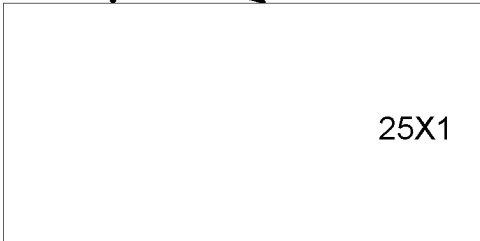




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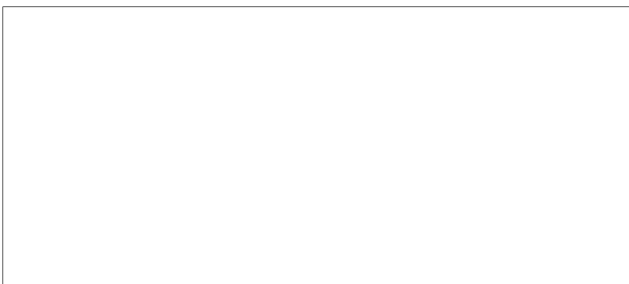
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# National Intelligence Daily

**Saturday  
15 August 1987**



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**SOUTH AFRICA:**

**No Break in Miners' Strike**

**The mineworkers' strike in South Africa is likely to continue for at least several more days because neither side is under significant pressure to compromise.**

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[Redacted] at least [Redacted]

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300,000 mineworkers are on strike. Most strikers have remained on mine premises despite union calls that they leave for home. ~~The US Embassy says that~~ neither the strikers nor the mineowners have tried to resume negotiations to end the work stoppage, and, according to press reports, union officials will meet this weekend to discuss strategy.

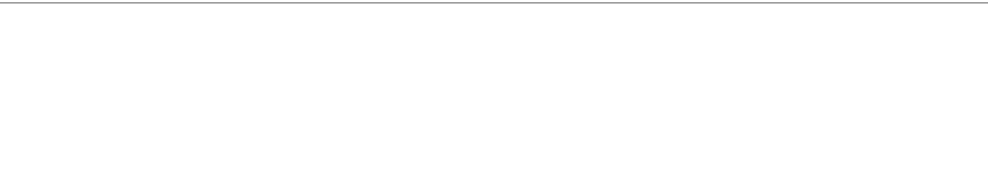
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At least 200 mineworkers have been arrested, and there has been sporadic violence between security forces and workers. ~~The Embassy reports~~ however, that mineowners and union leaders have acted cautiously to avoid provoking a confrontation that could lead to widespread violence and illegal strikes in other sectors. The government continues to say it will not intervene directly in the strike.

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**Comment:** The mineworkers' union has scored a major victory for the black opposition movement by demonstrating the ability of blacks to wage an effective and disciplined strike. Given the success of the strike, the union is unlikely to settle soon without significant concessions from the mineowners on pay and benefits. The union may encourage brief solidarity strikes in other sectors, particularly among affiliates of the Congress of South African Trade Unions.

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Mineowners are probably willing to let the strike continue for at least several more days, but they will soon look for ways to resume negotiations with union leaders. Pretoria probably would not jeopardize talks by intervening in the dispute unless there is a marked increase in violence. ~~International gold markets are unlikely to be disrupted unless the strike lasts several more weeks, and other producers of gold will probably increase sales to make up for any shortfalls in South African production.~~

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**CUBA-NICARAGUA: Reaction to Peace Plan**

***Cuba's announcement of full support for the Central American peace plan is intended to strengthen Nicaragua's negotiating position and put added pressure on the US to stop support for the anti-Sandinista forces.*** 

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Havana's endorsement of the plan follows an all-night discussion between President Castro and Nicaraguan President Ortega, who traveled to Havana earlier this week to discuss the plan. Before he left Managua, Ortega said he had consulted with the Presidents of Guatemala and Costa Rica, both of whom gave approval for the visit.



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In a joint note issued at the conclusion of the Havana meeting, Castro and Ortega claimed they would work toward the removal of "all foreign military presence" in the region.



