



**Director of
Central
Intelligence**

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25X1

Page Denied

Top Secret



25X1

Contents



25X1

USSR: Andropov Still Active 2



25X1

Central America: Contadora Meeting 4

Nigeria: New Leaders Establishing Control 5

Iraq-Iran: Developments in the War 6

Cyprus-Greece-Turkey: Diplomatic Maneuvering 7

Tunisia: Bread Price Increase Rescinded 8

Nicaragua: Results of Insurgent Attacks 9

USSR-Canada: Possible Invitation to Trudeau 9

South Africa-Angola: Operation May Be Ending 10



25X1

Special Analyses

Europe-US-USSR: Strategy for Conference on Disarmament 12

France-Italy-UK-Lebanon: Concern About the MNF 15

25X1



Top Secret



25X1

7 January 1984

Page Denied

Top Secret

25X1

USSR: Andropov Still Active

General Secretary Andropov was absent from the meeting yesterday of the Russian Republic legislative body, but evidence of his active role behind the scenes continues to accumulate. [redacted]

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The meeting traditionally is attended by all the top leaders based in Moscow. There had been no indication, however, that Soviet officials expected Andropov to be there. [redacted]

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Pravda is reporting honorary nominations of Politburo members at meetings around the country in preparation for the Supreme Soviet elections in March. The editors always carefully allocate the number of such nominations per Politburo member. The gap between Andropov and Premier Tikhonov is substantially wider than it was between Brezhnev and Premier Kosygin. [redacted]

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A laudatory Czechoslovak review of a translation of the most recent edition of Andropov's book of selected speeches and articles has been steadily and frequently replayed over Soviet news media. [redacted]

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Late last month, Andropov was still sending personal letters to heads of Western governments, reemphasizing points he has made publicly regarding INF. A dissident Soviet historian told US Embassy officers this week that Andropov is personally considering a film director's appeal to overrule censorship officials and release his film. [redacted]

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Comment: Andropov seems to have been managing a variety of activities behind the scenes, and Soviet officials act as though he is in charge. He evidently is able to make decisions, take initiatives, promote allies, and have subtle politicking done on his behalf. [redacted]

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The General Secretary's repeated failure to appear in public may be due more to his physical appearance because of illness than to any fundamental disability. He may not be ready to receive foreign visitors for the same reason. [redacted]

25X1

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25X1

Page Denied

Next 1 Page(s) In Document Denied

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CENTRAL AMERICA: Contadora Meeting

Guidelines submitted by the Contadora nations for the meeting today of the nine Foreign Ministers in Panama appear to favor Nicaragua. [Redacted]

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The Contadora guidelines call for immediate commitments to carry out the 21-point "Document of Objectives" that the Central Americans agreed to last fall. The guidelines emphasize security issues, including a moratorium on arms acquisitions and scheduling reductions of foreign military advisers. The Contadora countries also have proposed that working committees on military, political, and economic matters be organized and submit reports by 29 February.

[Redacted]

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The Central American nations—other than Nicaragua—have told US officials that an immediate arms freeze would favor Managua. They also believe that the issues of democracy and verification as specified in the guidelines are inadequate. These countries have prepared a document to counter the Contadora guidelines and a draft peace treaty advocating a regional rather than bilateral solutions.

[Redacted]

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[Redacted]

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Comment: As the negotiations approach their first anniversary without much progress, the Contadora countries appear increasingly determined to press for an immediate settlement. Although their suggestions did not endorse the Nicaraguan proposals for bilateral treaties, their emphasis on security issues and their vagueness concerning democracy are compatible with Sandinista objectives.

[Redacted]

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The counterdocument reflects Central American fears that a moratorium would upset the military balance permanently, as well as a determination to press Nicaragua for verifiable commitments on the democracy issue. Efforts to introduce the document, however, will prompt charges of obstructionism by Nicaragua and possibly by some of the Contadora mediators.

