments, shortages of basic commodity imports, inflation, and steadily rising unemployment. Although commercial banks eventually may agree to reschedule about a fourth of Nigeria's total \$5.4 billion obligations for 1986, US officials report that oil export income—which accounts for 97 percent of the government's foreign exchange earnings—could decline to less than \$7 billion this year, barring a major rebound in prices. We believe that economic decay probably will continue to erode the regime's stability and could help trigger yet another round of plotting by the military. [redacted]

25X1

Council, were executed to deter further antigovernment activity. In the wake of the regime's crackdown, Babangida and his advisers have [redacted]

[redacted]—according to US Embassy sources—have added substantially to the security forces stationed in and around Lagos. [redacted]

25X1

25X1

ZS A I

Within the military, the President is particularly dependent on the loyalty of a small coterie of middle-grade officers who brought him to power and now hold important Cabinet positions and command military units essential to defending the capital city. As preoccupation with security has grown, this group's power has begun to rival that of Babangida himself. According to the US Embassy, the group has outvoted the President on several key issues this year. As power has shifted to this group, the government's official ruling councils and the bureaucracy are increasingly ineffective, leaving the day-to-day running of the government in disarray. No one speaks authoritatively for the regime on foreign policy or economic reform. Corruption—the issue that brought down the last civilian government—continues to flourish. [redacted]

25X1

Hoping to attract Arab aid, Nigeria joined the Islamic Conference Organization this January. We believe that President Babangida saw this as a means of reassuring Nigeria's northern Muslim leaders, who have traditionally dominated the government and have a diminished role in this regime. He has distributed government offices evenhandedly among ethnic factions previously excluded from power, and his regime is not closely tied to any of Nigeria's principal ethnic or regional elites. He himself comes from one of Nigeria's minority-controlled central states and is of mixed ethnic background. [redacted]

25X1

To Nigeria's southern Christian community, joining the Islamic Conference indicated a government-supported radical Muslim plot to turn Nigeria into an Islamic state. The Christians immediately began nationwide antigovernment demonstrations that could ignite an explosive confrontation with elements of the country's Muslim majority. Some northern Muslim groups are heavily influenced by Libya and Iran. There have been major incidents of violence over the past few years that have taken thousands of lives and required the intervention of the Nigerian Army to suppress. Religious controversies risk activating broader rivalries between Nigeria's large ethnic and

25X1

Economic Decay Erodes Stability

The regime's lack of direction and obsession with security have, in our view, overwhelmed plans to deal with Nigeria's longstanding economic and social problems. The government's most pressing challenge is the rapidly deteriorating economy. All segments of the population, including the military, already are feeling

Secret

Secret



regional groupings, as happened during the Biafra civil war, and could shatter Nigeria's fragile federation.

25X1

Key Indicators To Watch

Most Likely Scenario: Babangida muddles through the next six months or so.

- The regime becomes increasingly embattled as military discontent grows.
- The concentrated military strength of the Babangida coterie neutralizes antigovernment activity by other factions in the armed forces.
- Real or imagined coup plots are put down with increasing severity alienating involved ethnic and religious groups.
- Controversy over the Islamic Conference is diffused—for the Christians by not attending meetings, and for the Muslims by continuing Nigeria's membership.
- President Babangida is unable to muster enough support to pursue his own policy agenda but must compromise with militants among his inner circle of supporters.
- Nigeria ceases to pay most of its debts, without repudiating them outright, and shortages of imported commodities become increasingly severe.

Alternative Scenario: Babangida faces a serious challenge from within the military and growing unrest within the civilian population—and is overthrown.

25X1

- Members of the President's inner circle become frustrated with Babangida's indecisiveness and with their share of diminishing economic spoils.
- Commanders of Lagos-based military units move against the President, possibly by sponsoring an assassination attempt.
- Violence associated with the coup attempt sparks confrontations between ethnic or religious groups.
- Rising levels of civilian protest over economic hardships provoke heavyhanded military reprisals.

25X1

Secret

Egypt: Mubarak's Troubles Mount

- Public confidence in President Hosni Mubarak's leadership has been severely shaken by his ineffective handling of a string of recent crises, in our judgment, and he is being blamed by an increasingly vocal opposition for government paralysis and infighting.
- The mutiny of police conscripts in February underscored the importance of the Army for maintaining order and may give the generals a greater voice in running the country. It also pointed up the explosive potential of Islamic fundamentalism in Egypt.
- The precipitous drop in world oil prices could cost Egypt up to \$1.2 billion annually, further aggravating its already rapid economic decline.
- Although opposition to Mubarak is not yet strong enough to topple him, we believe it will continue to grow because Mubarak appears unable to cope with Egypt's seemingly intractable problems.

