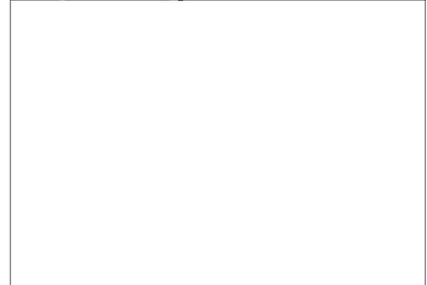


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Director of Central Intelligence

NATIONAL INTELLIGENCE DAILY

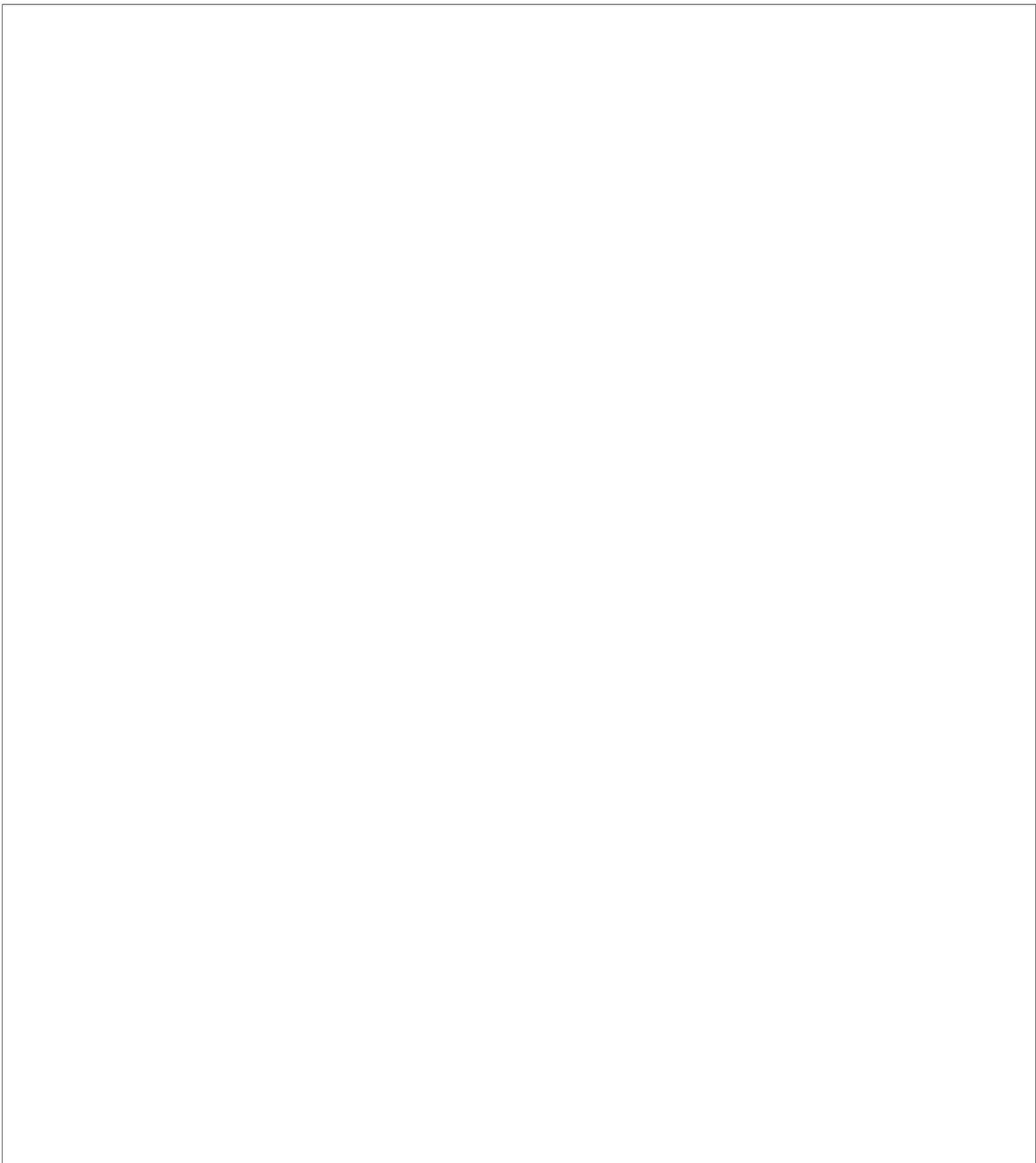
Thursday, 12 July 1990

APPROVED FOR
RELEASE DATE:
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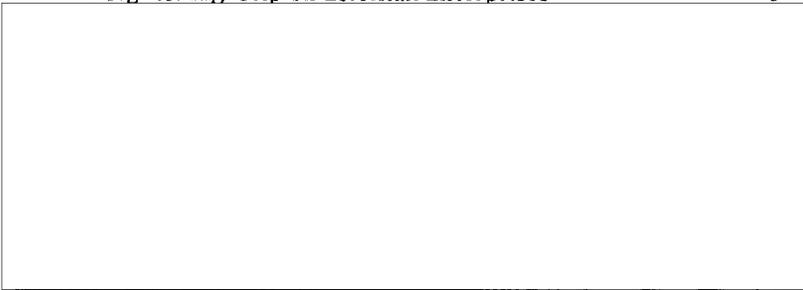
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USSR

**Gorbachev's Right-Hand Man**

As the CPSU's second most powerful official, Ivashko will head the Secretariat and oversee daily operations of the party. Ivashko is considered a centrist. He became known for his political acumen during his tenure as Ukrainian party first secretary (September 1989–June 1990). Ivashko successfully juggled nationalist demands in his native republic with Moscow's concerns about separatism and gained his reputation as someone willing to listen to differing opinions—a trait that probably appealed to Gorbachev and others in the leadership.

Ivashko's lack of a central power base—he has spent his entire career in the Ukraine—was certainly an added factor in Gorbachev's mind. Gorbachev may also be banking on Ivashko's presence in the deputy's post to mollify nationalists in the Ukraine.



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USSR:

Congress Endorses Gorbachev's Choice as Deputy

The selection of Vladimir Ivashko over Politburo hardliner Yegor Ligachev as the party's first Deputy General Secretary appears to be a major gain for Gorbachev; the proof will come when the independent Ivashko takes the reins of the powerful party apparatus.

In remarks opening the nominating process yesterday, Gorbachev stressed that the deputy should be someone who shares his views; he warned the delegates against electing someone who might split the party. In endorsing Ivashko, he touted the Ukrainian moderate's willingness to cooperate with nonparty groups pursuing *perestroika* and his potential as a unifying force. Gorbachev announced without comment that Ligachev had also been nominated; a little-known delegate from Leningrad put his own name forward as a third candidate. In a brief nomination speech, Ivashko reiterated his support for Gorbachev's brand of reform.