[Redacted]

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[Redacted]

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[Redacted]

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NIGERIA: New Leaders Establishing Control

Head of State Buhari appears in control, but dissatisfaction among some military elements, as well as his failure to name a cabinet or to take decisive action on the economy, could erode his support. [Redacted]

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The new leaders continue to enjoy domestic support, and the business community, organized labor, and other major interest groups have endorsed Buhari. Some grumbling is evident, however, among middle-grade and junior officers who believe they have been slighted in receiving appointments. [Redacted]

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Hundreds of former officials have been arrested. [Redacted]

[Redacted]

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Buhari has indicated his intention to renew negotiations with the IMF and foreign banks. [Redacted]

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[Redacted]

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Comment: Buhari appears to be aware of the frustration among lower ranking officers at being underrepresented in the first round of appointments. He is likely to be preoccupied for the foreseeable future with the danger of a countercoup by those who believe they have been shunted aside by the new leaders. Military support for Buhari could begin to erode if it appears he is unable to exercise firm control over the lower ranks. [Redacted]

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The failure to announce a cabinet suggests that the coup leaders are still groping for policies and are undecided over how much civilian representation should be allowed. Public euphoria and relief over the coup will wane quickly if it appears that the government is committed to doing little more than carrying out previously imposed austerity measures. [Redacted]

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IRAQ-IRAN: Developments in the War

Baghdad continues to exert diplomatic and military pressure on Tehran. [Redacted]

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President Saddam Husayn, in an Army Day speech yesterday, threatened Iraqi retaliation for any new Iranian aggression. He said Iraq had not expanded the war in the Persian Gulf out of concern for neighboring states and for legitimate Western commercial interests there. [Redacted]

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[Redacted]

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Comment: The Iraqis clearly still see gains to be made through diplomatic efforts, backed by the threat of intensified military action. Even so, Baghdad continues to weigh its military alternatives. It probably would use chemical agents again to combat renewed Iranian ground attacks. [Redacted]

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Iraq's more frequent attacks on Iranian merchant ships in recent months and Iran's renewed determination to challenge the Iraqi Air Force have prompted Tehran to increase its efforts to obtain additional combat aircraft, thus far with little success. [Redacted]

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[Redacted]

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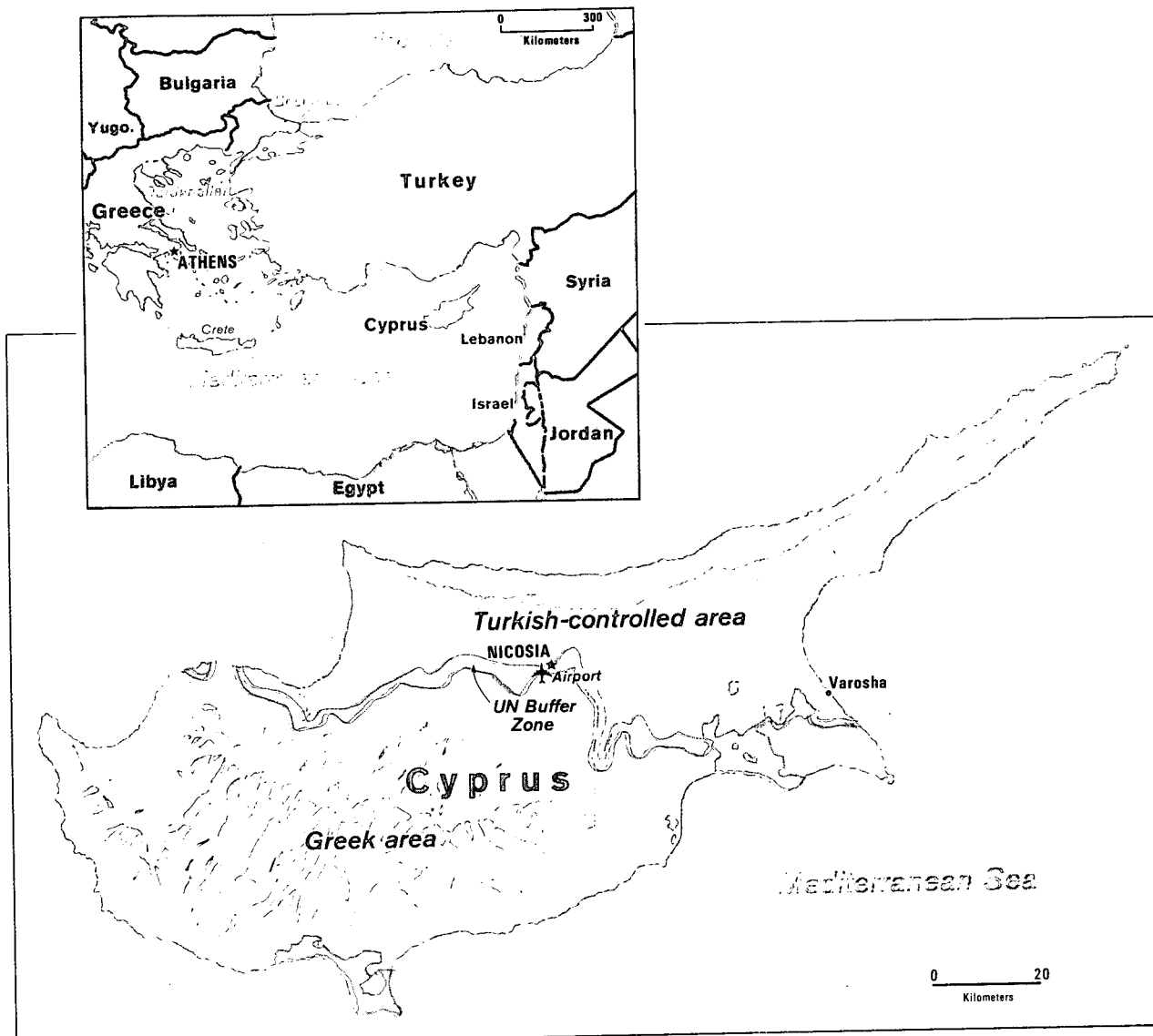
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Top Secret



