

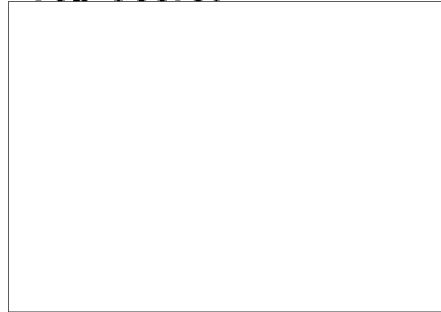


**Director of  
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CY# 285



# National Intelligence Daily

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**Tuesday  
1 May 1984**

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**CHINA-US:**

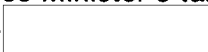
**Media Handling of the President's Visit**

***Beijing's public treatment of the President's visit has been designed to underscore its desire for stronger bilateral ties while emphasizing that it remains as independent as before.*** 

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China's senior leaders have characterized the visit as a success. Their public handling of differences over Taiwan and international issues has followed established lines and has been moderate in tone. 

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Although the Chinese media excised some of the President's remarks about the USSR, Deng Xiaoping and other Chinese leaders implicitly indicated support for US efforts to check Soviet expansionism by stressing the importance for regional and global stability of good relations between the US and China. The news agency Xinhua, moreover, highlighted the Defense Minister's talks with US military officials in the President's party. 

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Soviet media, on the other hand, have been critical of the US but more restrained in complaining that China has not dissociated itself completely from the President's "anti-Soviet course." Officials in Moscow have been more critical of China in private, seeking to underscore the risks to the US of closer ties with Beijing. 

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**Comment:** Beijing appears prepared—at least for now—to manage its media coverage of bilateral irritants carefully, in order to promote a more stable relationship with the US, for strategic and economic reasons. China will continue to emphasize its independence in foreign affairs, largely to appeal to nationalistic sentiment at home and to facilitate dealing with the Soviet threat and with suspicious Third World friends, like North Korea. The Soviets presumably also are discouraging closer Sino-US ties in any private contacts they may have been having with the Chinese. 

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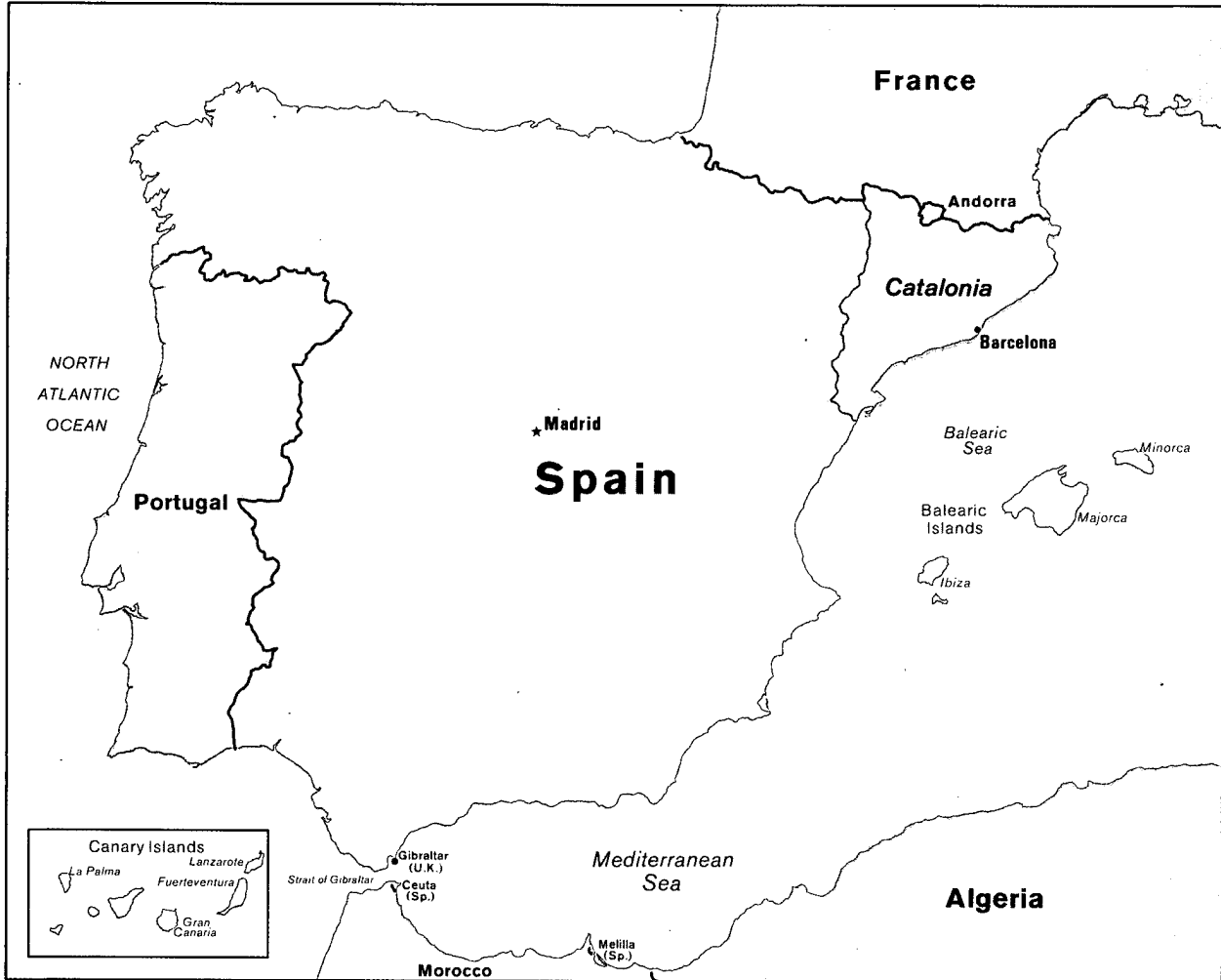
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**SPAIN:**

