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① POLAND: West Condemned for Interference

TASS yesterday criticized the US and NATO for allegedly interfering in Poland's internal affairs. Official Polish statistics indicate that the government has more individuals under detention than it did at the beginning of the year. [redacted]

TASS reported yesterday that Polish Foreign Minister Czyrek and Soviet Foreign Minister Gromyko discussed "a number of questions of Soviet-Polish relations and topical international problems." The brief description of the talks emphasized the discussion of disarmament and highlighted President Brezhnev's proposals on INF made during his visit to Bonn in November. [redacted]

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The ministers condemned "attempts by the US as well as by some other NATO countries to interfere in the internal affairs of Poland." TASS also charged yesterday that NATO's statement on the situation in Poland constitutes "impermissible pressure" on a sovereign state and contradicts the UN Charter and the Helsinki accords. [redacted]

Comment: The emphasis on disarmament--usually the most publicized theme of Warsaw Pact foreign ministers' talks--probably was intended to impart a "business as usual" flavor to the Czyrek-Gromyko talks and to highlight a subject that the Soviets believe to be of greater concern to the West European public than martial law in Poland. [redacted]

Statistics on Detentions

A government spokesman over the weekend claimed that since the imposition of martial law, 5,927 individuals have been detained, of whom 918 have been released. In addition, 1,433 have been arrested, of whom 276 have been sentenced and 17 acquitted. [redacted]

Comment: The regime distinguishes between the two categories by claiming that the detainees have not been charged with a crime. They have been taken off the streets to prevent them from leading or becoming involved in resistance to martial law. [redacted]

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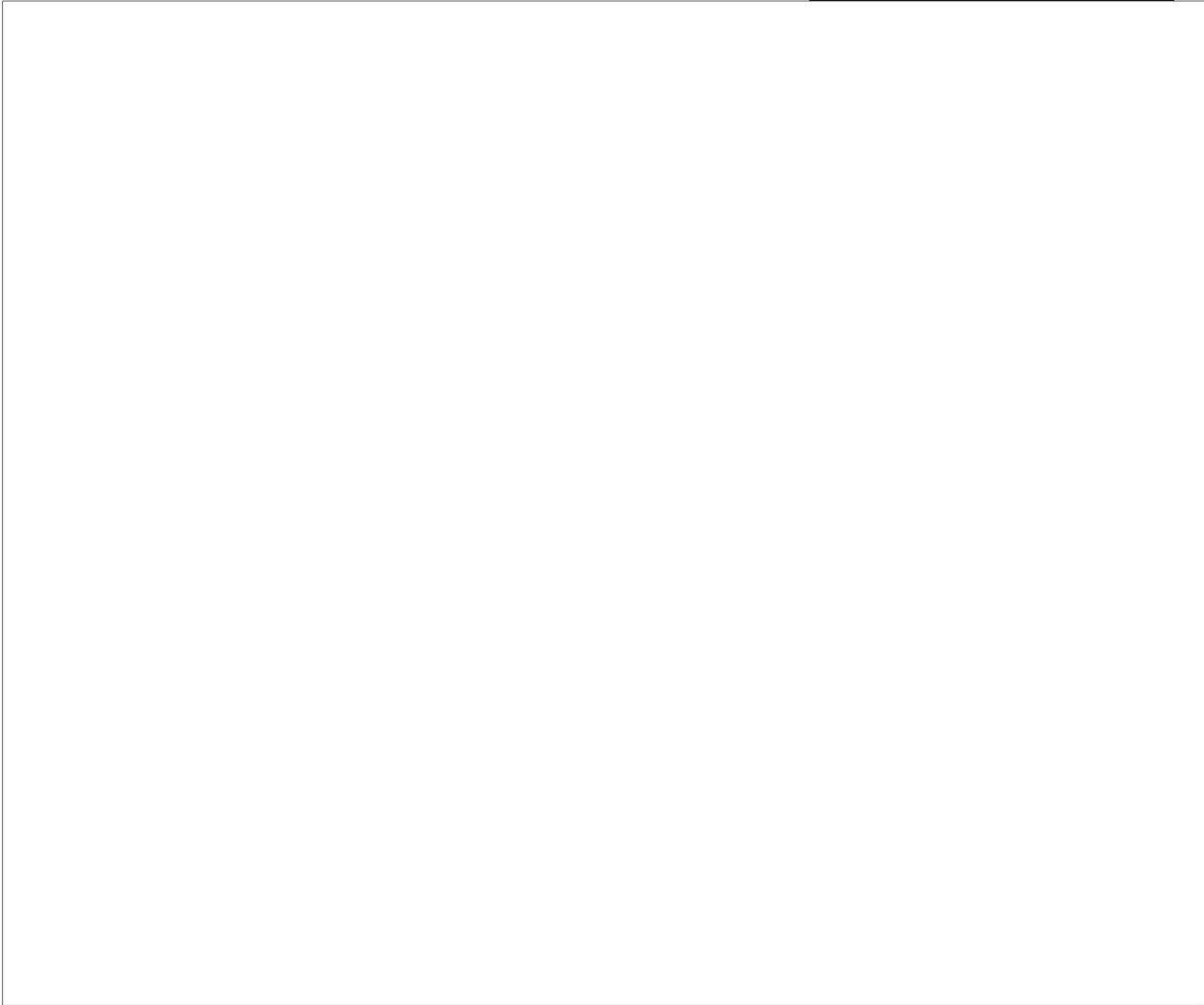