7 January 1984

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CYPRUS-GREECE-TURKEY: Diplomatic Maneuvering

Cypriot President Kyprianou visits Washington on Monday, as both sides in the Cyprus dispute continue to maneuver for diplomatic advantage. [Redacted]

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[Redacted]

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Greek officials in Nicosia and Athens indicate that their diplomatic efforts will continue to focus on discouraging international recognition of the new Turkish Cypriot state. They continue to seek a comprehensive solution. [Redacted]

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Turkish Cypriot leader Denktash recently proposed several "goodwill" measures, including interim UN control of the once-prosperous Greek resort town, Varosha, and the reopening of Nicosia airport. Both offers are contingent on the resumption of negotiations between the two communities. [Redacted]

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The Turkish Government simultaneously announced that it will withdraw 1,500 troops from northern Cyprus. The Cypriot Government has publicly rejected Denktash's proposals. [Redacted]

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Comment: Greek Prime Minister Papandreou and Kyprianou appear to be uncertain as to how to proceed on the diplomatic front. They do, however, seem to be relying on US or British efforts to create movement toward a settlement. [Redacted]

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The Turkish gestures almost certainly were designed primarily to blunt Western criticism, and Turkey's withdrawal of 1,500 troops will not alter its preponderant military advantage on the island. The terms of Denktash's proposals, however, are slightly more flexible than similar proposals he made in August of 1981. [Redacted]

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The Cypriot Government has not acknowledged this publicly, and it remains opposed to direct negotiations with the Turkish Cypriots. Recent comments by government officials strongly suggest that Kyprianou, nevertheless, may view the Turkish Cypriot offer as an opening for progress. [Redacted]

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TUNISIA: Bread Price Increase Rescinded

President Bourguiba's sudden decision to restore bread subsidies may strengthen his popularity, but it could strain the economy and weaken Prime Minister Mzali. [Redacted]

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Bourguiba's announcement caused spontaneous demonstrations of support in the capital and calls for the removal of Prime Minister Mzali, whom Tunisians blame for the increases. Press reports indicate that the government has relaxed the security measures that had been put into effect to quell protests. [Redacted]

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[Redacted]