**Implications of Regional Election**

***A regional party—the center-right Convergence and Union—decisively won the regional election in Catalonia on Sunday, but Prime Minister Gonzalez’s Socialist Party also increased its share of the vote.***



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Convergence and Union has raised its representation from 43 to 72 seats and has won an absolute majority in the 135-member regional assembly. The Socialists also increased their share, from 33 to 41 seats. The chief national opposition party, the conservative Popular Alliance, won only 11 seats in the assembly. The Communists in Catalonia dropped from 25 to six seats, and other regionalist parties declined from 16 to five seats.



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**Comment:** The vote in Catalonia was primarily an endorsement for the Convergence and Union’s management of regional affairs for the past four years, but it also has national implications. The party’s strong showing will add impetus to the effort of Miguel Roca—the leader of its parliamentary delegation in Madrid—to forge a new federation of centrist and regional parties. The Popular Alliance’s distant third-place finish will renew the public’s doubts about party leader Manuel Fraga’s ability to attract enough centrist support to run effectively against the Socialists in the next national election.



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The failure of the Communists leaves Prime Minister Gonzalez secure from any threat from the left and free to continue moderate policies that appeal to centrist voters. The Communists’ decline in Catalonia—long a stronghold for them—stemmed largely from widely publicized infighting over personalities and policies as well as from the emergence of the new pro-Soviet party.



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**EGYPT-USSR:**

**Limited Movement**

***Cairo is slowly moving toward normalized relations with Moscow but is not yet ready to exchange ambassadors.*** [Redacted]

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Egyptian Foreign Minister Ali has been misquoted in the press twice, most recently last weekend, as announcing that Cairo and Moscow have agreed to exchange ambassadors. In a published interview, Ali merely said that Egypt's good relations with the US do not prevent it from restoring full relations with the USSR. [Redacted]

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Normalized relations were not the principal topic during the visit to Cairo last month of Vladimir Polyakov, chief of the Near East Department in the Soviet Foreign Ministry and the last Soviet Ambassador to Egypt. [Redacted]

[Large Redacted Block]

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**Comment:** President Mubarak and other Egyptian officials have said repeatedly that Egypt has to have good relations with both superpowers and that the USSR has to be involved in the Middle East peace process. Cairo also believes that Moscow shares its concern about ending the Iran-Iraq war. [Redacted]

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Mubarak probably also believes that public comment about future Egyptian-Soviet relations will help the government party in the coming parliamentary elections. Egypt's opposition parties advocate more balanced relations with the East and the West. [Redacted]

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**YUGOSLAVIA:**

**Cabinet Changes**

**Major changes in the Cabinet—including changes among the top economic advisers—reflect complex political and ethnically based maneuvering, not policy changes.** [Redacted]