Crises Put Mubarak on Defensive

The President has been seriously weakened, in our view, by the series of recent crises—which include the Achille Lauro hijacking, the bloody commando attack in Malta, and the controversial death of an Egyptian policeman convicted of murdering Israeli vacationers in the Sinai. In addition, more demonstrations have erupted in the past five months than in as many years. In our view, these events have put Mubarak on the defensive and have sapped his ability to govern in the forceful style Egyptians expect. US Embassy reporting indicates that public confidence in his leadership has begun a downward slide from which it may not fully recover.

President Mubarak's objectives since coming to power in 1981 have included modernizing Egyptian politics and society. His moves to foster democracy have made Egypt one of the most open societies among the



Arab states. There is broad freedom of expression in Cairo and extensive opposition party activity, which have been well received by urban, middle-class Egyptians. The positive thrust of Mubarak's policies, however, has been offset, in our view, by deepening paralysis within the Egyptian Government that is largely of his own making.

Mubarak's insistence on maintaining control of decisionmaking continues to discourage initiative at the Cabinet level, according to the US Embassy. Yet, because of his direct role in day-to-day administration, he increasingly is being blamed for government drift and incompetence. Egypt's Prime Minister Lutfi, a prominent economist and Mubarak's personal choice for the position, has proved incapable of controlling Cabinet infighting and implementing coherent policies—faults that we believe have cost him and Mubarak a large measure of public respect.

Secret

Secret



President Mubarak is briefed by soldier after riots. [redacted]

Police Mutiny Gravest Crisis

We believe the sudden and violent police mutiny last February—Mubarak’s gravest domestic crisis—has especially dangerous implications for his government. The deeply frightened Egyptians gave Mubarak fairly high marks for his firm handling of the rebellion—in contrast to his performance in earlier crises. However, US Embassy analysis suggests that his indebtedness to the Army and to ambitious Defense Minister Abu Ghazala for their rapid, decisive support serves to detract further from the effectiveness of Mubarak’s presidency. Until the police force is rebuilt, we believe the generals may counsel avoidance of unpopular economic reforms that risk additional unrest. Meanwhile, Abu Ghazala’s position as Mubarak’s leading contender for power has been substantially enhanced.

[redacted]

The riots also underscore the increasingly fragile nature of Egyptian stability. Hard evidence that Muslim extremists conspired to trigger the uprising is lacking. Nonetheless, the selective nature of the targets—tourist hotels and nightclubs—and the virtually simultaneous spread of the rioting to other cities with significant fundamentalist populations strongly suggest that hardcore Islamic leaders were well prepared to exploit and channel the discontent. We believe the lack of an effective police force during its rebuilding process may embolden extremists to foment new disturbances. [redacted]

The disturbance strongly suggests that Egypt’s poorest classes—from which the police conscripts are drawn—would be susceptible to fundamentalist appeals for protests in reaction to any further severe deterioration of economic conditions. Even without fundamentalist involvement, however, the growing impoverishment of these classes appears likely to generate latent unrest, needing only a rumor, in our judgment, to result in violence. [redacted]

25X1

Signs of a long, hot summer already exist. In late March, students in Asyut—a hotbed of Islamic fundamentalism—defied police demands to remove Islamic posters. In the ensuing melee, one student was shot; others vandalized a Coptic Christian shop. Mubarak’s decision to evacuate the wounded student to Cairo mollified the crowds for the moment. New disturbances could turn into bloody interconfessional clashes if the wounded student, who remains in critical condition, dies. [redacted]

25X1

25X1

The Mubarak regime believes that it can keep most militant fundamentalist leaders in check, according to US Embassy reports. Nonetheless, Cairo remains concerned that large numbers of Egyptians, embittered by worsening living standards, might use Islam to justify antiregime riots. [redacted]

25X1

We remain concerned, however, about Egypt’s short-term economic outlook. Basic economic indicators point to further erosion of Egypt’s external financial position. Petroleum revenues are likely to decline to \$1.2 billion, or roughly one-half of last year’s earnings. Other major sources of foreign exchange—especially worker remittances—also are headed downward. [redacted]

25X1

25X1

Mubarak’s most immediate and critical dilemma, in our view, grows out of these severe economic problems. The comprehensive austerity measures recommended by the IMF to rebuild infrastructure and form a basis for real economic growth would almost certainly foster increased political unrest. Our analysis indicates that Mubarak lacks the confidence needed to press ahead decisively with such reforms. The

25X1

Secret

Secret

bread riots of 1977 made a deep impression on Mubarak, and he wants to avoid any measures that might risk a repetition of that violence.