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The President has ordered the government to prepare a new budget within three months and has hinted that prices for petroleum and alcoholic beverages may rise. The regime estimates that its subsidy compensation fund will run a deficit of well over \$200 million this year if existing subsidies on a number of commodities are retained. [Redacted]

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Tunisian security officials, meanwhile, are accusing Islamic fundamentalists of inciting some of the riots. Press reports say as many as 3,000 people may have been arrested during the protests. [Redacted]

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Comment: The extent of the political damage to Mzali is not yet clear. Guiga has won a political victory, but Bourguiba may be reluctant to replace Mzali, whom he has touted as his successor. [Redacted]

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The bread price rollback will require the government to postpone several development projects planned for this year and increase prices of at least some other subsidized goods. Tunis is likely to try to obtain more assistance from Western countries to offset its budget deficits. [Redacted]

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Tunisian authorities clearly are worried about the possible involvement of Islamic fundamentalists in the rioting. Hints by Bourguiba that the government might raise prices on liquor may be partly intended to placate them. [Redacted]

25X1

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Top Secret

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NICARAGUA: Results of Insurgent Attacks

Anti-Sandinista insurgents in the north staged another combined air and sea attack on government installations last Thursday. According to press reports, the Nicaraguan Democratic Force has claimed responsibility for destroying some buildings and a patrol boat in the second attack on the northwestern port of Potosi, following an unsuccessful raid earlier this week. The group also says it conducted a similar raid on Puerto Sandino on Monday.

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[Redacted]

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Comment: The insurgents probably hope that these highly publicized operations—similar to guerrilla actions early last fall—will further their cause and embarrass Managua. Fighting in the north apparently continues to be intense, with casualties mounting on both sides.

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[Redacted]

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USSR-CANADA: Possible Invitation to Trudeau

A member of Trudeau's peace initiative task force says the Soviets are hinting that they will invite the Prime Minister to visit Moscow, if he agrees to be received by officials other than General Secretary Andropov. The staffer says the trip could be announced next week and might take place within the next six weeks. He said, however, that the Soviets have remained noncommittal toward Trudeau's peace initiative.

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Comment: The Soviets probably would welcome a Trudeau visit to demonstrate their commitment to arms control and to show that Andropov's absence has not adversely affected his policies or the daily workings of the government. Trudeau reportedly is eager to go to Moscow to rejuvenate both his peace initiative and his party's domestic standing, and he may not insist on a meeting with Andropov as a precondition. The Soviets are no more likely, however, to endorse his proposal to revive the arms control dialogue with a conference of the five nuclear powers than they were in late November, when Foreign Minister Gromyko met in Moscow with Trudeau's special envoy.

25X1

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Page Denied

Top Secret

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SOUTH AFRICA-ANGOLA: Operation May Be Ending

A senior military officer has told the US Embassy in Pretoria that South Africa expects to end anti-SWAPO operations in southern Angola in the next few days, following a major battle against a force of Cuban, Angolan, and SWAPO units near Cuvelai on Tuesday. The South Africans claim that they killed 350 soldiers—most of them SWAPO—destroyed approximately 10 Soviet-manufactured tanks, and captured a large amount of SWAPO military equipment.

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[Redacted]

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[Redacted] Pretoria

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has admitted that 17 of its personnel were killed. [Redacted]

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Comment: The battle at Cuvelai is the first major conflict between South African and Angolan forces since 1981, and South Africa's first battle involving Cubans since the spring of 1976. Pretoria probably will terminate the mechanized infantry operation but will continue aggressive patrolling in southern Angola.

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25X1



Participants in the Conference on Disarmament in Europe^a



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7 January 1984

Top Secret

25X1

Special Analysis

EUROPE-US-USSR: Strategy for Conference on Disarmament

Public attention will focus on the meeting between Secretary of State Shultz and Foreign Minister Gromyko when the Conference on Disarmament in Europe convenes in Stockholm on 17 January. Most of the 35 participants, however, will be intent on using the conference to further their interests. NATO members probably will arrive in Stockholm publicly united but without a completed package of confidence- and security-building measures, which the US intends to be the basis of the Western position. The diverse members of the neutral and nonaligned group at most may be prepared to state their collective goals for the conference.

