



Director of
Central
Intelligence

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National Intelligence Daily

Friday
5 April 1985

Cable

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SUDAN:

General Strike

Acting President Tayyib may declare a state of emergency and martial law today to contain the continuing anti-regime demonstrations, now backed by a general strike. [REDACTED] b (3)

Some 10,000 Sudanese participated yesterday in mostly nonviolent demonstrations in the Khartoum area, including a march on the presidential palace. The general strike has shut down public utilities, communications, air traffic and most stores, banks, and government ministries. [REDACTED] b (3)

President Nimeiri said in a published interview yesterday that he would cut short his overseas trip and return to Sudan tomorrow.

[REDACTED] b (3)

[REDACTED] Decisions on a price reduction and on the state of emergency may be deferred until Nimeiri returns tomorrow. In any case, a reduction would be unlikely to break the momentum of the protests, although the demonstrations may subside today, the Muslim prayer day. [REDACTED] b (3)

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The Army's unwillingness over the past few days to engage civilian demonstrators except in self-defense probably reflects ambivalence in the senior command about its support for the regime. Senior officers may try to depose Nimeiri before his return tomorrow, especially if they perceive a coup is imminent from middle-grade officers. [REDACTED] b (3)

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BRAZIL:

Political Developments

Acting President Sarney will receive support from key political and military leaders for assuming full presidential powers if President-elect Neves dies, but he will face pressure, especially from the left, to cut short his tenure and call an early direct election.

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Neves's condition remains grave following minor abdominal surgery yesterday, his fifth operation in three weeks. After showing signs of improvement following his operation on Tuesday, he developed new localized lung and abdominal infections.

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_____ leaders of Neves's moderate-to-left Brazilian Democratic Movement Party have decided to support Sarney's assumption of the presidency if Neves cannot take office. Leaders of the party also have stressed their intention to cooperate with the other coalition partner, Sarney's centrist Liberal Front, on important questions such as filling of subministerial positions. They believe, however, that public opinion and pressure from the Congress may force Sarney to abbreviate his term and hold a direct presidential election by November 1986.

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_____ that the leftist governor of Rio de Janeiro State, Leonel Brizola, is preparing to marshal popular pressure for a direct election well before November 1986 if Sarney takes office.

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_____ Brizola has been campaigning for some time and is in a position to run a strong race for the presidency if an election is held soon.

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_____ Bolstered by military support and the backing of Neves's party, Sarney probably can govern effectively, at least for awhile. Nevertheless, he probably would have to seek a consensus among leaders of the diverse ruling alliance before moving forward with major political or economic initiatives.

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Military leaders will become increasingly concerned if pressures for a direct election result in social disorders or an upsurge in leftist activity. The military would be especially anxious if Brizola appeared to have a good chance of winning the presidency. Sarney would delay calling an election as long as possible in order to give the coalition's parties time to organize a strong campaign for a moderate candidate.

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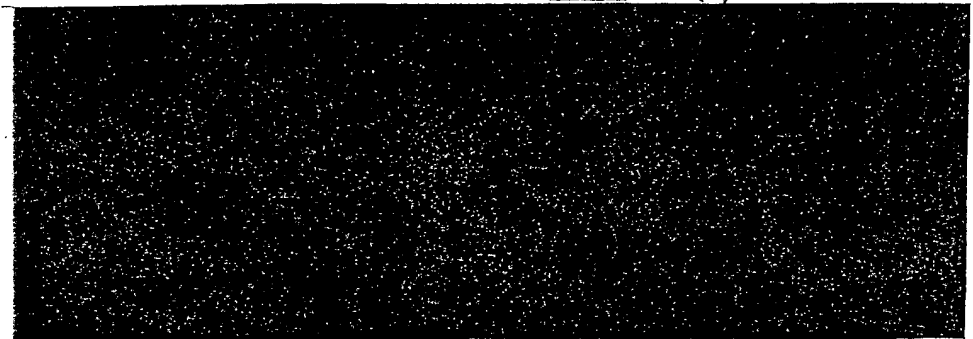
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IRAN-IRAQ:

Another Offensive Shaping Up

Both sides appear to be preparing for another battle north of Al Basrah as attacks on cities resume. [redacted] b (3)

