



Director of
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National Intelligence Daily

Monday
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Contents

USSR: National Tensions Increase	1
.....	2 b1, b3
Chile: Pinochet Trying To Build Support in Army	3
Central America: Moves To Revive Peace Plan	4
USSR: Hinting Further Troop Withdrawal From Mongolia	5
Notes	
Cyprus: Intercommunal Talks May Falter	6
Pakistan: Election of Provincial Assemblies	6
USSR: Gorbachev Warns on Afghanistan in India	7
.....	7 b1, b3
Nicaragua: Prisoner Release	8
.....	8 b1, b3
.....	9 b1, b3
France-NATO: Conventional Arms Control	9
.....	10 b1, b3
.....	10 b1, b3
In Brief	11
Special Analyses	
Syria-Lebanon: Military Balance in Flux	12
Hungary: Leadership Unsettled	14
.....	15 b1, b3

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~~Top Secret~~

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21 November 1988

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~~Top Secret~~

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Changes to Draft Constitutional Amendments

The Supreme Soviet legislative proposal commission met Saturday under the chairmanship of Party Secretary Razumovskiy with Vice President Lukyanov in attendance to consider suggestions to amend the draft constitutional proposals. While apparently criticizing some efforts by opponents of the draft to reject the package and reiterating that the Estonian decision on sovereignty contradicts provisions of the Soviet Constitution, Razumovskiy indicated that a number of changes to nearly half the proposed articles were approved. In total, 40 amendments were being recommended to the Supreme Soviet Presidium. These included several that:

- Address criticism concerning relations between Moscow and the republics.
- Give republics representation on the new commission to oversee the constitution in order to protect their "sovereign" rights.
- Make several adjustments to the proposed electoral laws to democratize further the procedures, particularly striking a provision that restricted nomination of a candidate to only large worker collectives.

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21 November 1988

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USSR:

National Tensions Increase

Moscow has adopted a measured response to Estonian demands for "sovereignty," but national tensions may derail an agreeable solution.

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On Saturday, TASS cited President Gorbachev's acceptance of the legitimacy of many Estonian grievances and his call for the central government and Estonia to work out a compromise.

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In Saturday's meeting of the USSR Supreme Soviet commission dealing with the draft constitutional amendments, some changes were made that may satisfy republic criticism.

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Tension, however, remains high in the Baltic. Russian deputies to Thursday's Estonian Supreme Soviet session were coerced into supporting "sovereignty" while Estonian President Ruutel announced his republic would stand by its declaration. The Lithuanian popular front protested its republic's failure to follow the Estonian example and began a campaign to force another Supreme Soviet meeting. In the wake of large nationalist demonstrations in Riga, the Latvian Supreme Soviet is sure to hear criticism of Moscow's proposed constitutional amendments.

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Meanwhile, the Soviet Supreme Court's death sentence for an Azeri convicted of murdering Armenians at Sumgait is bound to elevate tensions in Armenia and Nagorno-Karabakh, where violent clashes and strikes resumed late last week. The Armenian Supreme Soviet—which now includes two "Karabakh" committee members who defeated party candidates in recent byelections—is under pressure to reject Moscow's draft constitutional amendments and get the Karabakh issue on the agenda of next week's USSR Supreme Soviet session.

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Gorbachev's conciliatory remarks and his trip to India suggest he does not believe a showdown is imminent. The USSR Supreme Soviet's revision of proposed draft laws indicates that Gorbachev is willing to compromise. Some Estonians have implied their declaration of "sovereignty" was a bargaining chip, which might explain Moscow's measured reaction. With no other republic following Estonia's declaration of its law's supremacy over decrees from Moscow, the issue will be easier to resolve.

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Heightened tensions may still lead to an impasse. While dissatisfaction in the Baltic and the resumption of unrest in Armenia give Gorbachev reasons to consider minor concessions, it will be impossible fully to satisfy aroused nationalists. The potential for a blowup remains high—particularly in the Caucasus—and next week's Supreme Soviet session is certain to be extremely contentious.