The statistics indicate that the regime has more individuals in custody now than it did 12 days ago. Government officials have been noticeably reticent about when these people will be released, but it is clear that the regime fears many would quickly become involved in political activity on Solidarity's behalf. 

1/2 This perception suggests that many of the detained will not be released for several months at the least. This issue will continue to generate tensions between the Church, the Vatican, and Western governments on the one hand, and the Polish regime on the other. 



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③ SYRIA-USSR: Khaddam's Impending Visit

Syrian Foreign Minister Khaddam will attempt to elicit stronger Soviet support for Syria in confronting Israel's annexation of the Golan Heights when he visits Moscow soon. [redacted]

The USSR and Syria announced over the weekend that Khaddam would travel to the USSR "around the middle of the month" for consultations under the bilateral Treaty of Friendship and Cooperation signed in 1980. [redacted]

[redacted] relations have been strained by Soviet footdragging in invoking those provisions of the treaty calling for consultations in the event of a threat to the peace or security of one of the parties. [redacted]

[redacted]

Comment: Moscow will want to appear forthcoming-- especially in light of Secretary of State Haig's visit to the Middle East--but Khaddam is unlikely to obtain more than rhetorical support. Mistrust of the Syrians probably rules out any advance commitments to a specific course of action. As a result, strains in bilateral relations appear certain to increase in the coming weeks.

[redacted]

(4) BRAZIL: Political Liberalization in Jeopardy

Government efforts to ensure victory in the national elections next November have aroused growing opposition and are threatening the liberalization process. [redacted]

President Figueiredo's sweeping electoral "reform" package became law yesterday without a formal vote by Congress. Emergency rules had to be invoked, however, under which executive proposals become law automatically. [redacted]

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The President had expected government majorities in both houses to produce a favorable outcome, but the opposition was united against the proposals. Even some members of his own party objected, and it became clear the government could not risk bringing the measure to a vote. [redacted]

Comment: Figueiredo has lost significant prestige. His manipulation of the electoral process may not be enough to offset the strong showing the opposition is likely to make, and more changes in electoral procedures are almost certain. [redacted]

Any move to postpone the elections--which the opposition now fears--probably would not come until after these additional measures were attempted. A postponement would lead to a reimposition of authoritarian controls, a step that Figueiredo and most military officers are reluctant to take. [redacted]

(5) USSR-GHANA: Soviet Reactions

Soviet media are becoming increasingly positive about the military coup in Ghana, portraying it as a victory for democracy and economic revival. *Pravda* blamed Ghana's economic and social problems on previous pro-Western governments, which it alleged were installed by the CIA. Earlier in the week, TASS noted that Ghanaian leftists were supporting the coup. [redacted]

1/2 Comment: The commentary reflects both the USSR's belief that coup leader Rawlings will consolidate power and Moscow's effort to improve relations with the new regime. The Soviets probably also are encouraged by Accra's decision over the weekend to resume diplomatic ties with Libya. Nevertheless, Moscow will be wary about dealing with Rawlings, who expelled several Soviets two years ago following his first coup. [redacted]