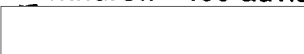
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**Comment:** ~~Castro appears confident that Cuban backing of the plan will help shift the onus for failure of the accord to the US if Washington continues to support the Nicaraguan rebels.~~ Ortega's highly publicized consultation with Castro—who undoubtedly is advising the Sandinistas on strategy—may also be intended to bring Havana more directly into the negotiations.



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Castro might try to embarrass the US by offering a unilateral withdrawal of some or all of the 600 to 700 Cuban military advisers that Havana has publicly admitted are serving in Nicaragua. A total of 2,000 to 2,500 Cuban military advisers are estimated to be there. Castro—intending to present an image as a regional peacemaker—"withdrew" 100 advisers in May 1985 but later replaced them.



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**SOUTH KOREA: Rallies Highlight Political Prisoners**

The main opposition Reunification Democratic Party and allied dissident groups plan rallies today, South Korea's Liberation Day, to highlight demands for the release of some 200 political detainees.

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Opposition leaders Kim Young Sam and Kim Dae Jung are asking to meet with Roh and President Chun to discuss the issue of political prisoners.

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**Comment:** Workers and the public are focused on labor unrest and associated disruptions, making a large turnout at the political rallies unlikely—although the presence of young radicals could lead to violence. Opposition party hardliners may see the prisoner issue as a way to discredit Seoul's promise of democratization and deflect recent public criticism of the opposition's own factional bickering and inflexibility in the constitutional reform negotiations. ~~The Kims' renewed call for four-way talks may be largely designed to portray Roh as continuing to operate in Chun's shadow.~~

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**EAST GERMANY: More Demonstrations at Wall**

About 300 young East Germans demonstrated near the Brandenburg Gate on 13 August, the anniversary of the Wall's construction. The demonstrators shouted in German, "The Wall must go," "Gorbachev," and "Berlin, Berlin," according to media reports. East German security police kept a low profile at first but ultimately made about 10 arrests following minor scuffles. ~~A parallel demonstration on the West Berlin side of the Gate reportedly included former citizens of East Germany.~~

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**Comment:** Spontaneous expressions of dissatisfaction from youth over the regime's restriction of travel and free expression are growing in frequency. In early June, about 1,000 young East Germans clashed with police while trying to hear a rock concert being played across the Wall in West Berlin. The youth appear enthusiastic about Soviet General Secretary Gorbachev's reforms, but their actions are likely to add to the regime's reservations about imitating Moscow. East German leader Honecker, who visits Bonn next month, will be especially sensitive until then to protests and border incidents that highlight the unpopularity of his policies, but he is unlikely to take harsh action against them. He may also worry that the temporary lifting, during his visit, of East Germany's standing order to shoot anyone illegally crossing the border will become known and catalyze embarrassing escape attempts.

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**WESTERN EUROPE-US: Prospects for Space Station Dim**

A senior European Space Agency official told US diplomats this week that ESA members now believe joint space station negotiations with the US, in their present form, are likely to fail and that they are reevaluating whether any form of space station cooperation with the US is possible. ESA members believe US insistence on a dominant role in station management contradicts the concept of a genuine partnership and that US insistence on explicit language permitting national security uses is offensive to ESA neutrals. ESA convenes on Thursday to assess the state of negotiations and to consider other unspecified forms of cooperation arrangements.



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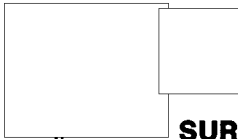
**Comment:** ESA's position may be a negotiating tactic, but it also almost surely reflects the failure of such moderates as West Germany and Italy to persuade neutrals—Sweden, Switzerland, and Austria—to accept US proposals on national security use. Pessimism may also result partly from the realization that ESA budget constraints will probably force tough choices about the extent of possible West European participation in the space station. Caught between shrinking space budgets and military use and management issues, ESA officials probably have concluded they now have little to lose by trying to force US concessions.