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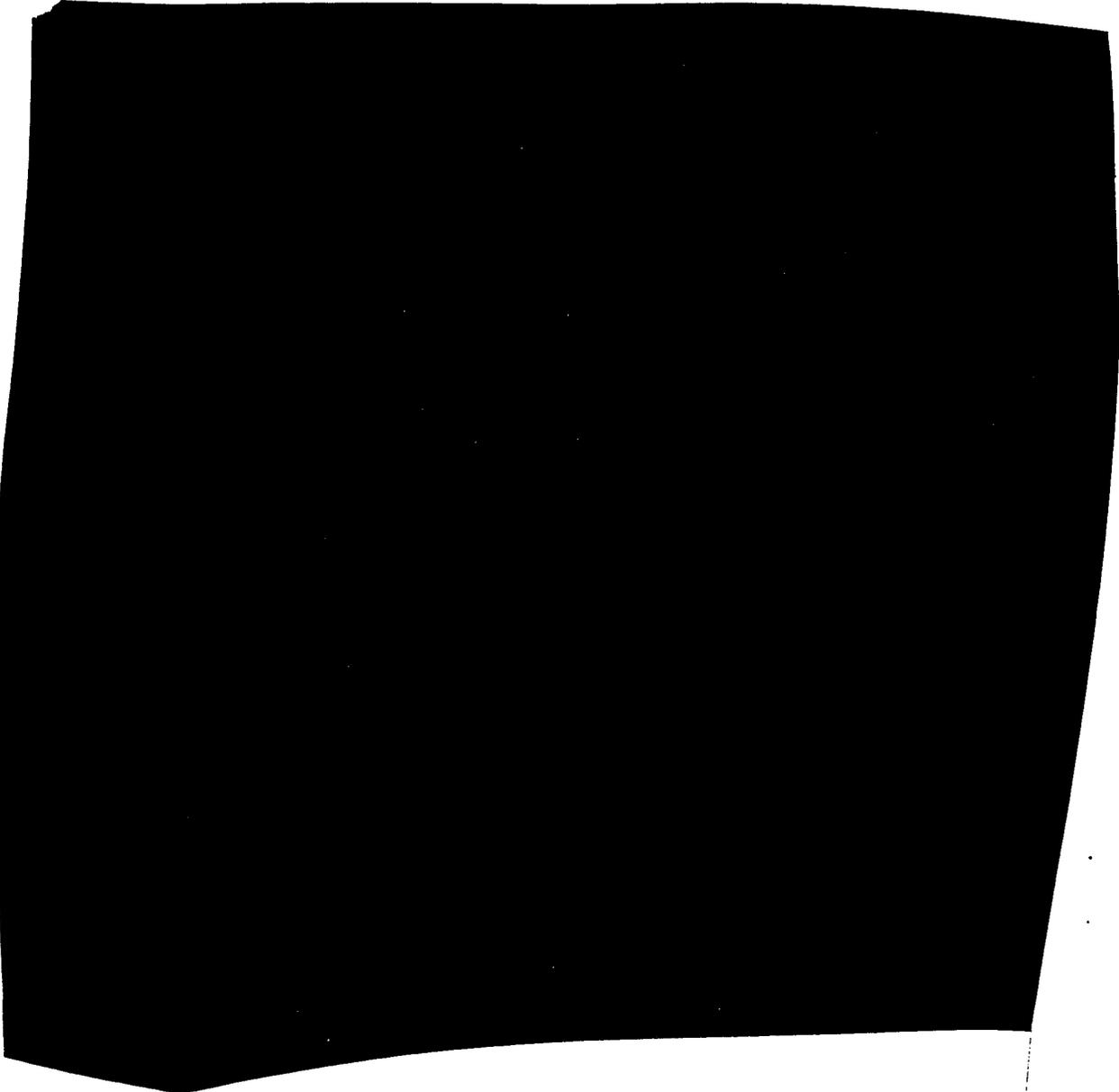
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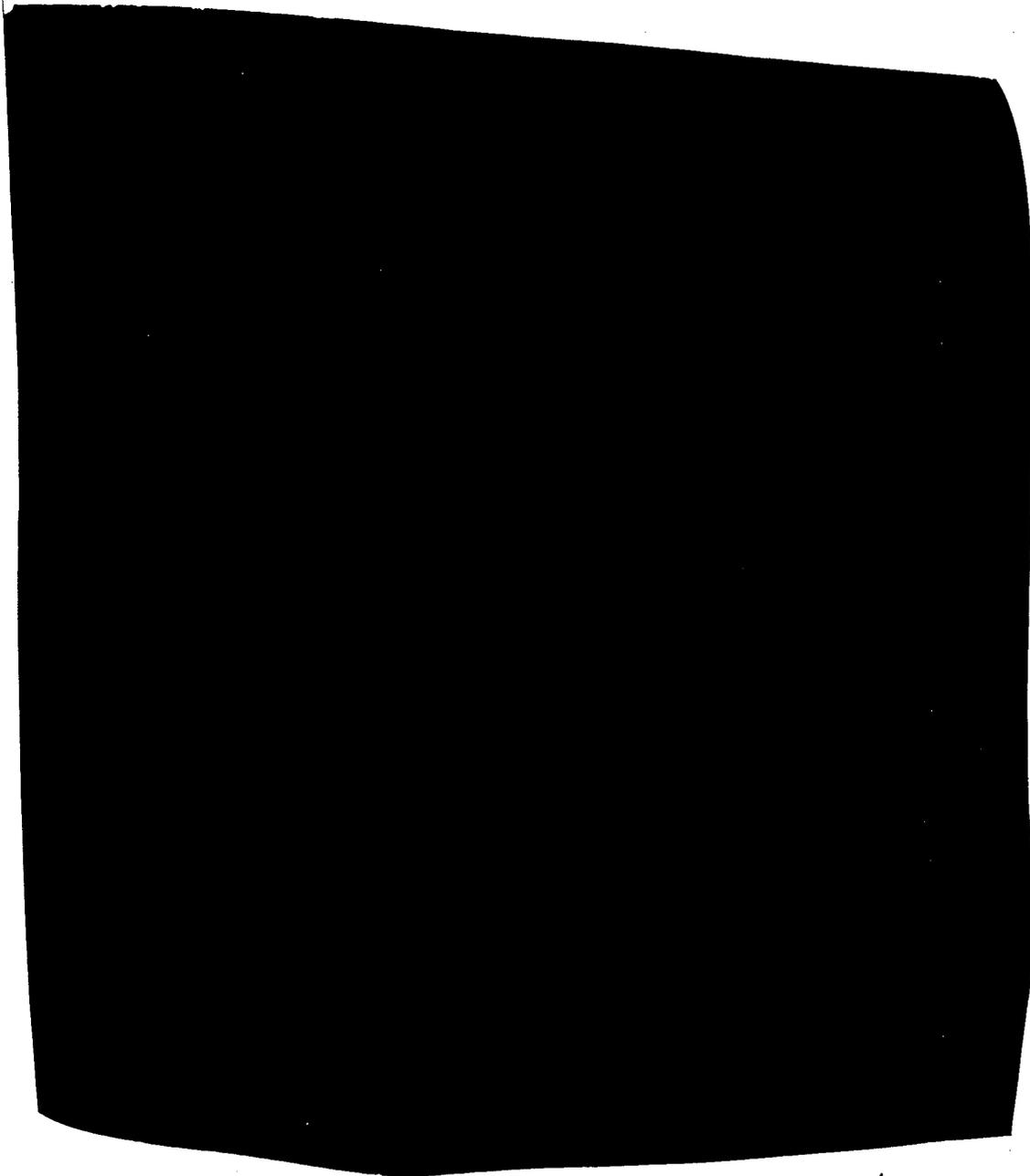
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21 November 1988

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CHILE:

Pinochet Trying To Build Support in Army

President Pinochet's effort to regain support in the Army, damaged when he lost the plebiscite, almost certainly will not restore the unrestricted authority he once had.

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[REDACTED]

To counter the dissension in the Army, Pinochet has met repeatedly with large groups of Army officers and called for unity. Early this month, he replaced nearly a third of the more than 50 generals and the Army representative on the Junta. Virtually all military officers in the government in positions down through subcabinet posts also have been removed.

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These changes are widely seen as positive steps toward depoliticizing the Army. The promotion of General Zincke to Army Vice Commander has been well received by the officer corps. He helped block Pinochet's effort to abort the plebiscite, but he supports the President and would be unlikely to defy him on military matters.

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widespread opposition in the armed forces to a Pinochet candidacy in the presidential election in December 1989—a possibility advanced by some regime hardliners although prohibited by the constitution.

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[REDACTED]

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Pinochet probably believes the command overhaul will solidify the ranks behind him, but it has elevated younger leaders who have fewer direct ties to him and are unlikely to be as devoted to a commander the voters have rejected. Any extraconstitutional move by Pinochet, including trying to run for president, risks antagonizing the Army, which is increasingly signaling its preference for a directly elected government. It will help Pinochet, however, if the opposition fragments or demands unrealistic constitutional changes, such as eliminating the military's oversight role in a civilian government.

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Whether Pinochet dominates the new High Command depends on how strongly he remains opposed to the growing consensus for dialogue with the opposition on an orderly transition to civilian rule. The Interior Minister and the Navy Commander have recently indicated they are willing to listen to proposed constitutional changes even though Pinochet continues to insist that the constitution not be changed and the transition not come before 1990.