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Foreign Ministers of the countries participating in the Conference on Disarmament in Europe will open negotiations to last at least two years on confidence- and security-building measures designed to lessen East-West tensions. According to agreement reached at the CSCE review meeting in Madrid last year, the measures adopted at the Stockholm conference have to be "militarily significant, politically binding, and verifiable." At least in the West's view, they also have to be applicable to all of Europe, including the USSR west of the Urals.

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The Madrid agreement limits the first phase of the conference to talks only on these measures and not on actual arms reductions. Participants, nevertheless, differ on the scope of the measures to be discussed at Stockholm.

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The Allies

Negotiations in Brussels since last September have been intense. NATO members, nevertheless, still have to settle remaining technical and substantive differences on the highly complex set of proposals that outline procedures for notification and observation of military activities. NATO ambassadors and the heads of Allied delegations to the conference will make a final effort to resolve these differences when they meet in Brussels next week.

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The chief stumblingblock remains the insistence of some Allies on including language on notification concerning non-European forces that enter and leave Europe for another destination. The UK, France, West Germany, and Canada are the main proponents, probably

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because they want to ensure advance warning of US out-of-area activities, or to limit them. They may believe that the US desire to get Allied agreement on the package of measures could weaken US resolve to exclude references to transits. [Redacted]

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Neutral and Nonaligned Nations

The neutral and nonaligned countries are divided into those that see themselves primarily as mediators between East and West—Austria, Switzerland, and Finland—and those that are preparing specific proposals—Sweden and Yugoslavia. Sweden, for example, is eager to get agreement on constraints on military activities and training and on a requirement for prior notification of independent air and naval activities. It also supports the creation of a Nordic nuclear-free zone, although it maintains that it will not push this at the conference soon, despite Soviet endorsement of the concept. [Redacted]

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Coordination of a neutral and nonaligned policy has not made much progress thus far because of differing interests. Although most countries in the group are concerned that the conference will degenerate into a confrontation between East and West, it is unlikely they jointly will take a more active role, at least in the near term. Most believe it would be useful, however, to produce a formal statement on their views when they caucus just before the meeting. [Redacted]

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Outlook

Allied reluctance to close ranks may presage basic problems for the West in Stockholm. Certain Allies may find some proposals of the East and neutral and nonaligned countries to be attractive. The goals of the Allies, moreover, are not identical. [Redacted]

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West German officials have been emphasizing the need to use the conference constructively to rebut Soviet rhetoric. They are likely to urge the West to consider measures about constraints on conventional military activities and on independent air exercises, contrary to US wishes. Foreign Minister Genscher also may revive an earlier suggestion that the West support a proposal on non-use of force or similar such declarations. [Redacted]

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France holds the presidency of the EC for the next six months. It presumably will raise its already high profile within Allied policy deliberations for the conference. [Redacted]

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EC members will caucus informally at Stockholm, but EC policy coordination is likely to be hampered by personality clashes among delegation members and competing national interests. Both NATO and EC policy coordination will be complicated by Greece, which recently joined Romania in advocating a Balkan nuclear-free zone and a moratorium on INF deployments. [Redacted]

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Most neutral and nonaligned countries probably will act as middlemen between East and West, despite Sweden's and Yugoslavia's exhortations to be more activist. Most will prefer that the conference remain focused on negotiating confidence- and security-building measures. Even the most cautious among them, however, may be drawn to support Eastern measures on non-use of force and no-first-use of nuclear and conventional weapons. [Redacted]

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Special Analysis

FRANCE-ITALY-UK-LEBANON: Concern About the MNF

Paris, Rome, and London are increasingly uncomfortable about their role in the Multinational Force in Beirut. Their primary concerns appear to be their troops' physical security, their partners' staying power, the prospects for the peace talks, and the possibility of placing operations in Beirut under a UN mandate. All three governments fear the political cost of unilateral withdrawal, and they probably will continue their participation in the short term. They will, however, be interested in political initiatives that would permit an honorable withdrawal and are likely to take further steps to reduce their troops' exposure to danger. [redacted]