The reform measures announced by the government in late March fall considerably short of what is required to deal with the economic crisis. Shortcomings in the reform package include:

- No mention of any progress toward a unified exchange rate; no significant energy price increases.
- No specific measures to curb imports or boost exports by undertaking structural reform of the subsidy system or by revamping the inefficient public-sector industries.

The foreign banking community's confidence in Egypt's ability to service short-term debt could erode to such an extent during 1986 that it would trigger foreign banks into cutting their short-term lending to Egypt. If this occurs, Cairo will be hard pressed to finance immediate import needs, and a full-blown crisis would develop.

Key Indicators To Watch

Most Likely Scenario: Mubarak muddles through.

- Government revenues decline, but Mubarak's refusal to impose severe price increases forestalls demonstrations and riots.
- Even if some demonstrations break out, they are quickly contained.
- Opposition criticism continues but reflects restraint; policies, not the President, are the target.
- The military remains loyal and in the background.

Alternative Scenario: Mubarak's position deteriorates significantly.

- Government revenues decline. In response, Mubarak cuts subsidies on some basic commodities, and strikes and demonstrations start to multiply.
- Muslim-Coptic Christian violence erupts in Cairo and in other cities.

- Opposition criticism mounts, eliciting threats of or an actual government crackdown on opposition activity. 25X1
- Military leaders start to grumble about the threat to public order. 25X1

25X1

25X1

25X1

25X1

25X1

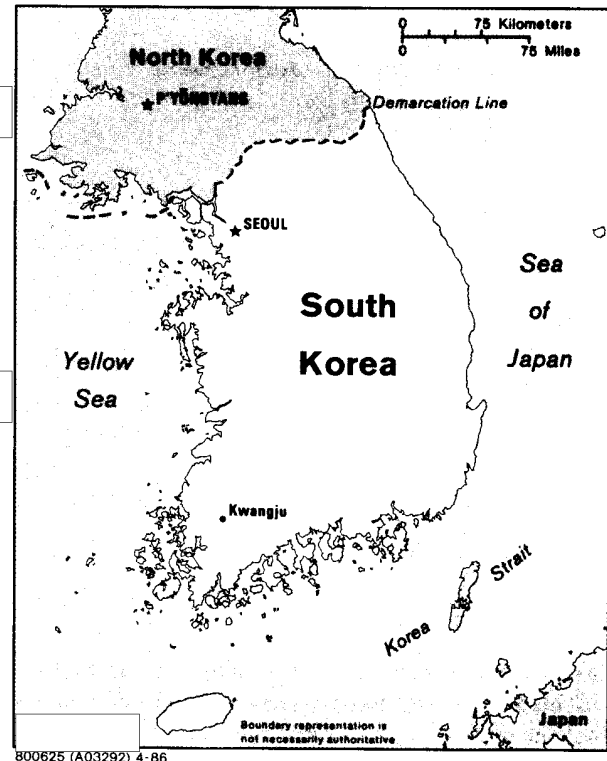
Secret

South Korea: Foes Call Chun Another Marcos

- Citing parallels between South Korea and the Philippines, opposition leaders have escalated their rhetoric, warning that President Chun Doo Hwan—like Marcos—may be removed by “people power.”
- There are, in our view, several key differences between the situations in South Korea and the Philippines. Most important, in South Korea the economy is basically healthy; the powerful military remains loyal so far; Christian activists are less influential; and most South Koreans view North Korea as a potentially more dangerous threat than the Communist insurgents in the Philippines.
- Nonetheless, the largest opposition-sponsored rallies in a year—supporting direct presidential elections—have taken place recently, and one attempted rally resulted in large-scale violence in Inchon. If such protests continue—and the potential for violence is probably greatest on the 17-27 May anniversary of the Kwangju disturbances of 1980—Chun might reinstate tough political controls.
- We believe that an escalating series of challenges and harsh government reactions presents the greatest danger to stability. Chun has shown an ability in the past to step back from the brink. If he is inflexible in a future crisis, a few Army leaders might support him, but we believe that backing from other senior officers would be uncertain.