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The elevation of Foreign Minister Mojsov and Interior Minister Dolanc to the collective federal presidency, effective on 15 May, is the occasion for two changes. Raif Dizdarevic, a leading Bosnian Muslim with limited diplomatic background, will be the new foreign minister. The US Embassy reports that he believes that two of his predecessors at the Ministry who are now entering the federal presidency may interfere in his portfolio. [Redacted]

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[Redacted] the new Interior Minister, Dobrislav Culafic, got his job with the support of his predecessor. Culafic will preside over the Ministry that is enforcing a major crackdown on dissidents and intellectuals. Serb leaders vetoed another candidate, a Serb from Vojvodina Province, because his constituency stresses its autonomy from the Republic of Serbia. [Redacted]

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Vice Premier Dragan and member-without-portfolio Janko Smole, the architects of Yugoslavia's stabilization strategy and the principal negotiators with the IMF, are leaving for personal reasons. The US Embassy reports that Dragan is exhausted following major surgery. Another economist, Croat Ivo Margan, is leaving the Cabinet, in order to assume an important position with UNESCO. [Redacted]

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**Comment:** No major policy shifts are likely. The large number of former foreign ministers in top executive posts probably ensures continuity in Yugoslav foreign policy. Belgrade's dealings with Western creditors may temporarily suffer from the loss of its most experienced financial negotiators, but the IMF package for 1984 has been completed. [Redacted]

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Culafic probably will have trouble asserting control over Interior in the shadow of Dolanc. The latter reportedly wants to head the powerful Federal Council for the Defense of the Constitutional Order, which oversees internal security policy. [Redacted]

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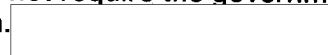
**DENMARK: Security Debate**

In a major security debate in Parliament tomorrow, the opposition Social Democrats probably will present a resolution banning deployment of nuclear weapons in Denmark under any circumstances. It also will call for no-first-use, curtailment of INF deployment, and a Nordic nuclear-weapons-free zone.



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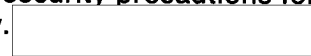
**Comment:** There is a good chance the Social Democrats can gain a majority for such a resolution. Excluding nuclear weapons even in wartime would raise serious questions about the Danish role in NATO and could also have repercussions on the security debate in Norway and the Netherlands. The Social Democrats reportedly are not seeking the government's ouster at this time, and they presumably will push for wording that will not require the government to adopt the resolution as policy or resign.



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**DOMINICAN REPUBLIC: Economic Pressures Persist**

The government has promised to back a wage bill now before congress, enact legislation on job security for union organizers, and expand the social security system. The country's five labor confederations have been demanding action on these issues as well as on price controls. Meanwhile, police occupied several labor headquarters last week, and, according to the US Embassy, authorities are taking extra security precautions for Labor Day demonstrations planned today.



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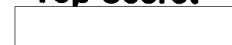
**Comment:** Tensions continue high as price increases on basic commodities and planned hikes on petroleum products threaten to push inflation to more than 40 percent this year—four times higher than last year. Strict budgetary controls demanded by the IMF will limit wage increases and probably will require new taxes. Nevertheless, President Jorge Blanco appears determined to carry out the austerity program while maintaining public order by granting limited concessions and by continuing tight security. The violence associated with suppressing the riots last week has restored order but probably has inflicted lasting damage on Jorge Blanco's political future.



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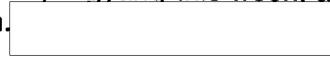
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**NORTH KOREA-USSR-CHINA: Summit Visits**

North Korean President Kim Il-song hopes to use separate summit meetings with Chinese and Soviet leaders this month to increase his support from them and to discourage the growing level of contacts between Seoul and the Communist superpowers, especially China. Chinese party leader Hu Yaobang will visit P'yongyang this week, and Kim will travel to Moscow later this month.