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According to press reports, both Iraq and Iran have resumed attacks on each other's cities after a brief pause. Iraq bombed Tehran Wednesday night and used surface-to-surface missiles against Kermanshah and Hamadan Thursday, killing at least 35 people. Iranian artillery shelled Al Basrah, and Tehran threatened to retaliate in kind for Iraqi missile attacks. [redacted] b (3)

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[redacted] Tehran probably will not be ready to launch another attack before next week. Iraq's early detection of Iran's moves significantly reduces the chances for Iranian success. If Iran does launch a new offensive, Iraq is likely to intensify its strikes on civilian targets. [redacted] b (3)

Baghdad probably used Scud missiles for the attacks on Kermanshah and Hamadan. Tehran almost certainly will retaliate with missile attacks on Baghdad. [redacted] b (3)

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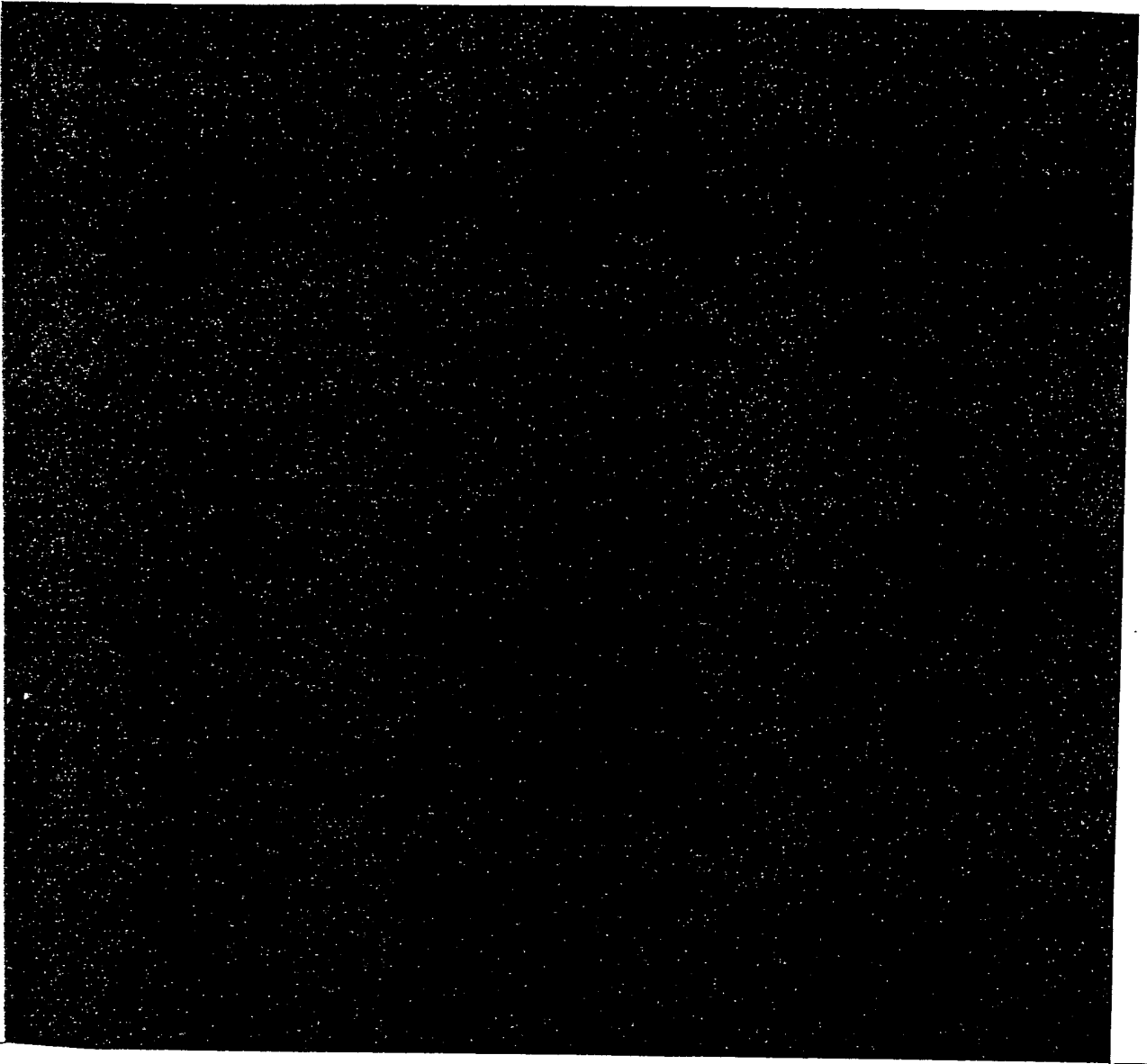
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LIBERIA:

Possible Violence and Anti-US Moves

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Would-be assassin Lt. Col. Flanzamaton publicly asserted yesterday after his capture that a US citizen and leaders of three major opposition parties were behind his attempt to kill Doe. The latter has not commented on Flanzamaton's claims. [REDACTED]

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Opposition politicians arrested include Baccus Matthews, a populist who led the protests in 1979 that ended in rice riots and the overthrow a year later of the former regime. [REDACTED] Matthews's supporters are restive. [REDACTED]

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[REDACTED] Doe is using the assassination attempt as a pretext to crack down further on opposition parties and as a springboard to launch another anti-US campaign. He has been frustrated by US unwillingness to endorse his bid to be elected civilian president, by US criticism of his tampering with the electoral process, and by what he views as inadequate US economic support for Liberia. [REDACTED]

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Doe probably will demand the recall of some US Embassy officials; he may threaten to cancel elections slated for October 1985. Foreign Minister Eastman is likely to push for a more nonaligned foreign policy. [REDACTED]

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The potential for violence is high. Doe's presidential guard is undisciplined and in the past has overreacted to civil demonstrations. Army troops, if called in to keep order, are unlikely to perform any better. The loyalty of Doe's guards is also in question because Flanzamaton was the deputy commander until he tried to kill Doe. [REDACTED]

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CHINA-USSR: Minimizing the Obstacles

A Chinese Foreign Ministry spokesman refused to be drawn out on the "three obstacles" in Sino-Soviet relations during the weekly press conference on Wednesday. He admitted that there are "obstacles in the way of relations," but that portion of his remarks was not repeated in the official media. Beijing recently has given unusually favorable treatment to routine agreements with Moscow, including the annual document on management of navigation on their border rivers. A low-ranking Soviet delegation signed a protocol on cooperation in education yesterday. b (3)

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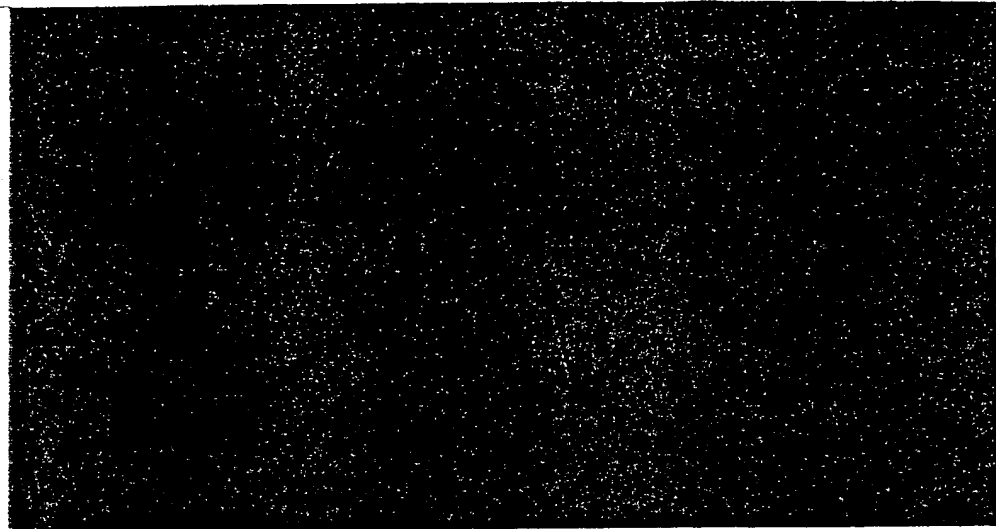
Despite China's reassurances to the US and others, Beijing is continuing to indicate to Moscow that it is willing to set the obstacles aside as preconditions for improving political ties. This suggests that, even if China continues to raise the three obstacles, as one Chinese diplomat said China would do when Sino-Soviet talks resume next week, the Chinese may show new flexibility in how they present their security concerns. This could facilitate an expansion of the political dialogue if Moscow makes some reciprocal gestures.