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CENTRAL
AMERICA:

Moves To Revive Peace Plan

The Central American foreign ministers made progress last week at the OAS General Assembly toward advancing the 15-month-old Arias peace plan, but major obstacles remain. [REDACTED]

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After a seven-month hiatus, the foreign ministers agreed to meet on 30 November in Mexico City to set the agenda for a summit late next month or early in January. [REDACTED]

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[REDACTED] the complexity of the issues involved will require at least two meetings by the foreign ministers before a gathering of Central American presidents can be set. [REDACTED]

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Among the items to be discussed in Mexico City is a Costa Rican proposal for a UN-supervised commission to verify and control movement of Salvadoran and Nicaraguan insurgents along the borders with Honduras. [REDACTED]

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During the OAS gathering, the Honduran Foreign Minister publicly retreated from his proposal for a UN-supervised peacekeeping force and reassured his Central American counterparts that Honduras is committed to the Arias plan. [REDACTED]

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[REDACTED] Previous efforts to get the Central American foreign ministers together formally have foundered on Tegucigalpa's demand that Managua withdraw the World Court case against it. The Court now is expected to accept jurisdiction in the dispute next month, and Honduras is trying harder to enlist other countries to press Nicaragua to drop the litigation. [REDACTED]

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The Costa Rican proposal breaks no new ground; it was first presented last March during a meeting of the Central American foreign ministers. If adopted, it would create a major obstacle for the reinfiltration into Nicaragua of anti-Sandinista rebels now in Honduras. [REDACTED]

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21 November 1988

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USSR:

Hinting Further Troop Withdrawal From Mongolia

The Soviets are raising the possibility of further reducing their forces in Mongolia, presumably to help set the stage for Chinese Foreign Minister Qian's talks in Moscow early next month.

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[REDACTED] the Mongolian Foreign Minister called the partial Soviet troop withdrawal from Mongolia early last year "the beginning of the process." He added that the Chinese know Soviet forces entered Mongolia more than 20 years ago at the request of the Mongolian Government and reiterated that only Mongolia has the right to raise the issue of a further reduction of those forces with Moscow.

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[REDACTED] The publication of the Mongolian Foreign Minister's remarks seems designed to respond to Beijing's concern in the hope of defusing the issue before Qian's talks in Moscow. Further troop cuts in Mongolia would be fresh evidence of a willingness to address Beijing's security concerns and [REDACTED]

The Soviets may believe the move is necessary to maintain progress toward a Sino-Soviet summit next year in view of the slow pace on settling the Cambodian problem, which Beijing still portrays as the main obstacle. Moscow may also believe further reducing its forces in Mongolia will encourage the Chinese to accept President Gorbachev's proposal for talks on mutual force reductions.

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The USSR almost certainly would demand something from Beijing in return for a complete troop withdrawal from Mongolia, probably a nonaggression pact with Ulaanbaatar as well as military reductions on the Chinese side. Soviet civilian advisers are ubiquitous in Mongolia, and the Soviets probably do not regard their troops as an essential means of keeping Mongolia in their camp.

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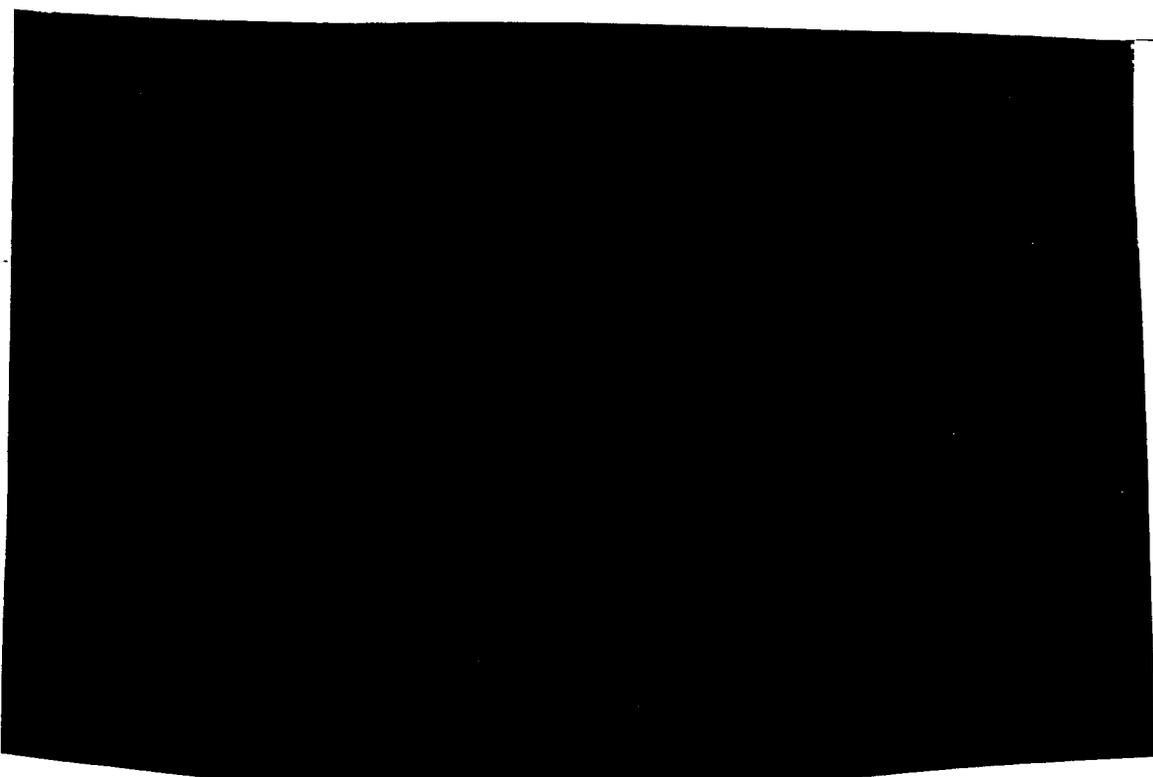
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CYPRUS: Intercommunal Talks May Falter

Cypriot President Vassiliou and Turkish Cypriot leader Denktash are to meet with UN Secretary General Perez de Cuellar in New York tomorrow and Wednesday in an attempt to keep the intercommunal dialogue going.

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[REDACTED]

Denktash has neither reacted to Vassiliou's activities nor budged from long-held positions.

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If UN officials do not produce a plan covering the scope and timing of substantive discussions, the UN and both sides are likely to agree to a recess, a situation that would make it difficult to restart the talks.