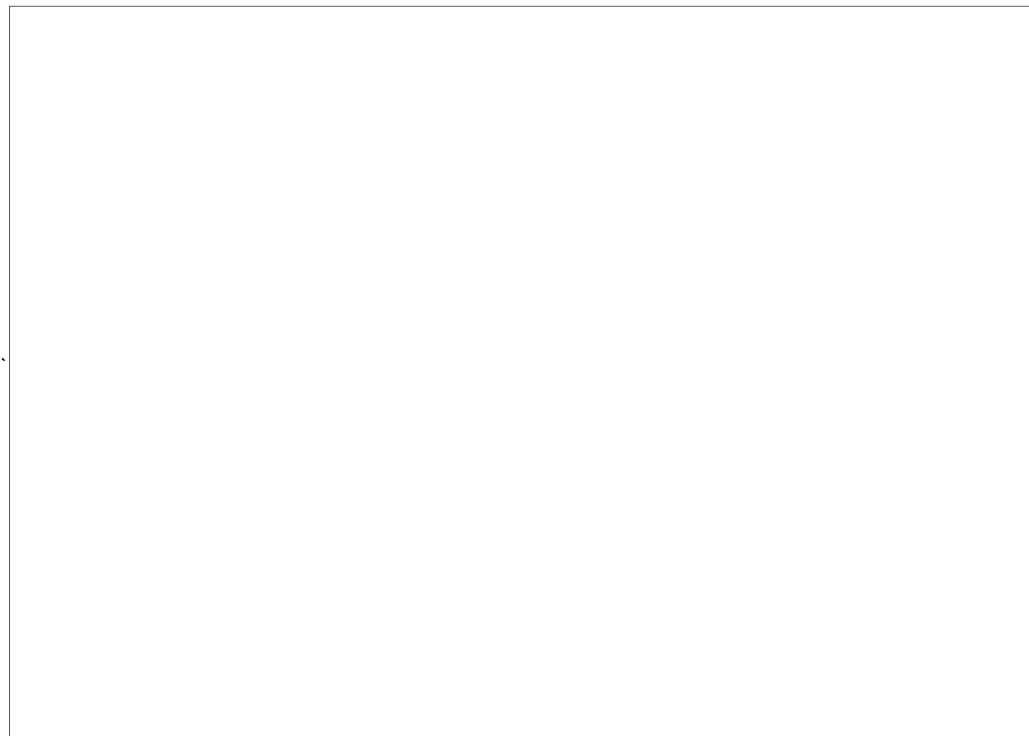


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**Comment:** Hu Yaobang will use his visit to reassure Kim that Beijing did not compromise North Korean interests in talks with President Reagan. In Moscow, where Kim has not visited in an official capacity since 1961, he will probably seek greater material support, including project aid and advanced weapons systems, and Soviet backing for his plans to have his son succeed him. Moscow views Kim's visit as an opportunity to signal that Soviet interests cannot be ignored in any Korean settlement. The visit also will give Moscow a chance to take advantage of, and possibly add to, strains in Chinese-North Korean relations caused by Beijing's contacts with Seoul, as well as closer Chinese ties with the US and Japan.

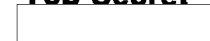


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**CHAD-LIBYA: Rebel Discontent With Tripoli**

[redacted] the Libyans may be restricting the movement of the Vice President of Chad's rebel government-in-exile after he tried to arrange a meeting with a representative of President Habre's regime last month. Chadian Government officials claim that some 50 dissidents fled the Libyan stronghold at Fada last week and defected to the Habre regime. In addition, a serious dispute over military strategy arose last month between Chadian rebel troops and Libyan forces deployed near the 16th parallel, [redacted]

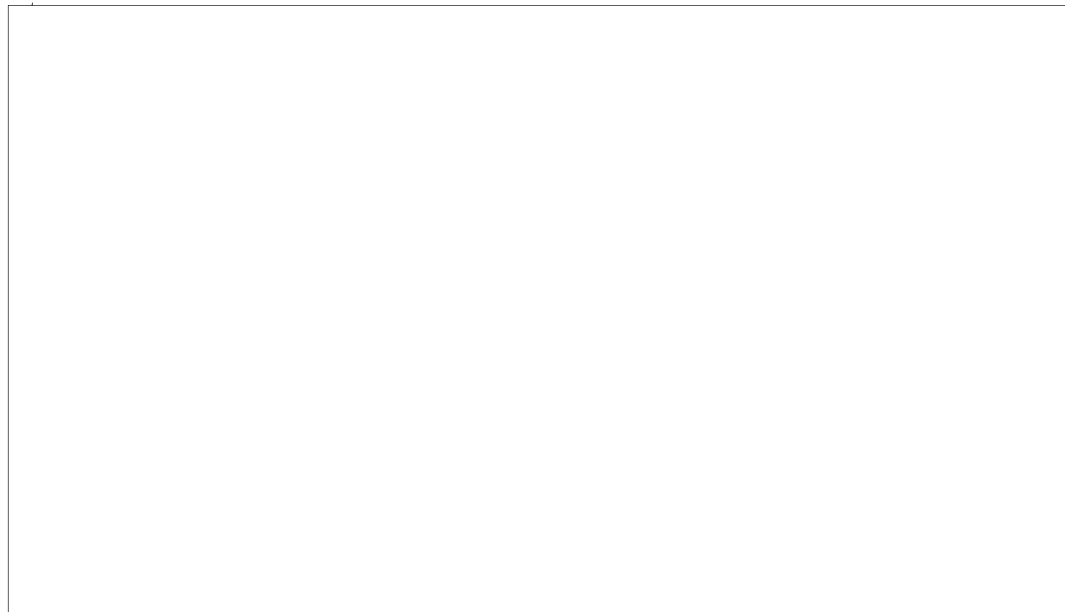
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**Comment:** Rebel disgruntlement almost certainly stems from Tripoli's heavyhanded control in the north and the dissidents' realization that they have lost their autonomy. Libya will be able to contain outbreaks of rebel discontent, but problems are likely to fester as long as the military stalemate continues. Increasing rebel unhappiness with the Libyans is likely to enhance Habre's image as a legitimate leader for Chadians favoring national independence. [redacted]