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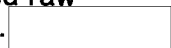
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**SURINAME: Foreign Exchange Problems**

Government difficulties in trying to increase foreign exchange availability are likely to continue, aggravating the country's economic problems. Press reports indicate the military has secured access to the vital Moengo bauxite mines, which have been closed by insurgent activity. The US Embassy reports that a government decision to allow businessmen to import goods freely with foreign exchange obtained on the black market, however, has done little to alleviate shortages of raw materials and food products because the money has been going for other consumer goods. The government reportedly has only enough foreign exchange to supply 20 percent of the basic food items most needed. As a result, the rate of inflation has accelerated sharply as local businesses, faced with rising costs for imported raw materials, have begun ignoring official price guidelines.



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**Comment:** Any economic relief generated by reopening the Moengo bauxite mines may be short lived because of the vulnerability of the mines to renewed insurgent attacks. Public criticism of Head of State Bouterse's handling of the economy is likely to mount as prices increase and shortages become increasingly commonplace. The economy will become a major rallying point for the opposition parties as the national election campaign heats up this fall.



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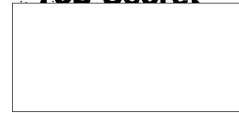


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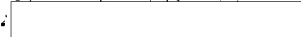
**In Brief**

**Middle East**

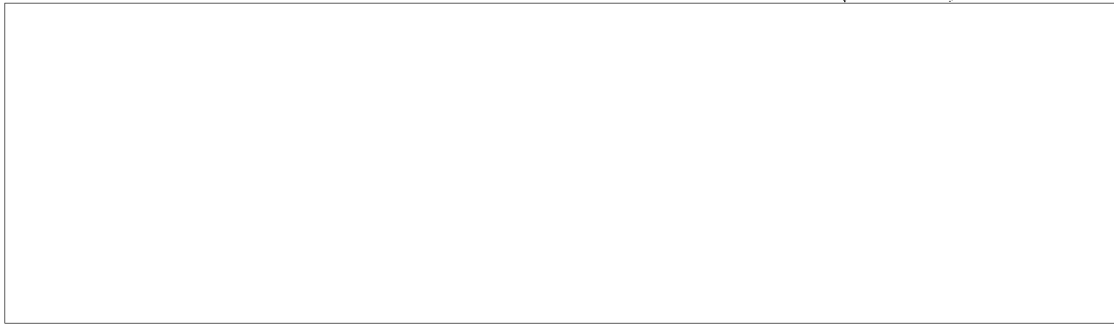


- **Israeli Prime Minister Shamir** begins visit to **Romania** Monday ... President Ceausescu will urge him to agree to international conference on Arab-Israeli peace ... also seeking aid of Israeli lobby to win US renewal of favored trade status.

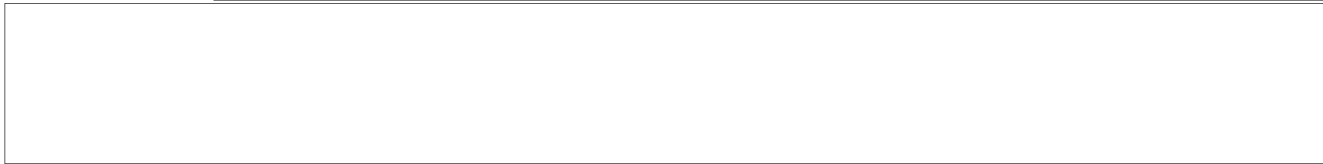
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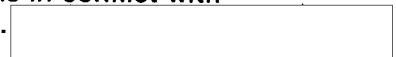
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**USSR**



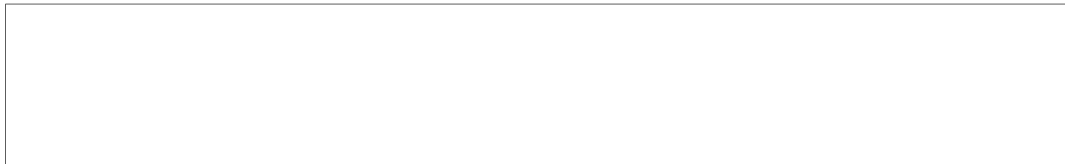
- Gorbachev's "restructuring" interfering with operations of **Soviet State Agro-Industrial Committee** ... personnel not in place, key roles unclear ... foreign relations officials in conflict with agricultural, snarling relations with West.