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[REDACTED]

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PAKISTAN: Election of Provincial Assemblies

Nearly complete results from the election of Pakistan's provincial assemblies on Saturday indicate some slowing of the momentum Benazir Bhutto gained by the victory of her Pakistan People's Party in the National Assembly election last Wednesday. Bhutto

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would be willing to retain Acting President Ghulam Ishaq Khan as president if he names her prime minister. Her party won a majority in Sind Province's assembly, but the Pakistan Muslim League-led alliance won narrow pluralities in Punjab and North-West Frontier Provinces. No party won control in Baluchistan Province.

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Ishaq Khan has announced a round of consultations with party leaders starting tomorrow and may still hope to forge a coalition that allows him to bypass Bhutto as prime minister. Although Bhutto distrusts Ishaq Khan as biased against her, she would certainly acquiesce in his continuation in office if the military insists. The outcome of power jockeying in Islamabad should determine whether the People's Party or the Muslim League succeeds in courting the independents and minor party members needed to build governing coalitions in the provincial assemblies of Punjab and the North-West Frontier.

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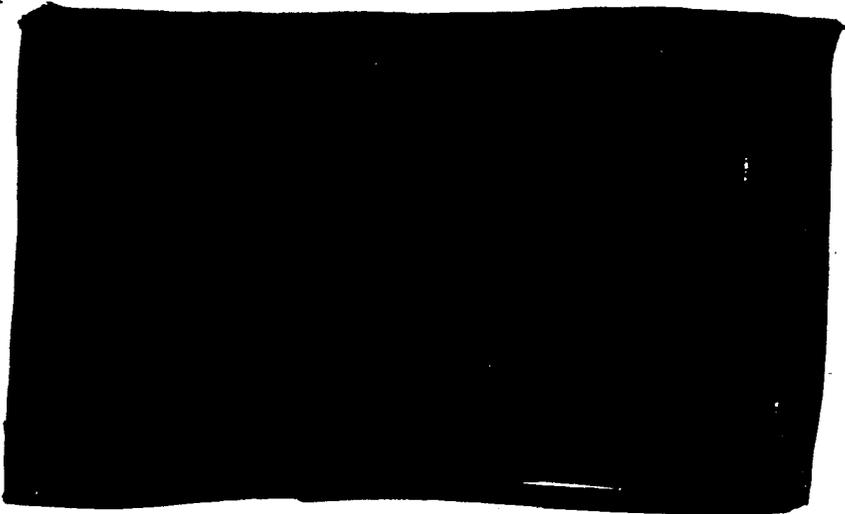
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USSR: Gorbachev Warns on Afghanistan in India

Soviet President Gorbachev charged, while accepting a peace prize in New Delhi Saturday, that Pakistan and the US are apparently trying to force the USSR to rescind the Geneva accords on Afghanistan. He warned of "grave" consequences and tied the solution of Third World underdevelopment to the peaceful resolution of conflicts like Afghanistan. The Soviet-Indian summit statement signed yesterday included a call for strict implementation of the Geneva accords, deplored violations by "certain forces," and appealed to the UN to establish an intra-Afghan dialogue on a broad-based government and to deal with ensuring Afghanistan's sovereignty and nonaligned character, possibly by sponsoring an international conference. [REDACTED] b3

[REDACTED] Gorbachev's warnings repeat themes other Soviets have recently pushed, and his comments associating underdevelopment with confrontational policies appear to be a bid for Third World support of Soviet demands. Moscow is trying, by putting the Soviet withdrawal timetable in doubt, to induce Pakistan and the US to press the Afghan resistance to accommodate Soviet concerns. Other Soviet remarks continue to stress that the USSR will meet the 15 February withdrawal deadline. [REDACTED] b3

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21 November 1988

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NICARAGUA: Prisoner Release

The release of 25 of the 38 dissidents imprisoned following a violent antigovernment protest in Nandaime last July appears aimed at improving the Sandinistas' image abroad rather than signaling a more conciliatory posture toward the domestic opposition. [REDACTED]

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[REDACTED] a Nicaraguan court released 16 prisoners unconditionally; the other nine were freed "provisionally." The remaining 13 dissidents—including the most prominent—are subject to conviction on subversion charges; two, however, were given provisional releases last week for health reasons. [REDACTED]

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[REDACTED] By releasing some of the Nandaime protesters, the Sandinistas probably hope to mute foreign criticism of their human rights record. Managua presumably also wants to attract more aid, particularly from West European donors, to repair the devastation caused by Hurricane Joan last month. The continued detention of the leading protest figures suggests that the regime still is prepared to punish all but the most innocuous dissident activity. [REDACTED]