The Impact of Marcos's Fall

The collapse of the Marcos regime has had a galvanizing impact on political developments in Seoul. In February, immediately following Marcos's departure, President Chun met for dialogue with opposition party leaders and ended visible suppression of the opposition's petition drive for direct election of his successor. Chun apparently sought to avoid US criticism of his own government and to forestall sour notes during his visit to Europe in April.



In a second meeting with opposition leaders late last month, Chun further conceded that he would allow constitutional reform during his term if the National Assembly recommends it. His position long had been that a resolution of the election reform issue must wait until after a “peaceful” change of government when Chun's term ends and the country has hosted a successful Olympic Games in 1988.

Chun's latest statement appears to be aimed at containing the reform issue in the National Assembly—where the ruling party can block real movement—and at convincing the opposition to end its rallies and signature campaign. The government may also hope

Secret

Secret



Good grief! It's cold!

Is spring coming or not?

It has already arrived in the south.

Just wait, it's heading northward.

that the riots, which occurred subsequently in Inchon, will help its case by adding credibility to its contention that the opposition is encouraging "social chaos."

[Redacted]

The President's gestures have not succeeded in lowering political tensions. On the contrary, the opposition New Democratic Party—emboldened by events in Manila—seems intent on leading a popular campaign for election reform that puts it on a collision course with the government.

[Redacted]

For the moment, the more moderate opposition leaders are in a quandary, according to the US Embassy in Seoul, over how to proceed tactically. They are dismayed by the violence in Inchon, but they cannot afford to alienate the radical students and workers, who sparked the events there and who have served as useful tools of the opposition in the past.

[Redacted]

[Redacted]

We believe that the opposition leadership will continue to press the reform issue, in part to avoid falling

too far behind the radical elements. Chun's adversaries almost certainly want to capitalize on his enormous unpopularity and widespread suspicion that he will renege on his promise to step down, or will attempt to exercise power through a surrogate. Battling over this issue is likely to dominate the political scene during the next two years.

[Redacted]

25X1

Old Scores to Settle

Also militating against any genuine compromise are the old scores that opposition leaders Kim Young Sam and, in particular, Kim Dae Jung have to settle with Chun, in addition to longstanding presidential ambitions of their own. Chun and his inner circle—like Marcos and his cohorts—probably see the issue as threatening not only their political power, but also their ability to continue to live in Korea with security and dignity.

[Redacted]

25X1

25X1

Although Christian activists remain a minority within a minority in Korea, some individual leaders are influential. A homily by Catholic Cardinal Kim, a widely respected moderate, has weakened government claims that the signature campaign is subversive, according to the US Embassy; and several large churches have begun to collect signatures among parishioners. More than 400 professors at the most prestigious universities also have issued statements supporting democratization and defending the petition drive, and support is growing among students—despite their cynicism toward politicians of all stripes.

[Redacted]

25X1

25X1

Opposition leaders may calculate that Chun's concern for his image as the country prepares to host the Asian Games later this year will keep him from cracking down. Moreover, in the view of the US Embassy in Seoul, they may judge that if Chun resorts to repressive measures the result will work to their advantage, fomenting further discontent and bringing more intense foreign prodding that will undermine his ability to deal with future challenges.

[Redacted]

25X1

25X1

Secret

Secret



Opposition leader Kim Young Sam addresses signature campaign rally in Kwangju on 30 March 1986. [redacted]

Concern about possible US criticism—official or unofficial—probably will incline Chun toward caution in fashioning his tactics. US criticism could be unsettling for Chun particularly if it could be read by Army leaders as weakening US security guarantees. Chun probably sees a need to project a strong image, however, in order to discourage challenges to his authority by military leaders and members of his own ruling party. As a result, he may feel compelled to move fairly aggressively to quiet dissent in hope of forestalling incidents that could mar the Asian Games this fall and play into the hands of North Korean efforts to cast a pall over the 1988 Seoul Olympics.