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**Americas**



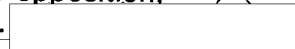
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- New narcotics agreement with US commits **Bolivia** to eradicate roughly 4 percent of coca crop within one year ... La Paz unable to meet reduction targets under old accord ... farmer opposition, administrative, resource problems major obstacles.

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**Special Analysis**

**WEST GERMANY-  
NATO:**

**The Pershing 1A Issue**

***The West European Allies remain firmly behind NATO's position that the US warheads for West Germany's 72 Pershing 1As should be excluded from the talks in Geneva, despite a growing public perception that the Pershings are the only remaining obstacle to an agreement. The West German Christian Democrats, however, worry that Washington may not hold fast on this issue. Bonn's efforts to appear flexible—including recent suggestions that it might compromise on the Pershings in exchange for reductions in Soviet Scud short-range nuclear systems—risk undercutting Alliance positions.***

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Leaders in the INF basing countries and France—without exception—are prepared to defer to Bonn on the question of whether NATO should insist on exclusion and modernization of the Pershings. This deference might erode, however, if Chancellor Kohl's government cannot suppress differences within the coalition between the conservatives and the Free Democrats. Officials in Belgium and the Netherlands probably would be prepared to sacrifice the Pershings to get an INF agreement and, no doubt, would deviate from the NATO consensus if it appears the West Germans are leaning toward compromise. Officials in the UK, France, and, to a lesser extent, Italy are more committed to exclusion of the Pershings.

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**The Scene in West Germany**

Domestic pressures on the Kohl government to show flexibility on the Pershing issue have increased since General Secretary Gorbachev accepted the global double-zero on INF last month. The opposition Social Democrats and the Greens are urging that the missiles be scrapped, and even key Free Democrats are saying publicly the Pershings must not block an INF accord. The West German public supports arms reductions overwhelmingly, and a large majority of voters almost certainly would prefer to sacrifice the missiles to attain an INF agreement.

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Bonn so far is stressing that exclusion of the Pershings from an INF accord is a NATO and US position, not an isolated West German demand. The Christian Democrats' reluctance to speak out forcefully on the Pershings reflects their reluctance to risk losing another battle against Vice Chancellor and Foreign Minister Genscher, a Free Democrat, especially because they question Washington's resolve on

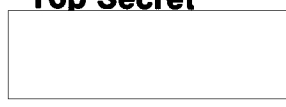
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the issue. Because party leaders want above all to avoid the impression that any surrender on the Pershings had been forced by US pressure, they probably would abandon their defense of the missiles at the first sign of US wavering.

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Bonn continues to delay any decision on modernizing the Pershings. A West German representative stressed to US officials last month that the modernization issue must be separated from exclusion, because politicians currently would be unable to sell a modernization decision to the public.

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**Kohl's Options**

The Chancellor's first preference is a global double-zero INF agreement involving no constraints on the Pershings. His second choice could be to return to ideas expressed earlier this year—a global zero-zero agreement on LRINF—with equal limits above zero on SRINF or agreement to defer SRINF to follow-on negotiations. The elimination of the Pershings—either by destroying the US warheads now or precluding modernization of the missiles later—without new concessions from Moscow would be the least palatable option for Kohl.

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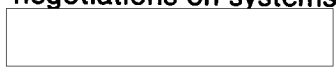
**Pershing-Scud Swap Hinted**

West German and US press reports over the last several weeks have cited authoritative sources suggesting that Bonn might agree to the elimination of the Pershings if the USSR reduced its Scud B force in Eastern Europe. A public statement along these lines by Kohl's chief foreign policy adviser probably was intended primarily to justify the continued exclusion of the Pershings from the INF negotiations while demonstrating Bonn's flexibility on the issue.

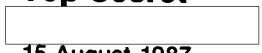
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Kohl probably is not enthusiastic about the swap idea and almost certainly would not pursue it in discussions with the East Germans or Soviets without consulting the Allies in advance. The Chancellor is particularly anxious to avoid giving Washington a pretext to question Bonn's steadfastness on the Pershings. West German officials probably have not considered the possible dangers to NATO of this approach, particularly in the event—probably unlikely—that Gorbachev were to accept such a swap in an effort to open negotiations on systems of less than 300-mile (500-kilometer) range.