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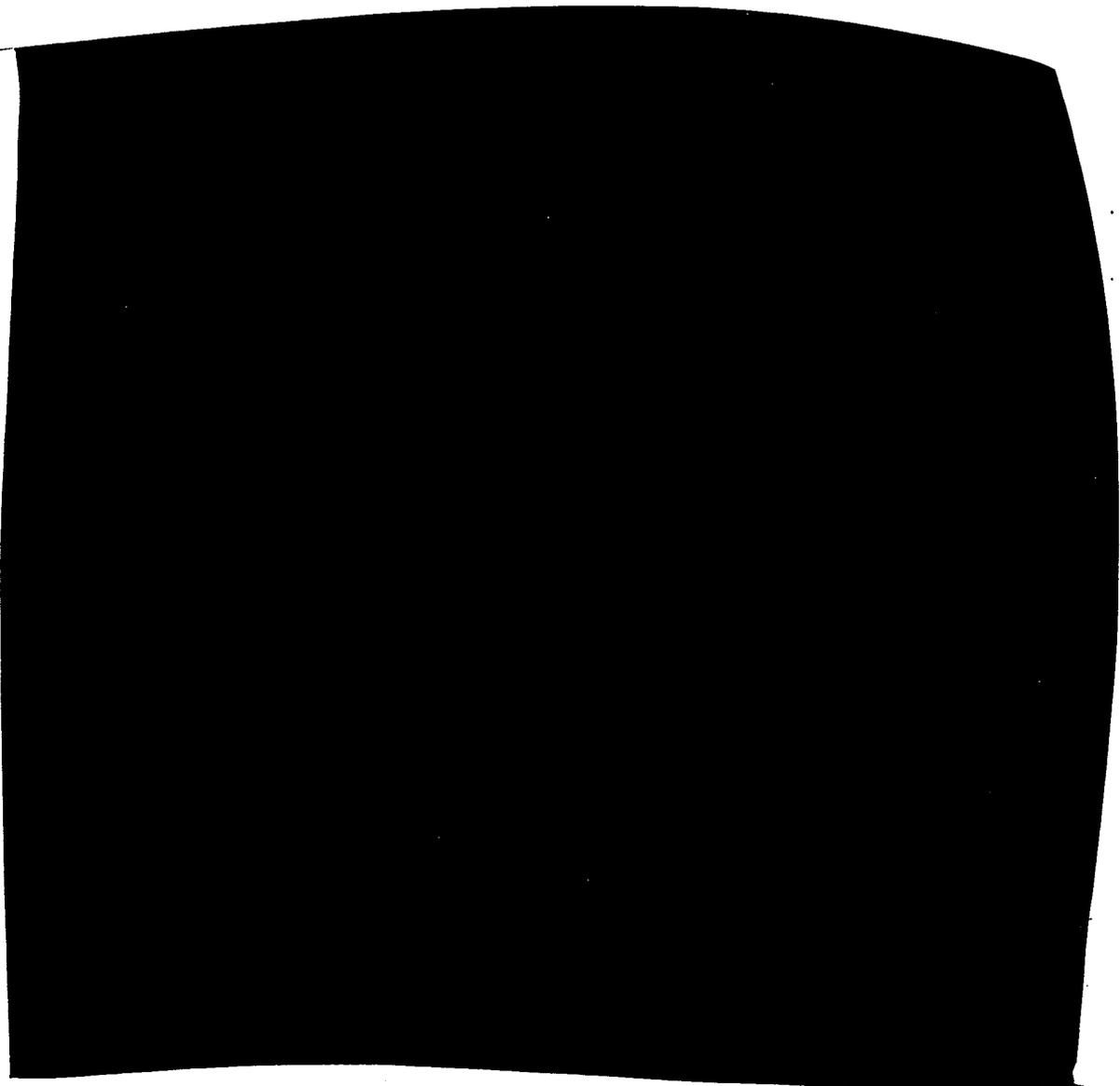
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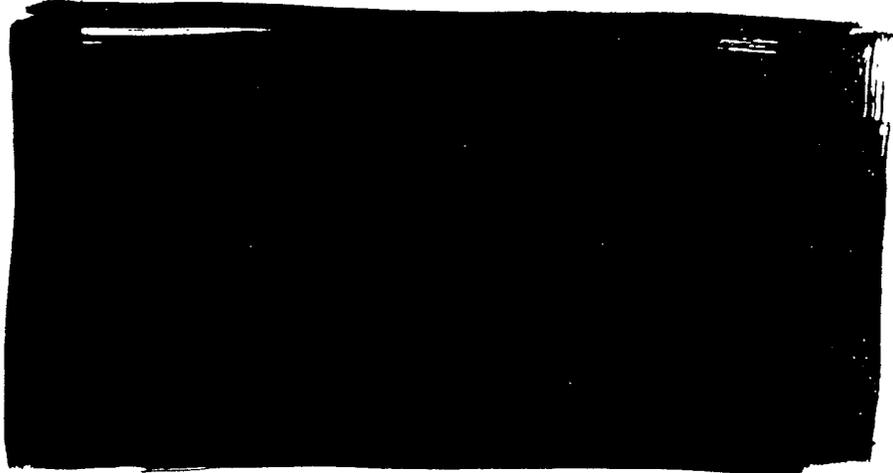
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FRANCE-NATO: Conventional Arms Control

Paris's reopening of the intra-Alliance understanding about the relationship between CSCE and the coming Conventional Stability Talks has delayed Allied agreement on a mandate for CST and may make it impossible to end the CSCE Conference this year. French officials have said that President Mitterrand was alarmed by Chancellor Kohl's recent references to CST as a bloc-to-bloc negotiation. Mitterrand reportedly is committed to having conventional arms talks among the 35 CSCE states and has now instructed negotiators to propose changes to the mandate text and administrative procedures that would clearly make CST part of the CSCE process. [REDACTED]

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[REDACTED] Paris's return to its longstanding insistence on close ties between CST and CSCE threatens to undo a painfully reached NATO compromise that links the two only loosely. Under the compromise, NATO could proceed to discuss force reductions with the Warsaw Pact without interference from the European Neutral and Nonaligned states that participate in the CSCE process, and without the deadlines of that process. Mitterrand probably did not focus on the mandate text and the administrative arrangements until recently, and his negotiators may see his instructions as giving them a stronger hand in bargaining on substantive conventional arms control issues within the Alliance. They may also hope those Allies that are anxious to end the Vienna CSCE meeting this year will try to bring about accommodation [REDACTED]