(6) MEXICO-CANADA: Trudeau's Visit

1/3 Talks between President Lopez Portillo and Prime Minister Trudeau in Mexico City this week will focus on political developments in Central America and on bilateral trade, which has nearly quadrupled since 1979 to over \$1 billion. The Canadians also are interested in supplying reactors for Mexico's ambitious nuclear development program. Although Mexico is considering reactors from the US and several other countries, the Canadians are optimistic that they are in a favorable position because their reactors do not require enriched uranium. [redacted]

Comment: Lopez Portillo and Trudeau have built on their similar political views to establish a warm personal relationship, highlighted by their joint chairmanship of the Cancun summit last October. The Mexican leader is stepping down next December, however, and Trudeau will take advantage of his visit to meet with Lopez Portillo's designated successor, Miguel de la Madrid. [redacted]

① ROMANIA: Payments Problems

The Romanians are meeting today and tomorrow with representatives of at least 10 major Western banks to discuss payments problems. Bucharest's arrearages to banks and Western exporters total more than \$1 billion.

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Comment: The banks consider Romania a poor risk. They probably will reject the bid for new money as a last-ditch attempt to avoid a formal rescheduling.

SPECIAL ANALYSES

(9) EGYPT-ISRAEL: Prospects for Autonomy Talks

[redacted]
More than two years of Palestinian autonomy talks have failed to narrow significantly the differences between Cairo and Tel Aviv. Neither side appears willing to make the concessions necessary to reach an agreement. [redacted]

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In recent talks with high-level US and French visitors, the Egyptians were pessimistic about the prospects for a breakthrough. Foreign Minister Ali indicated, moreover, that Egypt does not want the talks accelerated or given a high profile as the deadline approaches for Israel's withdrawal in April from Sinai. [redacted]

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Egypt's cautious approach is designed to avoid any development that might delay the withdrawal or complicate President Mubarak's eventual efforts to forge a rapprochement with Saudi Arabia and the other Arabs after April. Although the Egyptians probably would accept the appointment of a special US ambassador for the talks, they are unwilling to make any concessions that will jeopardize their efforts to end Egypt's isolation in the Arab world.
[redacted]

After April

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9
[redacted] Once the Sinai is returned, Egypt probably will search for a pretext to back out of the current autonomy negotiations and seek an alternative format. The Egyptians recognize that the Camp David process is anathema to the rest of the Arab world and is unlikely to gain significant Palestinian endorsement no matter what agreements are reached by the US, Israel, and Egypt.
[redacted]

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Egypt realizes, however, that a precipitate withdrawal from the autonomy talks after April could lead to Israeli annexation of the West Bank and Gaza. Mubarak probably calculates that sooner or later Israel will give Egypt justification for pulling out--perhaps by carrying out airstrikes in Lebanon or moving the prime minister's office to East Jerusalem. He would then blame Israeli intransigence and expect the US to keep Israel from annexing the West Bank. [redacted]

Israeli Perceptions

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2 Israeli leaders have emphasized that their apprehensions about Egypt's commitment to the peace process and possible return to the Arab fold after April rule out major concessions on autonomy. Foreign Minister Shamir late last month told a political meeting that "we need a few years to clearly ascertain the fate of peace with Egypt." He indicated that Israel would take no "further risks" beyond the Camp David accords, which Prime Minister Begin's government regards as providing only for narrowly circumscribed Palestinian self-rule. [redacted]

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5 Shamir and other Likud leaders have made the same point in recent meetings with visiting US officials. They have pointed out that Washington should consider Israel's annexation of the Golan Heights last month a signal that Tel Aviv will not agree to further territorial or other major concessions on security-related issues after the final Sinai pullout. [redacted]

1
2 By taking this line, the Israelis aim to head off US pressures for greater flexibility on key autonomy issues to pave the way for an Israeli-Egyptian agreement before April. Shamir has publicly predicted that Secretary of State Haig will open such a campaign during his visit this week. [redacted]

Begin's Position

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2 Begin would welcome an autonomy agreement, hoping that it would help head off Egypt's return to the Arab fold after April. He also would regard an agreement as a major step toward setting in train the five-year transitional period called for in the Camp David accords.