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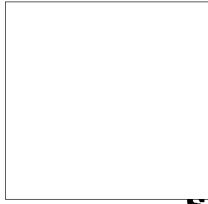


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**Special Analysis**

**CENTRAL AMERICA: Insurgent Reaction to Peace Plan**

***The Nicaraguan insurgents will be the biggest losers if the Central American peace plan is implemented as scheduled. Their external support and sanctuary will be eliminated by November, and they will play no role in cease-fire negotiations or, short of accepting amnesty, none in the political process. Salvadoran and Guatemalan insurgent operations will not be affected in the near term, but guerrilla groups in both countries worry that Managua intends to live up to its commitment to end all assistance.***



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The Nicaraguan insurgents have publicly supported the peace plan by focusing on provisions that would force the regime to grant full political freedoms to its opponents, according to press reports. Privately, however, the rebels have told US Embassy officials they remain skeptical about Sandinista compliance should US assistance end.



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The Nicaraguan guerrillas are most upset with provisions that would cut off all external aid to them in 90 days, while freezing them out of negotiations for a cease-fire. They appear willing to accept a cease-fire negotiated through intermediaries but probably would balk at attempts to disarm them.



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The Salvadoran guerrillas claim the plan does not apply to them. They and the Guatemalan rebels have stated that their insurgencies—unlike that in Nicaragua—are internally based and independent of foreign support. Both argue that a peaceful settlement requires direct negotiations with their respective governments.



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**Impact on the Insurgents**

The morale and effectiveness of the Nicaraguan guerrillas would be hit hard by a cutoff of US military aid and Honduran sanctuary. Many would leave Nicaragua, hide out, or accept amnesty, sharply reducing military activity. Significant numbers, however, probably would continue the fighting—albeit at reduced levels—indefinitely.



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The Salvadoran and Guatemalan insurgencies are likely to feel few effects in the short term if the plan is implemented. Nevertheless, [redacted] the Salvadoran insurgents feel the Nicaraguan Government betrayed them by signing the peace proposal. They worry that Managua will live up to its commitment to end assistance to their cause. In addition, they believe the plan undercuts the legitimacy of the guerrilla movement and its rationale for continuing the war, according to the Embassy in San Salvador.

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### **Insurgent Strategy**

Nicaraguan insurgent leaders will probably continue calling for direct negotiations with the Sandinistas while urging the Central American democracies to tighten verification procedures. At the same time, they are likely to look for contingency funding from the US to maintain their combatants in place until Sandinista noncompliance can be proved. [redacted]

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Recent discussions among Nicaraguan rebel leaders indicate that ideological differences and personal rivalries may complicate efforts to develop a common strategy to expose Sandinista cheating on democratization provisions. Insurgent Directorate member Alfonso Robelo wants guerrilla leaders to begin political activities in Nicaragua soon, according to Embassy reporting, and he presumably is pressing other members of the Directorate to take advantage of any openings. Some rebel leaders—like Robelo—may return to Managua if the Sandinistas lift the state of emergency, while more conservative ones—such as Adolfo Calero—are unlikely to do so.

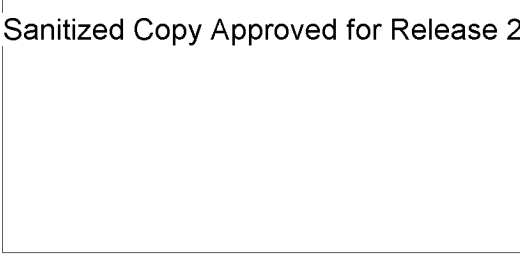
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The Salvadoran insurgents have accepted President Duarte's call for negotiations on 15 September but have not endorsed the peace plan. They are unlikely to change longstanding preconditions for negotiations—including power sharing—that the government has previously rejected. The guerrillas in both El Salvador and Guatemala will continue fighting, and the Salvadorans, who have urban networks in place, may resort to terrorism to show they still must be reckoned with. The Guatemalan insurgents—largely contained in isolated areas of the country—have little capability for increased offensive action.