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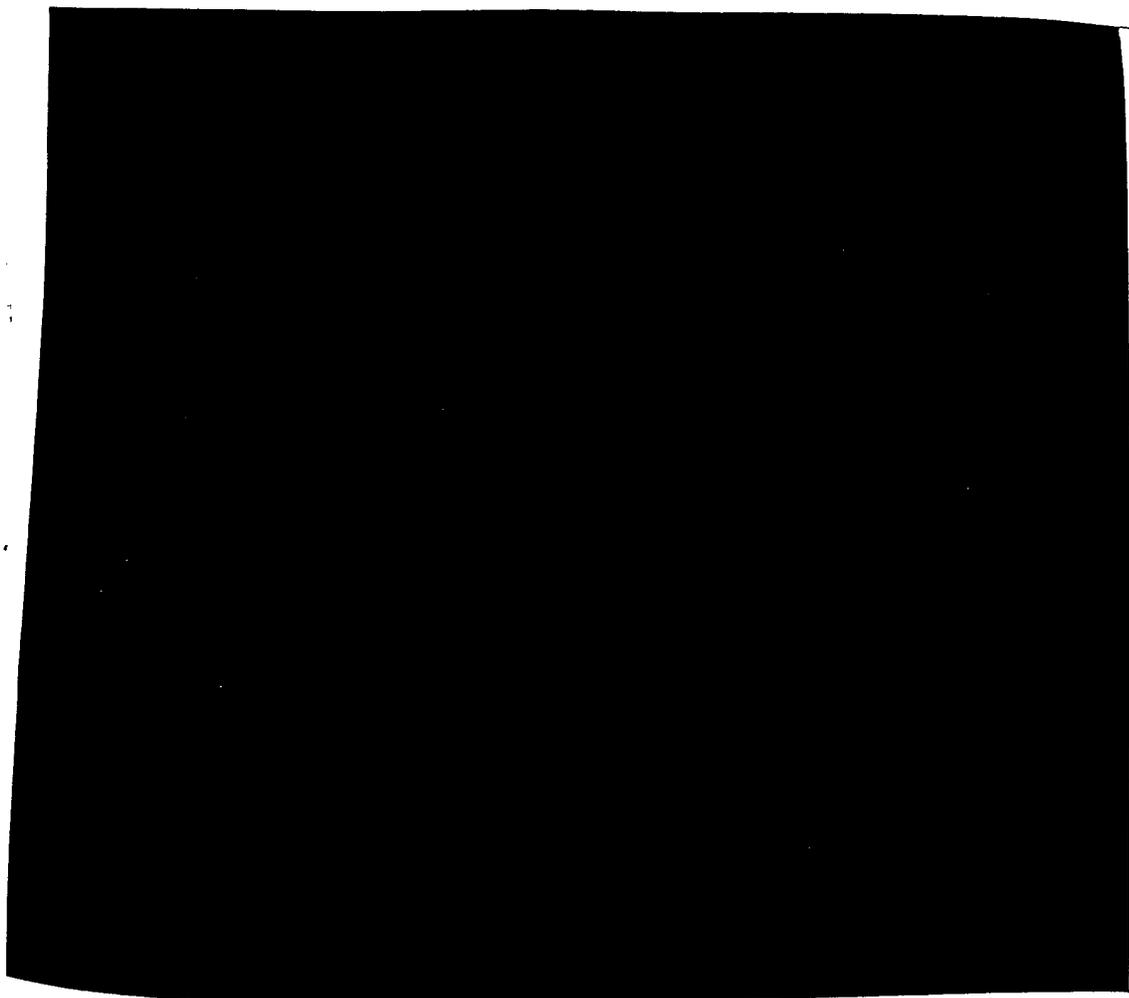
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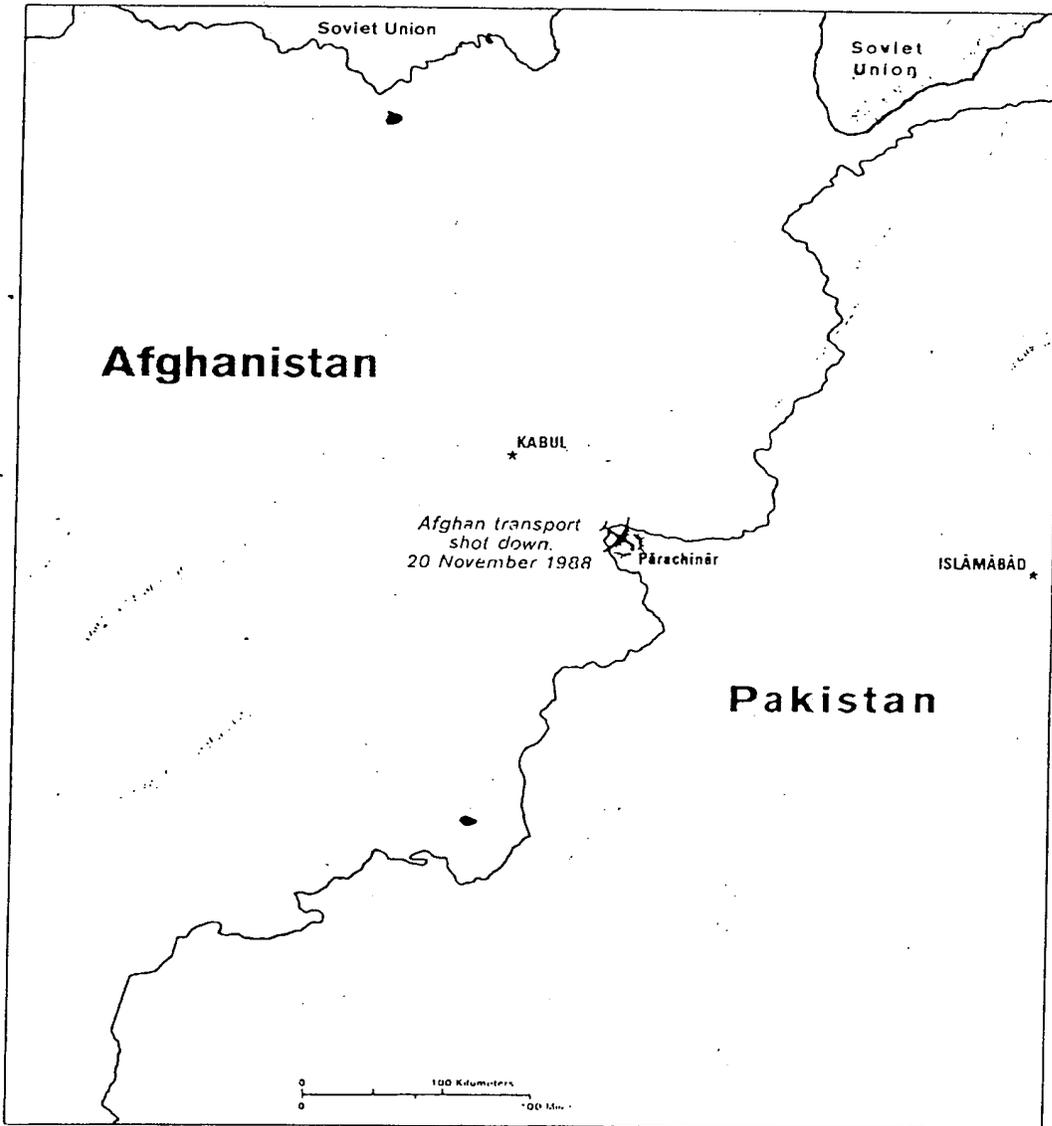
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21 November 1988

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In Brief

South Asia

— **Afghan** transport shot down at Parachinar airfield in **Pakistan** . . . may have been piloted by Afghan defectors, . . . Pakistani official called downing an accident, . . . all 34 aboard killed.

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Europe

— Ethnic Albanian demonstrations in **Yugoslavia's** Kosovo Province continued but were smaller yesterday . . . more likely if ouster of Kosovo Albanian officials not reversed . . . risk of confrontation with security forces will grow if violence develops.

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— Hardline, anti-US leftist Bruno Trentin will be elected head of **Italy's** largest trade union today . . . Communist Party chief Occhetto endorsed ousting of Trentin's moderate predecessor . . . attempt to appease far left before coming party congress.

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Middle East

— **Algeria's** National Assembly has approved President Bendjedid's political and economic reforms . . . first debate, vote on government program under new constitutional powers . . . Bendjedid responding to popular demands in wake of riots.

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— **Egypt** recognizes newly declared Palestinian state . . . **China** made similar announcement . . . Arafat expected to visit Cairo soon to discuss future peace moves.

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East Asia

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— Former President Chun put off public apology until Wednesday . . . aide claims more time needed to prepare statement . . . delay may indicate text fell short of expectations of **South Korea's** ruling camp and Chun under pressure to be more forthcoming.