Following Ligachev's remarks, Gorbachev intervened from the chair to cite rules that candidates could appear on the ballot only if there were no objections to them. Reformists rushed to the microphones to object to Ligachev's candidacy and forced a vote that eliminated him from the ballot. But one traditionalist successfully challenged Gorbachev's interpretation of the rule book, and the delegates restored Ligachev's name to the ballot. Nonetheless, Ivashko reportedly won overwhelmingly. Ligachev today has congratulated Ivashko on his victory.

Comment: Gorbachev presumably would have preferred a party official with stronger reformist credentials as his second in command, but the traditionalists' show of strength at the congress apparently forced him to choose a centrist candidate. Ivashko's win keeps this powerful post out of traditionalist hands and may help Gorbachev bridge the gap between the right and the left wings of the party. Nonetheless Gorbachev and Ivashko may themselves differ over policy; Ivashko has been reluctant about market reforms and took the lead in calling for a purge of the Democratic Platform group from the party last spring.

To secure Ivashko's election, Gorbachev may have exploited concern among traditionalists about the potentially divisive effects of choosing Ligachev. He may also have cut a deal with swing voters by agreeing not to contest moving some traditionalists into the Politburo and Secretariat over the next two days.

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NICARAGUA: Chamorro Caught in Middle

Strike leaders apparently are ready to negotiate a settlement with President Chamorro, whose coalition is increasingly divided.

Press reports indicate the Sandinista National Labor Front is calling for a resumption of talks with the government and has instructed striking workers to end disruptive activities. Chamorro yesterday said talks could resume as early as today if the violence has ceased. The streets of Managua were returning to normal yesterday, although the transmitter of a progovernment radio station was destroyed.

Chamorro earlier this week rejected a proposal to form a committee of representatives from the coalition's 14 parties, the private sector, and the free trade unions to help her make policy. Progovernment hardliners, impatient with the halfhearted efforts of the Sandinista-dominated police and military to end the strike, claim to have created a "national salvation brigade" to confront the Sandinistas. The Sandinista radio station claims government officials are forming death squads.