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EL SALVADOR: Terrorist Plans

The insurgents are planning to intensify urban terrorism because their chances of success in the countryside are becoming increasingly limited. [redacted] commandos from all five guerrilla factions soon will infiltrate San Salvador. [redacted]

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[redacted] this will force the Salvadoran high command to move more troops into the capital and thereby reduce pressure on beleaguered rebel field units. Meanwhile, [redacted]

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[redacted] the guerrillas are kidnaping newly elected mayors as part of their response to the election last Sunday. [redacted]

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[redacted] The Army's success in sweeping traditional guerrilla strongholds has forced the insurgents to seek relatively low-risk, high-visibility targets in urban areas to reassert their military credibility. The rebels are worried that their inability to disrupt the balloting will be viewed as a further indication of waning potency. The kidnappings may signal a new campaign of intimidation but also may reflect guerrilla frustration with their lack of recent tactical successes.

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CHINA: Decline in Foreign Exchange Reserves

China's foreign exchange reserves probably fell to roughly \$12 billion at the end of March from their peak last September of \$16.7 billion. Contrary to rumors in the Western press of a much greater decline caused by accounting errors or losses from foreign exchange speculation, the drop results largely from a major increase in imports, particularly of capital goods and consumer durables. Imports from Japan, Hong Kong, and the US—China's top three trade partners—are running at nearly twice last year's levels. ~~_____~~ b (3)

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~~_____~~ Chinese authorities probably will move shortly to tighten controls over purchases of Western consumer goods by local enterprises and provincial governments. Although China's reserves are still healthy—enough to cover more than four months of imports at the present rate—Beijing wants to conserve hard currency for the construction of key projects under the Seventh Five-Year Plan (1986-90). Since November China has signed contracts with more than \$10 billion with Western firms for major development projects.



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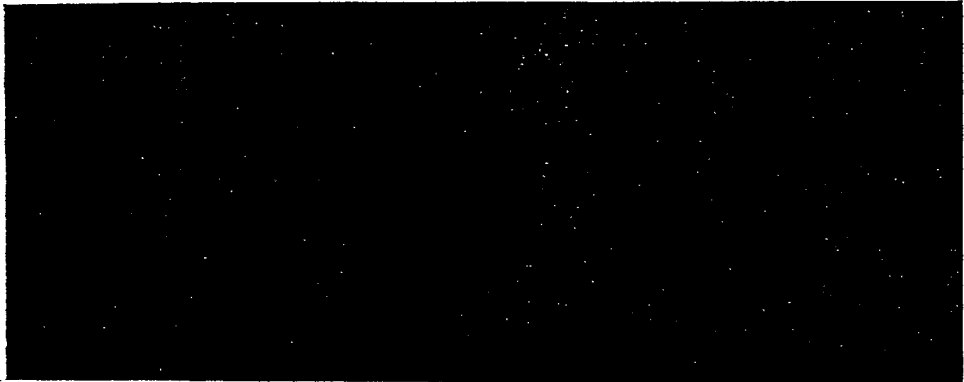
USSR: Nationwide Preventive Medicine Program

The Soviets have announced an ambitious program of preventive medicine for the next five-year plan period (1986-90) which will require physical examinations for all citizens. The program, which is intended to promote early detection of disease and to target areas with high levels of health problems, is in response to recent negative trends in basic health. The death rate is reported to have increased from 10.4 per thousand in 1983 to 10.8 in 1984. In addition, male life expectancy has declined and birth defects have increased [redacted] b (3)

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[redacted] The program may help reverse the adverse trends, but there is widespread doubt over its feasibility and advisability. It will require personnel, facilities, and equipment that are already in short supply. The Soviets claim to be committing 2 billion rubles annually to the new program—10 percent of their budget for health services—but this amount still would be inadequate to redress the marginal level of health care. In the West, only Canada and the Scandinavian countries have nationwide programs that include scheduled immunizations, laboratory work, and counseling. [redacted] b (3)

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In Brief

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Americas

— Moscow unhappy over Castro's failure to attend Chernenko funeral . . . believes Cuban leader signaling displeasure over recent economic and military aid cutbacks . . . says Moscow to ignore slight. [Redacted] b (3)

— Honduras holding 17 Nicaraguan Army troops and seven trucks that accidentally crossed border . . . Managua pressing for return . . . [Redacted] no asylum requests, but some detainees fear Sandinista discipline on their return. [Redacted]