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**In Brief**

**USSR**

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— **Soviets** last week insisted any agreement to improve US hotline should be recorded by exchange of notes . . . they want to avoid formal document that suggests breakthrough in relations while arms control issues remain unresolved.

[Redacted]

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[Redacted]

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**Middle East**

— **Egyptian** authorities have arrested 53 members of Islamic extremist group . . . some members of another religious group also arrested for sabotage . . . crackdown intended to remind public that authorities will not tolerate violence.

[Redacted]

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**Africa**

— **Tanzania, Zambia, and Ethiopia** have offered refuge to ANC members expelled from **Mozambique**.

[Redacted] Zambia will take only political refugees . . . most will go to Tanzania, which permits guerrilla training.

[Redacted]

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— **Kenyan** President Moi trying to mediate dispute between **Sudan** and **Ethiopia** . . . successful talks might lead to high-level exchange . . . no lasting solution likely any time soon.

[Redacted]

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### Special Analysis

#### **INTERNATIONAL: Suppression of Illegal Narcotics**

***Governments of some of the principal drug-exporting countries in Asia and Latin America are having at least limited success in their efforts, backed by the US, to combat narcotics activities. Results range from good to poor, and the gains are mainly short term. There has been little disruption of illicit crop production, which is expected to rise this year in most areas. Control programs may gradually gain ground, but limited resources, domestic pressures, and widespread corruption continue to prevent more substantial progress toward suppression of the international drug trade.***

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The US Drug Enforcement Administration and the National Institute on Drug Abuse say that more than 40 million people in the US are expected to spend up to \$80 billion this year to consume some 4 tons of heroin, as much as 61 tons of cocaine, and about 14,000 tons of marijuana. Nearly all of these drugs come from crops grown in foreign countries, where illegal drug activities are an important part of the local economy.

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#### **Latin America**

Latin America produces most of the marijuana, all of the cocaine, and about a quarter of the heroin imported to the US, according to DEA estimates. Control efforts are making little headway, and key segments of the drug industry remain largely unrestricted.

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Colombia's cocaine and marijuana traffickers dominate the US market. Last year Colombia produced between 13,000 and 16,000 tons of marijuana, and the country's cultivation of coca has increased considerably—the latter crop is still grown primarily in Bolivia and Peru.

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The Colombian Government, like others in Latin America, assigns a low priority to narcotics control. Its recent decision to undertake a campaign to test herbicide spray against selected coca and marijuana fields and its recent seizure of a large cocaine processing and trafficking complex indicate at least some willingness to begin to crack down on producers and traffickers. At the same time, strong nationalist sentiment, domestic political concerns, lack of financial resources, and the economic influence of the powerful illicit drug industry remain major obstacles to tighter control of narcotics activities in Colombia.