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Americas

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[REDACTED]

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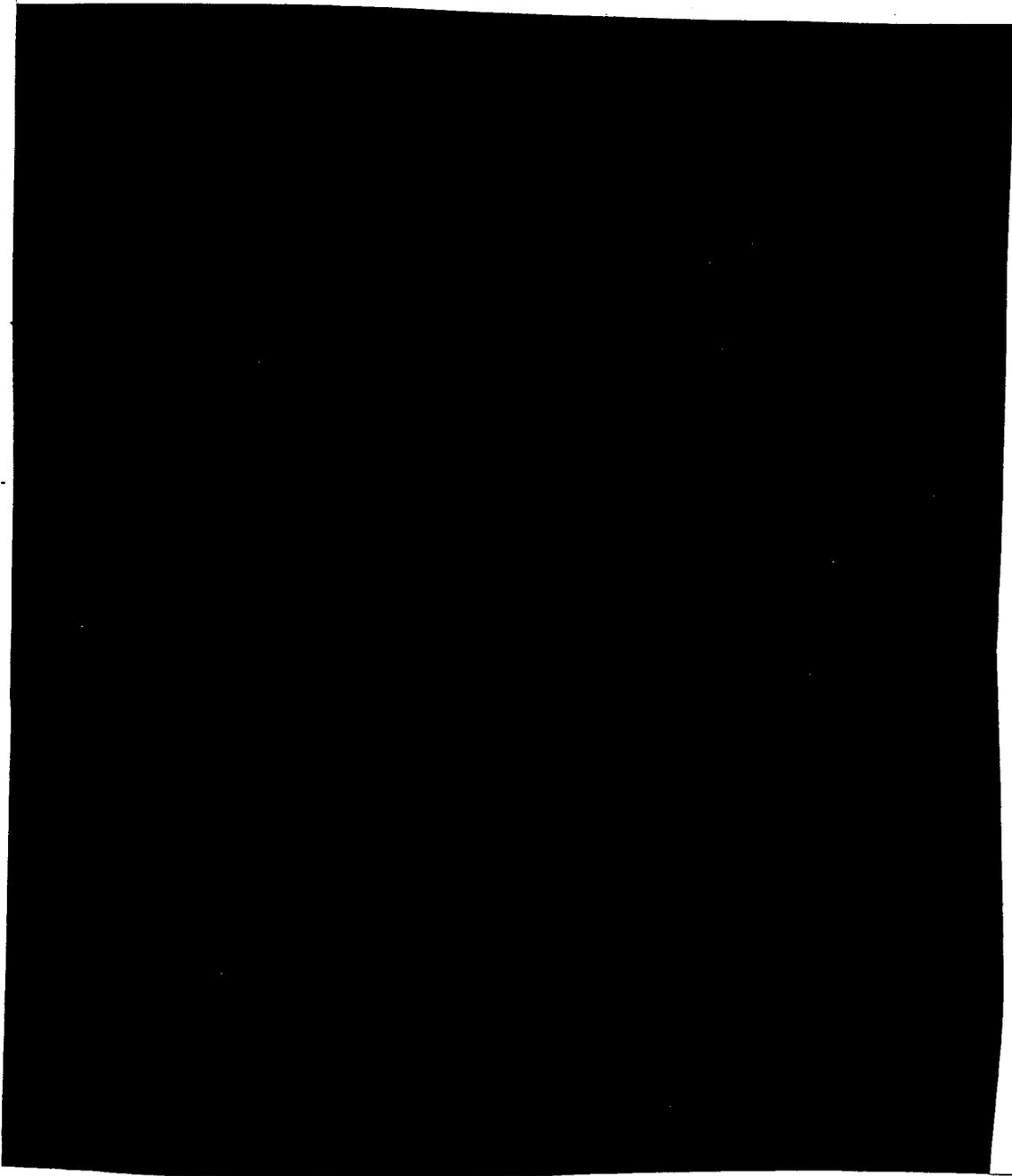
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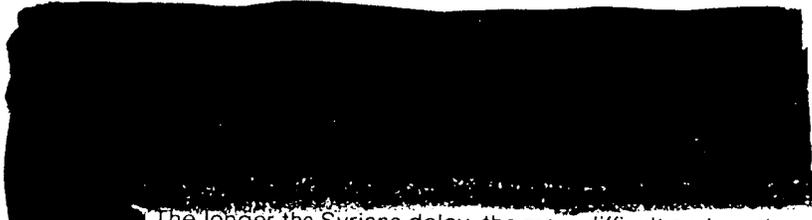
Special Analysis

SYRIA-LEBANON: Military Balance in Flux

As Lebanon's presidential crisis increasingly resembles a partition of the country, the Christian side's military position is limiting Syrian options. Syria's Lebanese allies lack the strength to crush the Christians, and any serious efforts to do so would only put the Christian community more firmly behind hardline Lebanese Forces militia leader Samir Jaja. Syrian President Assad may conclude, if US-backed mediation attempts fail, that a political settlement is impossible, but the prospect of having his forces drawn into the fighting will probably deter him from strong military action.

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The longer the Syrians delay, the more difficult and costly a military solution becomes, particularly because winter weather will make moving armored vehicles more difficult in Lebanon's rugged terrain.

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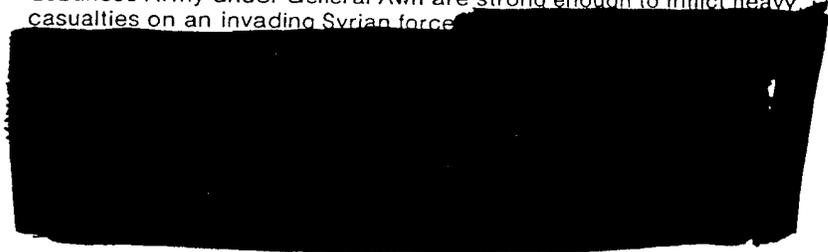
Damascus nevertheless might have its surrogates—principally the Shia militias and the Druze—shell the enclave. Even though Amal is heavily engaged with Hizballah and the PLO and the Druze seem reluctant to mount a costly campaign against the Lebanese Forces, both are willing to harass the enclave with intermittent artillery fire.

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Christian Forces

Jaja's Lebanese Forces militia and the Christian remnants of the Lebanese Army under General Awn are strong enough to inflict heavy casualties on an invading Syrian force.