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**Special Analysis**

**CAMBODIA:**

**Reactions to Proposal for Informal Talks**

***The Foreign Ministers of the member countries of the Association of Southeast Asian Nations will meet tomorrow to develop a consensus on a recently proposed Vietnamese-Indonesian formula for discussions on the Cambodian question. After the meeting, Thai Foreign Minister Siddhi flies to Beijing for consultations and to P'yongyang to meet with Prince Sihanouk. The mixed reaction of Sihanouk and his international backers to the formula makes informal talks on Cambodia unlikely before the UN General Assembly session this fall, if at all.***

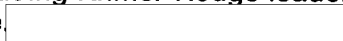


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The so-called cocktail-party plan announced by Vietnamese Foreign Minister Thach and Indonesian Foreign Minister Mochtar on 29 July calls for an initial meeting by the two Cambodian sides—presumably Prince Sihanouk and Hun Sen, Prime Minister of the People's Republic of Kampuchea—on equal footing, without titles or preconditions. The Vietnamese ~~privately~~ assured Mochtar and other diplomats that they do not object to including Khmer Rouge leader Khieu Samphan in Sihanouk's entourage.



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Hanoi has also tried to appear flexible by agreeing to "consider positively" an Indonesian invitation to join a later meeting of all concerned parties. Both the Cambodian resistance coalition and ASEAN would see acceptance of the proposal as implying a loss of status for Sihanouk and would be a retreat from their insistence that Vietnam participate in talks from the outset.



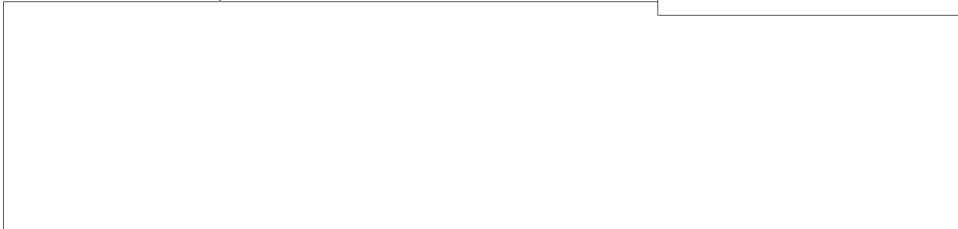
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Sihanouk's initial reaction, however, suggests that he believes this cocktail-party formula concedes too much and, in particular, does not accord him respect due as senior Khmer leader.



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China and the Khmer Rouge probably oppose the plan but do not want to appear inflexible before the UN General Assembly. Chinese media played down the Thach-Mochtar meetings and have emphasized Beijing's support for the resistance's Eight-Point Peace

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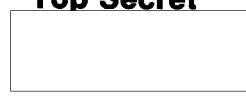
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Proposal, which links talks among the Cambodian parties with agreement between the resistance and Hanoi on the withdrawal of Vietnamese forces. The Khmer Rouge radio indirectly attacked the proposal as a Vietnamese trick. 

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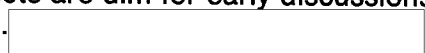
Hanoi is portraying the proposal as another favorable development toward a regional dialogue on Cambodia. PRK Communist Party General Secretary Heng Samrin is cautious, repeating only his longstanding position that the PRK will talk with opposing individuals or groups except the Khmer Rouge's Pol Pot and his associates. His stance allows Hanoi to appear to be the more flexible party. Moscow continues to stress that the time is right for diplomatic progress but has not specifically endorsed the cocktail-party plan. 

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**The Next Steps**

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The ASEAN Foreign Ministers this weekend probably will call for further efforts to refine the proposal and to dissuade Sihanouk from a meeting with Hun Sen outside of ASEAN's control. Sihanouk may clarify his position in his talks with Siddhi and at the 28 August meeting in Beijing of the leaders of the three resistance groups. Unless the impulsive Prince suddenly accepts the current offer, the prospects are dim for early discussions among the Cambodian parties. 

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