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— [Redacted] Bulgaria [Redacted] provided Nicaragua \$6.5 million short-term credit . . . possibly to finance commodity, equipment imports . . . Sofia has provided Managua more than \$120 million in economic aid since 1981. [Redacted] b (3)

East Asia

— South Korea has accepted North Korea's proposal to resume official economic talks on 17 May at Panmunjom . . . semiofficial Red Cross talks will open on 28 May in Seoul. [Redacted] b (3)

[Redacted]

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Terrorism

— Rocket fired yesterday at Jordanian airliner taking off from Athens, Greece . . . grazed plane but did not explode . . . part of campaign by Syrian-backed Palestinians against Jordan. [Redacted] b (3)

Middle East

— Morocco facing serious flour shortage . . . expected to worsen through May because of lack of credit to buy US grain . . . rumors of food price hikes and continued austerity sharply increase prospects for unrest. [Redacted] b (3)

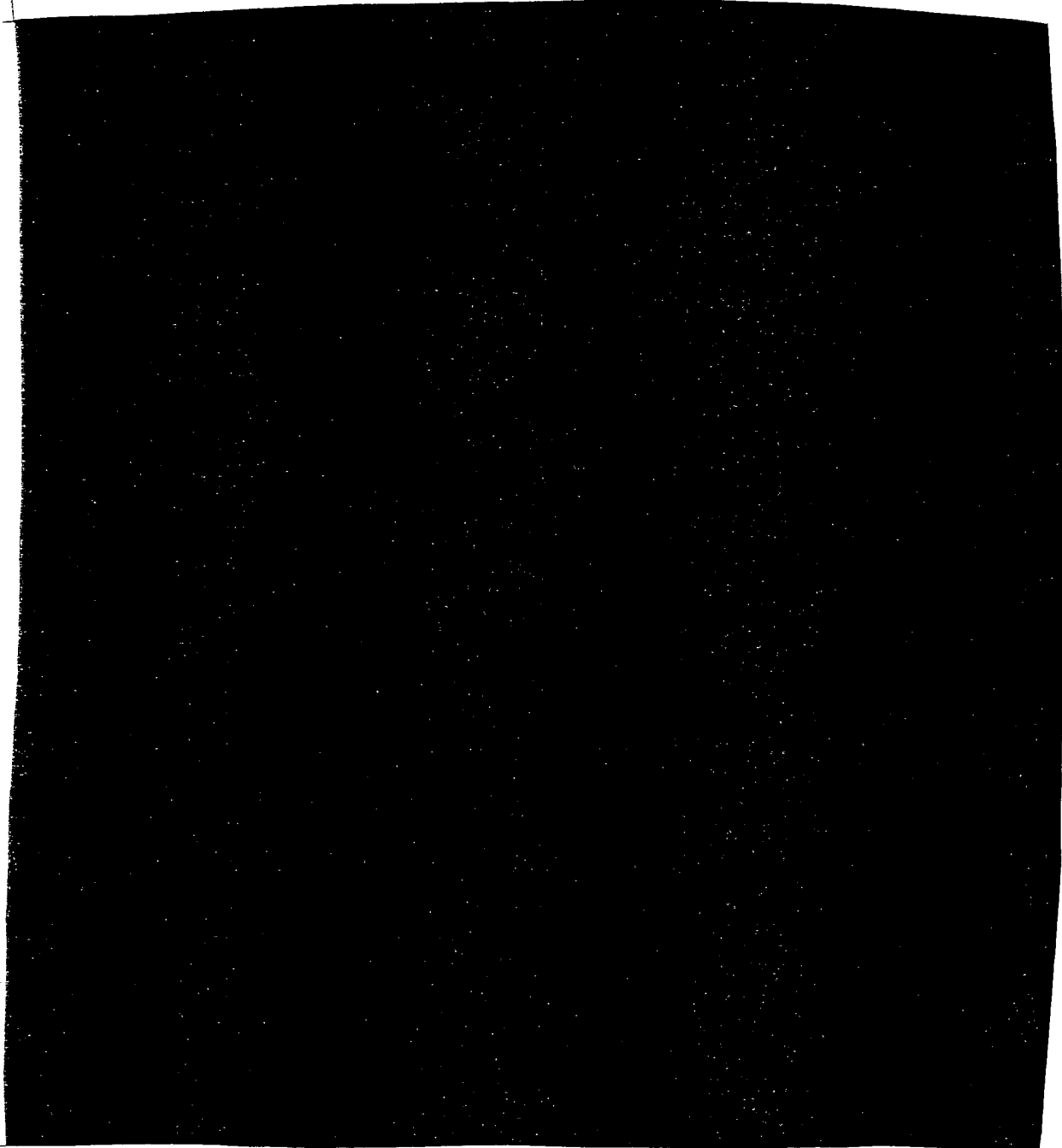
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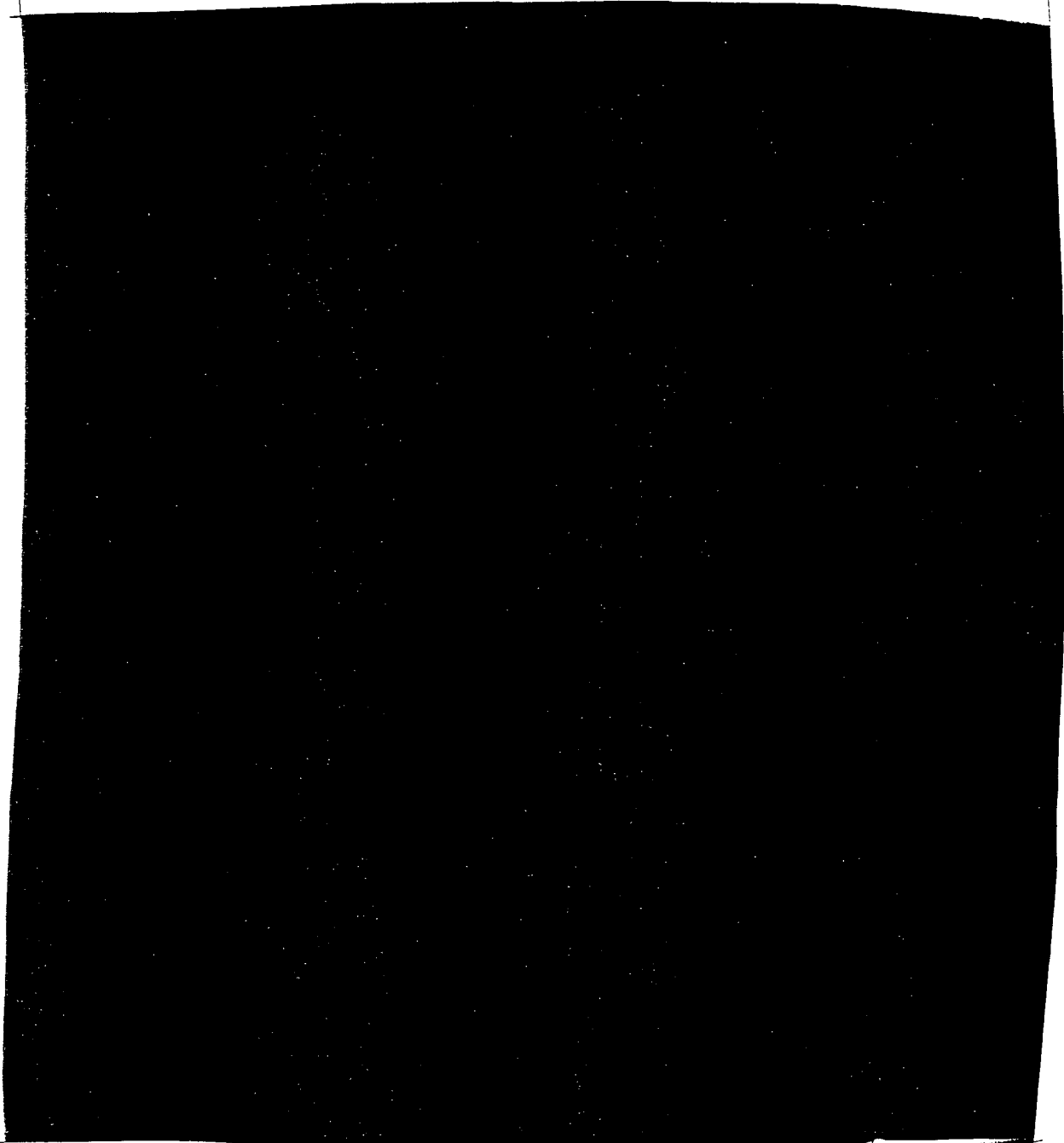


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