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[REDACTED]
[REDACTED] The Christians still have only limited stocks of ammunition that would be used up in an intense artillery duel with either the Syrians or their proxies. The Iraqi supply line not only strengthens the Christians' tactical position but also reduces their isolation and bolsters their confidence that they can stand up to the Syrians. [REDACTED]

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Syria has responded to Iraq's support for the Christians only by complaining about it publicly and in diplomatic channels and has made no move to interdict or halt forcibly any arms shipment. Assad may believe that, if he took military action against the Christians, Iraq would threaten Syria militarily from the east. [REDACTED]

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The Christians' military strength could be undercut, however, by internal rifts. Recent friction between Jaja and Awn over revenues from gasoline sales indicates their deeper rivalry over leadership of the Christian community. Awn, in particular, is likely to raise tensions in the near future over the Maronite Patriarch's efforts to break the presidential election impasse. [REDACTED]

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Outlook

Despite Syrian restraint, the current calm could rupture quite easily. Isolated firefights between the Druze and the Army in the Shuf, Iraqi involvement with the Lebanese Forces, and a score of other events could spark an escalation that would bring the Syrians to the aid of their proxies. [REDACTED]

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Although a unilateral Syrian ground assault on the Christian enclave is unlikely, the Syrians will increasingly try to destabilize the Christian community from within. The decision last week by Syrian-sponsored Muslim Prime Minister Salim al-Huss to replace Army Commander Awn with retired Sunni Brigadier General Khatib shows Syria's continued opposition to partition and suggests that further political moves against the Christians are in the works. Damascus hopes such measures will erode and eventually destroy the tactical alliance uniting the Christians. [REDACTED]

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21 November 1988

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Special Analysis

HUNGARY:

Leadership Unsettled

Six months after an extraordinary party conference replaced most of the Politburo, General Secretary Grosz has neither consolidated his personal power nor developed a coherent program that goes much beyond proposals made under former party leader Kadar.

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Grosz has had difficulty defining an agenda for the regime and bringing his senior party colleagues to workable compromises on key issues. The three most recent Central Committee meetings have been sterile debates on the nature of the problems facing Hungary, with heavy emphasis on past mistakes and calls for radical reforms, but little agreement on next steps. The party has been unable to agree on the critical issue of how to deal with the proliferation of independent political groups and unions.

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Grosz's weak performance on this issue has opened him to attacks from conservatives in the leadership. A small group of Central Committee members, led by a longtime Grosz rival, Politburo member Janos Berecz, argued at a recent Central Committee meeting that chaos is growing in the country and implied that Grosz should be removed.

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The inconclusive Central Committee debates have accelerated the party's loss of control over political life. Reform-oriented intellectuals, emboldened by the removal of Kadar and his old guard, are demanding fundamental changes and have taken the initiative on political reform. Their main tactic has been to organize political groups and unions that they hope will at least serve as pressure groups to influence regime policies and, over the long run, may form the bases for new political parties. The longer the party waits, the more difficulty it will have in reasserting its authority.

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Economic policy also appears to be adrift. The only decision the Central Committee made at its latest session was to move ahead with the more accelerated of two reform options originally proposed in July. Its provisions to lift import, wage, and price controls, as well as to reduce subsidies, however, have been watered down out of concern for social tensions and the country's financial situation; it now resembles the slower option.

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Grosz will remain vulnerable to challenges unless he begins to exercise more leadership and puts more supporters in influential positions at the Central Committee meeting tomorrow. The regime is unlikely, however, to get more decisive on pressing political and economic questions any time soon. Originally united by opposition to Kadar, the Grosz regime shows no more ability than its predecessor to tackle Hungary's debilitating economic problems and its desire for greater political pluralism.

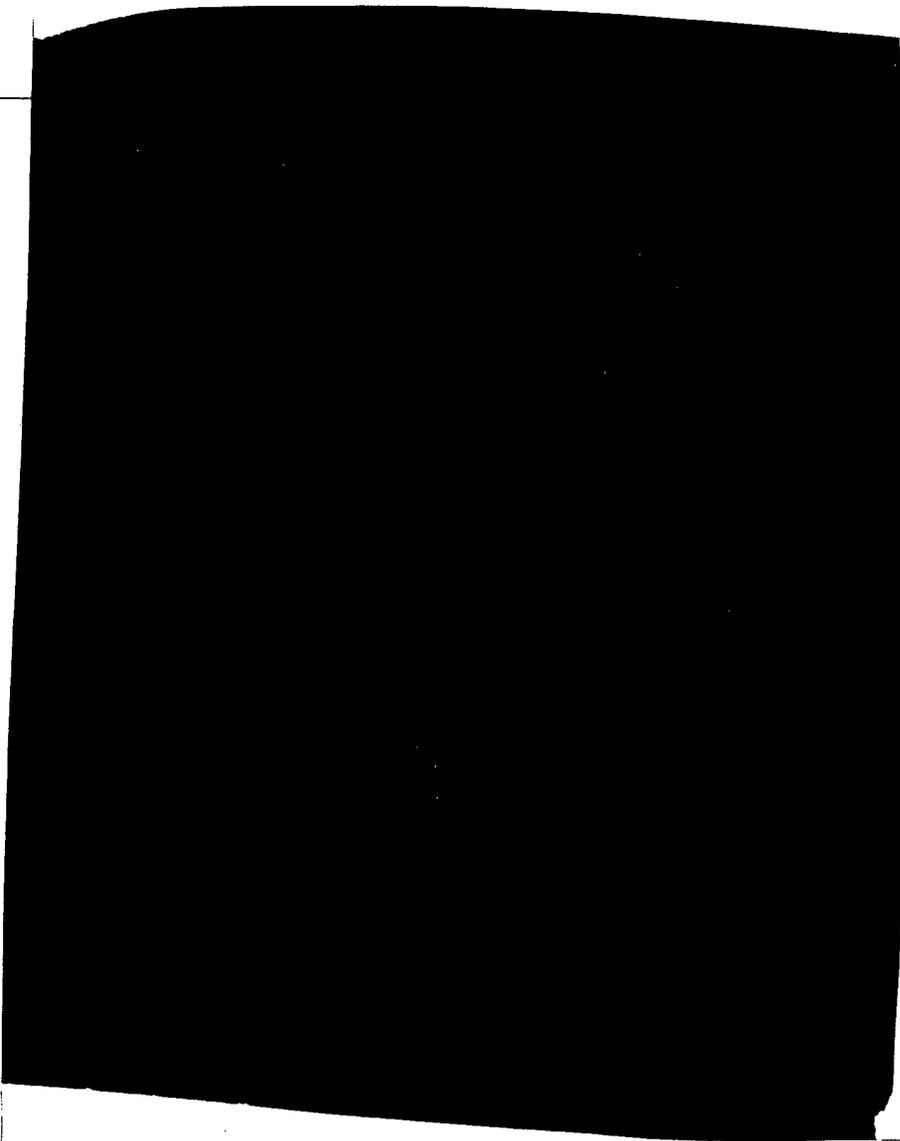
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