25X1

25X1

Comeback Trail for Kim Dae Jung

Kim Dae Jung has been a driving force behind the focus on an extraparliamentary struggle, and he probably stands to benefit most from the petition drive. Although fellow opposition leader Kim Young Sam has been the main speaker at the rallies, Kim Dae Jung's carefully staged efforts to go to each event, only to be turned back by a police cordon, contribute to the impression that the government considers him its most formidable challenger. [redacted]

We expect Kim Dae Jung's supporters to step up efforts in coming months to build international backing for the reinstatement of Kim's political rights—thereby allowing him formally to become a member of the party. Many observers expect him then to challenge Kim Young Sam openly for the leadership. [redacted]

A number of opposition politicians believe that the extraparliamentary campaign is risky in that it invites harsh government retaliation. They see it as an extension of the thinly concealed rivalry between Kim Dae Jung and Kim Young Sam, who is losing much of his reputation as a moderate as he tries to match stride with his more hardline colleague, according to sources of the US Embassy in Seoul. Concern about being criticized as government pawns, as well as the government's apparent deafness to moderate voices even within the ruling camp, has discouraged advocates of greater flexibility from speaking out. [redacted]

Key Indicators To Watch

Most Likely Scenario: The opposition movement gradually builds momentum; Chun uses a combination of tactical concessions and tougher controls to preempt possible disruption of the 1986 Asian Games.

- Chun's adversaries expand demonstrations and civil disobedience, and gain support from additional non-partisan opinion leaders.
- The security services gradually stiffen their posture, stepping up intimidation tactics against supporters of reform.
- At the same time, the President agrees to discuss political reform issues in a variety of forums, but offers no solid commitment to change. [redacted]

25X1

25X1

Alternative Scenario 1: Chun, believing his grip on the succession process is rapidly weakening, moves aggressively against opponents—who also press hard—setting the stage for a full crisis and almost certain Army intervention.

- Chun steps up intimidation tactics; reports of police brutality increase; he declares emergency measures sharply limiting opposition activities.
- The government also attempts to implicate opposition party leaders in violent protest actions by allegedly pro-Communist radicals.
- The opposition expands antigovernment demonstrations; clashes between security forces and protestors continue to escalate, resulting in significant casualties.

25X1

25X1

Secret

Secret

- Fearing ever widening political upheaval, some Army leaders move to restore stability, replace Chun with one of their own.

25X1

Alternative Scenario 2: To avoid a political crisis over the succession issue, the government attempts to partially meet demands for democratization.

- Many respected social, academic, and business leaders call publicly for both sides to negotiate a compromise on constitutional reform.
- Opposition leaders, amid growing criticism from their own supporters, soften their position and agree to negotiate without major preconditions.
- Senior ruling party officials suggest some room exists for compromise on the succession question.

25X1

Secret

Secret

Mexico: Election Irregularities May Backfire

25X1

- Mexico's ruling party, which has governed the country with remarkable strength and resiliency for nearly 60 years, is experiencing significant stress as the recent drop in world oil prices compounds the country's already massive debt problem.
- Signs that economic difficulties were having an impact on politics were evident last year when the party relied on blatant fraud and intimidation to maintain its virtual monopoly of power in a series of gubernatorial elections.
- Beginning this July, 13 more gubernatorial elections will be held, and there are strong signs that the party will again rely on fraud and a show of military force, where necessary, to win.
- The government of President de la Madrid almost certainly can contain any violence prompted by this strategy, but we and the US Embassy believe that the alienation fostered could spark growing popular unrest over the longer term.



25X1

austerity in 1985, however, and appears reluctant to reinstate and strengthen such measures this year.

25X1
25X1

Recently, in Monterrey—Mexico's third-largest city—the government rolled back gas prices following monthlong public protests. We believe the economic downturn has hurt the man in the street. Moreover, based on its actions, the government almost certainly considers that the potential for serious political consequences is thereby increased.

25X1

Backdrop: A Troubled Economy

Foreign debt in Mexico—the country that set off the Third World debt crisis four years ago—is now approaching \$100 billion, just behind the leading Third World debtor nation, Brazil. In attempting to meet the payments on this debt, the Mexicans have depended largely on oil, which accounts for 70 percent of its export earnings. Last year, however, the price of Mexican oil dropped by nearly 30 percent per barrel, and in the past three months the price was nearly cut in half.

The economic impact of these events has been harsh. The ruling Institutional Revolutionary Party (PRI), led by President de la Madrid, began an austerity and limited economic reform program when the international debt crisis began in 1982. De la Madrid relaxed

The Impact on Politics

The PRI last year revived its traditional strategy of allowing virtually no opposition electoral victories at any level throughout the country. The party sought, in particular, to deny the strongest opposition party, the National Action Party (PAN), any successes and to roll back opposition gains scored in 1982 and 1983. Although opposition parties won in a few races last year, their overall share of elected positions was

25X1

Secret

Secret



PAN election rally in Chihuahua [redacted]

Although these races could be close, we believe the PAN would have a chance at winning only Chihuahua in a fair election. [redacted]