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Begin has said that during this time he intends to assert Israel's claim to sovereignty over the West Bank and Gaza. [redacted]

1/2
The Prime Minister nonetheless wants to put US-Israeli relations back on a more cordial basis, in part to gain Washington's agreement to restore the Memorandum of Understanding on strategic cooperation. To this end, he may try to seem more flexible by making new proposals on the procedures to be used for election of a self-rule regime, on its size, and on its administrative functions. Begin may present such ideas to Mubarak during his planned visit in February with the aim of putting the onus on Cairo if the deadlock on autonomy persists. [redacted]

1-5
The Israeli leader and his coalition colleagues are acutely interested in possible US intentions to appoint a new special mediator--an action Tel Aviv would regard as signaling an increase in US involvement. The Israelis also will be watching closely the US vote in the Security Council on Syria's Golan resolution. [redacted]

10 IRAN: A More Confident Regime

[redacted]

The regime of Ayatollah Khomeini has at least temporarily thwarted the domestic opponents who challenged it last summer, and it has gained the initiative in its war with Iraq. The new confidence these successes have inspired is reflected in recent Iranian aggressiveness toward its Arab neighbors. It may also embolden Tehran to improve its relations with Moscow. [redacted]

Repression has been effective. Since June, the regime has executed at least 2,000 suspected opponents and jailed thousands more. Assassinations of regime officials are far less frequent and street battles--daily occurrences last summer--have all but stopped. [redacted]

1-9 The Islamic socialist Mujahedin, the principal opposition group, appears in disarray. Its leader, Massoud Rajavi, is still in Paris [redacted]

One faction of the Mujahedin may have joined with the pro-Moscow Communist Tudeh Party. The group has been forced to stay in hiding before, however, only to reappear. [redacted]

Other opponents of the regime remain cowed. The military is preoccupied with the war, and the Kurds and other ethnic minorities either are quiescent or are on the defensive. [redacted]

Despite increased factionalism in the ruling clerical party, Khomeini probably will continue to prevent serious rifts. The government now feels secure enough to push such potentially divisive policies as land reform, which the more conservative clerics oppose. [redacted]

Economic Outlook

If the political situation remains stable, economic prospects will improve somewhat. The Iranians recently have begun to price their oil more competitively, which

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probably will lead to expanded exports and hard currency earnings. The economy, however, will not expand significantly over the next year, and production will remain well below prerevolutionary levels. [redacted]

For now, Tehran is swapping oil for industrial products and arms. Much of this trade is with East European countries. [redacted]

Because of foreign exchange constraints and distribution bottlenecks, food and fuel shortages recur. The fuel supply for winter heating seems better than last year, and the government's distribution of food and other consumer supplies probably will satisfy the limited expectations of the poorer people--the regime's power base. [redacted]

Relations With the Soviets

19 Relations between Iran and the USSR remain strained, but Western reluctance to supply arms or to enter into long-term economic agreements with Iran will increase the pressure on Tehran to expand trade with Communist countries and their clients. Iranians believe that the greatest threat to them comes from the US and that the USSR is a "lesser Satan." [redacted]

Iranian leaders, moreover, appear confident that they can control relations with Moscow. This is a dubious assumption, particularly if Iran becomes reliant on the Communist states for trade and military equipment. [redacted]

Moscow has long sought improved ties and continues to give strong support to the Khomeini regime. The USSR, for example, continues to supply arms. [redacted]

[redacted]

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The War and the Persian Gulf

Tehran's growing confidence that it will win the war is making it more assertive in its dealings with Baghdad's Arab allies. Iran has warned Arab leaders in the Persian Gulf region that aid to Iraq is futile and shortsighted.

Iran remains uninterested in negotiating a settlement of the war, believing that its military advances eventually will cause the collapse of the regime in Baghdad. Iraq's apparent readiness to make major concessions has strengthened Tehran's conviction that Iraq is weakening.

Further Iranian victories will be unsettling to Arab leaders in the Persian Gulf region. Iraq will become less effective as a counterbalance to Iran, leaving the other states more vulnerable to pressures and subversion from Tehran.

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