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Mexico's once exemplary opium eradication program—which made substantial inroads into production between 1975 and 1982—has been weakened [redacted] Opium output increased in 1983, and both the opium harvest and heroin shipments are expected to rise again this year. Although Mexican marijuana probably still accounts for only a small percentage of US consumption, exports are likely to increase in 1984. [redacted]

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The Jamaican Government's recent crackdown on marijuana smuggling has stalled, because of the traffickers' political influence, and because the Army is not strong enough to conduct sustained large-scale interdiction operations. Marijuana shipments from Jamaica—the second-largest supplier to the US after Colombia, according to DEA—have nearly doubled since 1981 and are likely to exceed 2,000 tons this year. [redacted]

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Drug traffickers in some Latin American countries, meanwhile, are diversifying their operations or are beginning to play a major role in the international market for the first time. Peruvian coca growers are becoming directly involved in refining and smuggling cocaine. Belize has greatly increased its marijuana production in recent years, and it could overtake Jamaica this year as the second-largest supplier to the US. [redacted]

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**Southwest Asia**

Southwest Asia's "Golden Crescent"—Pakistan, Afghanistan, and Iran—has long been the largest opium producing and consuming region in the world. According to the DEA, it currently accounts for about half the heroin reaching the US. [redacted]

Steady reductions until this year in opium production in the region were largely the result of the drop in Pakistan from about 700 tons in 1979 to 45 to 60 tons in 1983. The Pakistanis attribute their continued success in curbing production to crop substitution, although unfavorable weather and soft market prices apparently have played a more important role. Pakistan has an organized antinarcotics program, but it is reluctant to risk a politically costly showdown with traffickers and refiners in the Pakistani-Afghan border area, where the drug trade is especially active. [redacted]

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Increased opium output during the past two years in Afghanistan has enabled traffickers to offset Pakistan's reductions and evidently will result in a net increase this year in regional production. The regime in Kabul shows little interest in allocating scarce resources to narcotics control, even though much of its opium production may be helping to support farmers who are active in the insurgency. [Redacted]

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Iran apparently is a net importer of opium. It is concerned chiefly with finding ways to cope with its large addict population and discounts its role as a refining and transshipment point for some heroin consignments going to Turkish traffickers. [Redacted]

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Southwest Asian heroin is expected to remain plentiful and could become even more abundant if competition among traffickers increases to take advantage of continued surplus production. The existing glut of Golden Crescent heroin on the European market might lead to larger shipments to the US. [Redacted]

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**Southeast Asia**

Narcotics production activities in the "Golden Triangle," where Burma, Thailand, and Laos meet, are concentrated primarily along the Thai-Burmese border. Southeast Asia currently produces about a quarter of the heroin reaching the US, according to DEA. [Redacted]

Thailand's increased use of military force during the past two years against the groups that control the region's main opium-growing areas have had some temporary impact on refining and smuggling operations in the border area. The smugglers, however, are moving base camps and refineries deeper inside Burma, and some of the groups have agreed to work together to protect their access to opium, shipments of supplies and chemicals, and trafficking routes. [Redacted]

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Thailand's limited crop-substitution program continues to be poorly enforced, and Bangkok has been slow to promote wider participation among farmers, who sometimes could make more money by switching to other crops. The country's limited attempts at opium crop eradication have not had much impact either, and security and political concerns [Redacted] have kept the government from getting enough domestic support to undertake large-scale eradication. [Redacted]

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Bangkok resumed some eradication efforts near the border with Burma in late February. This move, however, came too late in the growing season to have much effect. It probably was only a short-term effort at least partly aimed at easing US criticism during Prime Minister Prem's visit to Washington last month. [Redacted]

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Burma is estimated to grow more than 80 percent of the opium produced in Southeast Asia, and its problem-plagued antinarcotics programs are part of its broader counterinsurgency effort. Top eradication projects have had little impact and increasingly have been hindered by guerrilla threats of reprisals. Plans by Burma to expand control efforts have been stalled by lack of funds and by high-level government and military corruption. [Redacted]

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The opium harvest in the region this year is expected to be larger than the 600 tons produced last year, perhaps as much as 700 tons, according to preliminary DEA projections based on US Embassy reporting [Redacted]. The impending bumper crop and the likelihood that many traffickers will adapt quickly to recent disruptions almost certainly will lead to continued increases in heroin shipments to the US from the Golden Triangle. [Redacted]

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**Outlook**

Although production estimates for specific countries are often based on sketchy information and are not precise, intelligence [Redacted] indicates that worldwide production of illicit drug crops will expand in 1984. The result—as projected by DEA—will be an increase in the quantity of drugs available for export to the US this year. Large, long-term cuts in drug crop harvests are unlikely to be achieved in most of the key producing countries in the foreseeable future. Crop size will continue to be determined mainly by weather and market conditions. [Redacted]