25X1

Although not an election irregularity as such, candidates from both the ruling and opposition parties have charged their opponents with corruption and ties to narcotics traffickers. In our opinion, these charges will not be a key factor in this year's elections. If the narcotics problem continues unchecked, however, the possibility of traffickers and drug-related corruption having direct influence within the political process will increase in the long term. [redacted]

25X1

reduced, and their few victories included no significant posts, such as state governor or mayor of a major city. [redacted]

PRI victories, particularly in hotly contested areas, were assured by the use of fraud and questionable campaign techniques. Press and Embassy reports indicate these tactics included the alteration of voter registration lists, disqualification of opposition candidates, and theft or stuffing of ballot boxes. Public disapproval of the increased fraud was evident from the decreased voter turnouts in opposition strongholds during elections late last year. The PAN also reacted to electoral inconsistencies with protests that have continued this year and, at times, become violent. [redacted]

Several knowledgeable PRI officials have told US Embassy officers that the government has determined it will win most of the 1986 gubernatorial races this summer, using significant fraud where necessary. Changes in election laws, vote manipulation, and use of the military also will be used to assure the continued domination of the ruling party. [redacted]

Even if fraud is not extensively utilized or needed to assure victory, however, the PAN most likely will claim the elections were stolen, particularly in the three northern states where it is strongest. The PAN claims that, in a fair election, it could win the governorships of Chihuahua, Durango, and Sinaloa.

Chihuahua The Key

The PAN stronghold of Chihuahua, which along with Durango will be the first to hold elections on 6 July, is the key for determining the government's tactics and the likelihood of unrest during and after this year's races. The PAN currently controls seven of Chihuahua's largest cities, including the capital, which contain over 70 percent of the state's population. Moreover, the PAN made its strongest showing in Chihuahua during the midterm congressional elections last July. [redacted]

25X1

The PRI's actions in Chihuahua have already provided some indication of the techniques they will use. Late last year in Chihuahua, the PRI-controlled state administration amended election laws that should make it easier for the ruling party to commit fraud. Among the changes are new provisions that restrict the access of poll watchers and give officials greater discretion in deciding whether voters without identification can cast ballots. [redacted]

25X1

25X1

More conventional methods, such as pork-barrel projects and patronage, are also in evidence in the state. In addition, the Embassy reports that the PRI has selected a well-qualified candidate, Fernando Baeza, who is widely respected in Chihuahua as an effective administrator and an accomplished politician. He will run against Francisco Barrio, the popular PAN mayor of Ciudad Juarez. [redacted]

25X1

25X1

25X1

Secret

Secret

Despite the protests and dropoff in voter turnout last year, Mexican officials, in our judgment, view the election-rigging strategy as successful—the opposition was left demoralized. The US Embassy in Mexico notes, however, that these tactics appear incompatible with the post-1977 electoral reform view that a limited opposition is necessary to provide a channel for political dissent. At least for now, the government has decided that an opening of the political system during a period of economic deterioration is too dangerous.

Although this strategy is likely to produce an increase in protests, particularly in PAN strongholds, outbreaks of violence will probably be scattered and quickly put down; nevertheless, the prospects for alienation and a greater longer term threat may increase. If the government sends the military into troublesome states before the elections, as we expect, the potential for violence will be significantly reduced. We believe, however, that the alienation accompanying this scenario could lead to greater unrest and instability in the longer term.

Indicators To Watch

Most Likely Scenario: Scattered election protests occur, but violence is kept to a minimum; threat to system, to extent it exists, is in longer term.

- PRI wins all governorships and retakes many municipalities.
- Most elections legitimately won by PRI candidates.
- PAN retains control of a few major cities in its stronghold, such as Chihuahua City and Ciudad Juarez in Chihuahua.
- Some charges of fraud, but it is neither widespread nor blatant.
- Military units are brought into opposition strongholds before the announcement of election results.
- Voter turnout of 50 percent or more, indicating normal levels of absenteeism.

Alternate Scenario: Major outbreaks of election protests involving widespread violence, particularly in opposition strongholds; creates an immediate threat to the system.

- PRI wins all governorships and significant offices in major municipalities.
- PAN loses all major cities, including previously held offices in strongholds.
- Major charges of election fraud, including blatant tactics such as stealing or stuffing ballot boxes.
- International press charges fraud and descends on Mexico.
- Voter turnout of less than 30 percent, showing widespread lack of legitimacy for the system.

25X1

25X1

25X1

25X1

Page Denied

Next 1 Page(s) In Document Denied

Secret

Secret