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All three nations have important interests in the Multinational Force that would make a complete and abrupt departure difficult. Paris has historical ties to the area, and Defense and Foreign Ministry officials have acknowledged a continuing special French role in Lebanon. [redacted]

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The US Embassy in Rome says leading political figures recognize that Italy must undertake and support important Western initiatives in order to have a voice within Alliance councils. London dispatched troops to Lebanon largely to demonstrate support for the US position, and the government of Prime Minister Thatcher will not abandon that commitment lightly. [redacted]

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European Concerns

The willingness of the three countries to run risks in support of their foreign policy interests has been undermined by the continuing violence in Lebanon and the halting progress toward national reconciliation there. In the short term, Paris, Rome, and London seek a way to honor their commitment to support the Lebanese Government and the MNF mandate while providing for the safety of their troops. They almost certainly are interested in finding a way to withdraw honorably within the next few months. [redacted]

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Prime Minister Craxi has to deal with public opposition to the presence of Italian forces in Beirut and with growing dissent within his coalition government as well. Continuing Italian participation in the MNF is less assured than that of either France or the UK. A breakdown of the peace talks or a major attack on the Italian contingent would substantially increase pressure on the Italian Government to withdraw. [redacted]

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25X1

7 January 1984

Top Secret

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Prime Minister Thatcher has publicly reiterated London's commitment to the MNF and thus far has resisted pressures from her own party and from the opposition to withdraw the British contingent. Foreign Secretary Howe has said London is reviewing its role in the MNF. Serious casualties or the withdrawal of another national contingent would probably result in irresistible domestic pressure to pull out the British troops. [Redacted]

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Public opposition to the Multinational Force has been slow to develop and is more subdued in France. Paris's shift of some troops and its reexamination of the French role in the MNF was probably prompted by the worry—shared by London—that political pressures may force a US pullout. This would leave the French contingent isolated in poor defensive positions amid uncontrolled violence. [Redacted]

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Prospects

A political breakthrough in Lebanon might increase the willingness of the three nations to continue participation in the MNF. None of the MNF partners, however, is willing to remain in Beirut indefinitely under current circumstances, and even Rome's and London's short-term participation could be jeopardized, if the peace process were to break down entirely. [Redacted]

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The three governments regard UN assumption of peacekeeping responsibility as their best hope for disengaging in Beirut. They recognize the current opposition of Syria and of the USSR to deeper UN involvement in Lebanon. [Redacted]

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The Soviets have traditionally opposed a UN peacekeeping role in Lebanon. Although they eventually might see an expanded UN presence as the most effective way of getting US forces removed, they will not support it as long as Syria remains opposed. [Redacted]

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The Italian Government approached the UN Secretary General last month to discuss UN action in Beirut. Both London and Paris are now seeking ways to overcome Syrian and Soviet opposition. [Redacted]

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Despite their public statements, all three appear to be moving toward acceptance of Lebanon's de facto partition. Their political commitment to the MNF will probably remain firm at least through the next round of national reconciliation talks, because they still want to avoid undercutting the chances of reaching a negotiated agreement in Lebanon. [Redacted]

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The reconciliation talks have not yet been scheduled and are not likely to occur until President Gemayel offers substantial political concessions to his opponents. In the interim, renewed fighting or the conclusion by any of the three governments that their troops were in great danger might prompt them to alter the disposition or responsibilities of their forces. They might move men offshore or limit their tasks in Beirut to reduce their vulnerability. [Redacted]

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In the absence of visible progress toward peace, the Europeans may become even more reluctant to continue their commitment to the Multinational Force. They might then urge the US to help arrange a joint timetable for winding down the MNF. The Italian troops' presence has already been publicly tied to the talks, and Rome might simply declare the MNF lacked a convincing political rationale and end its commitment. [Redacted]

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If Rome announces a phased pullout of its troops, London will probably do the same. A US or Italian withdrawal would probably force Paris to reconsider its position. [Redacted]

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The Europeans will be reluctant to consider any peace plan that would place their forces at greater risk or that would entail an enlargement of MNF forces. [Redacted]

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