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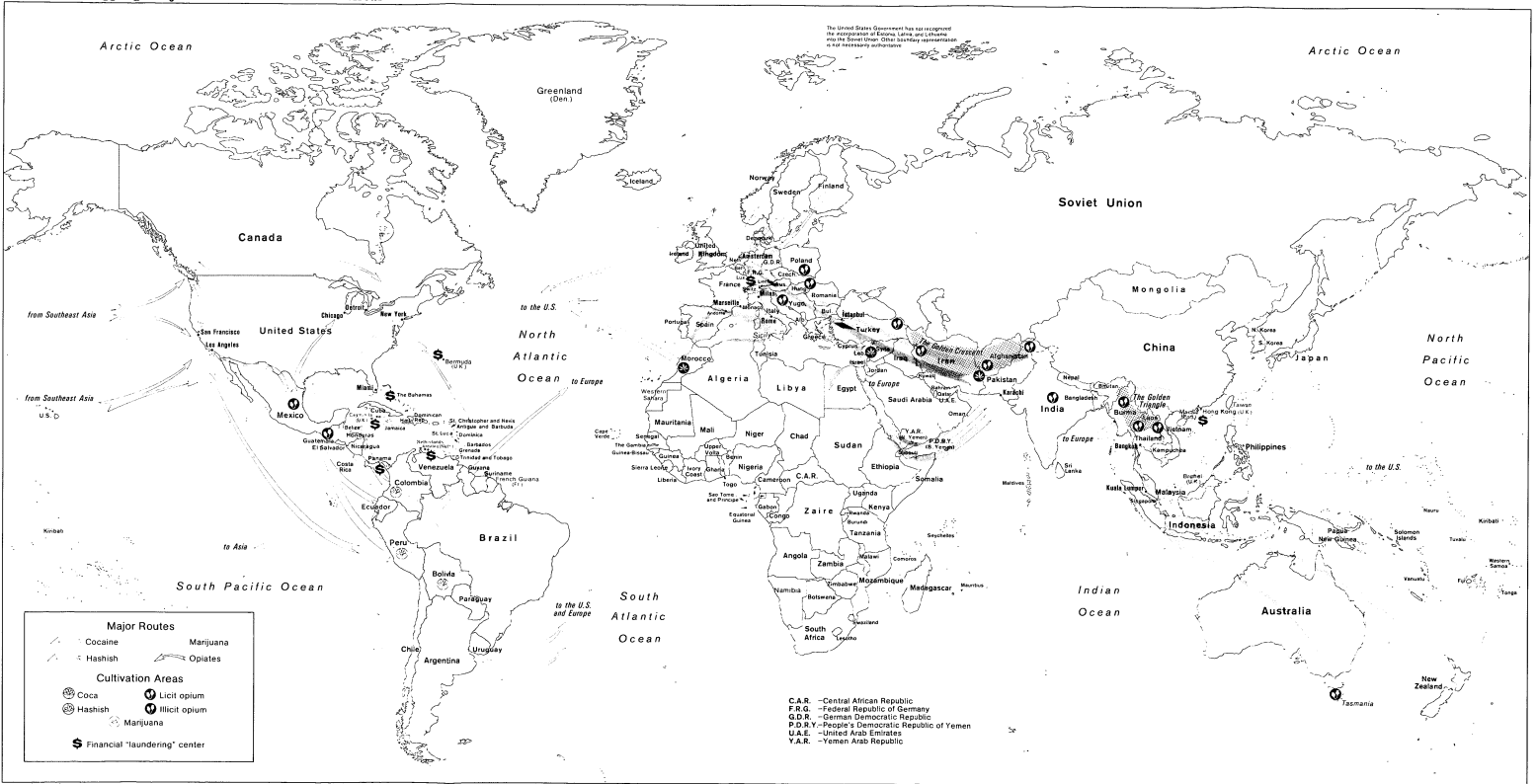
Even if major progress were achieved in one region, the net availability of illicit drugs to the US would be unlikely to decline. There is no evidence of organized coordination of narcotics activities in the three key regions, but producers and traffickers worldwide have been quick to exploit opportunities afforded by local shortages and disruptions. [Redacted]

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Narcotics Smuggling: Major Routes and Cultivation Areas



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