Comment: Lacking the means to enforce her will, the President has been unable to crack down on the strikers and reluctant to remove Sandinista commanders in the military and the police. The waning of the strike suggests Chamorro may have signaled her willingness to make additional concessions, such as retaining much of the bloated public work force and reevaluating plans to sell state enterprises.

If the President abandons key provisions of her economic program to placate the strikers, her government's problems will multiply. Private-sector and conservative political leaders are certain to criticize any compromise. Key officials might resign, and foreign donors are likely to be less willing to give promised aid. Such developments would make Chamorro seek further Sandinista cooperation in governing.

In announcing formation of the "brigade," hardliners may simply be giving a title to the numerous progovernment groups already confronting Sandinista strikers in the streets.

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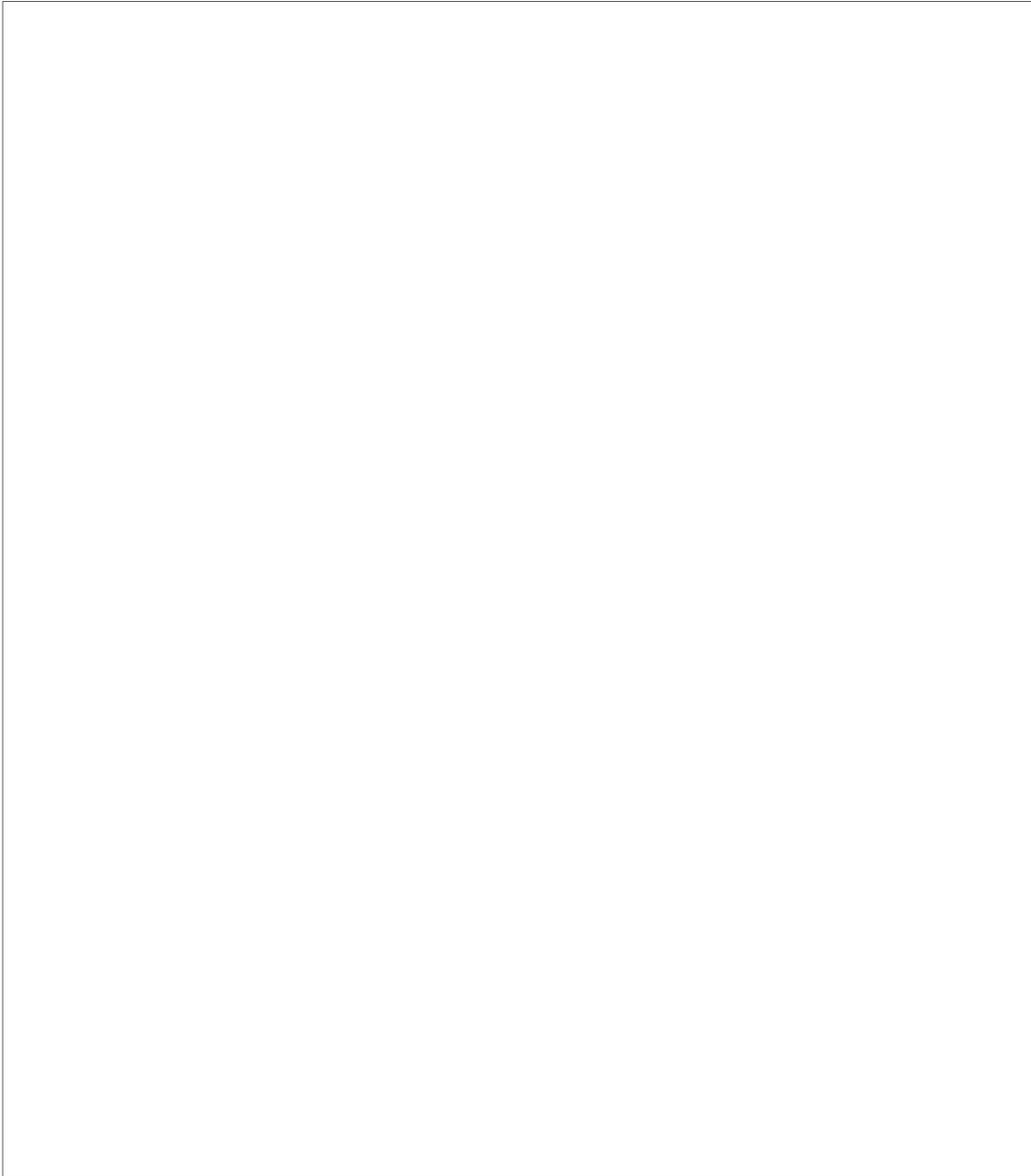
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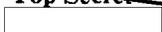
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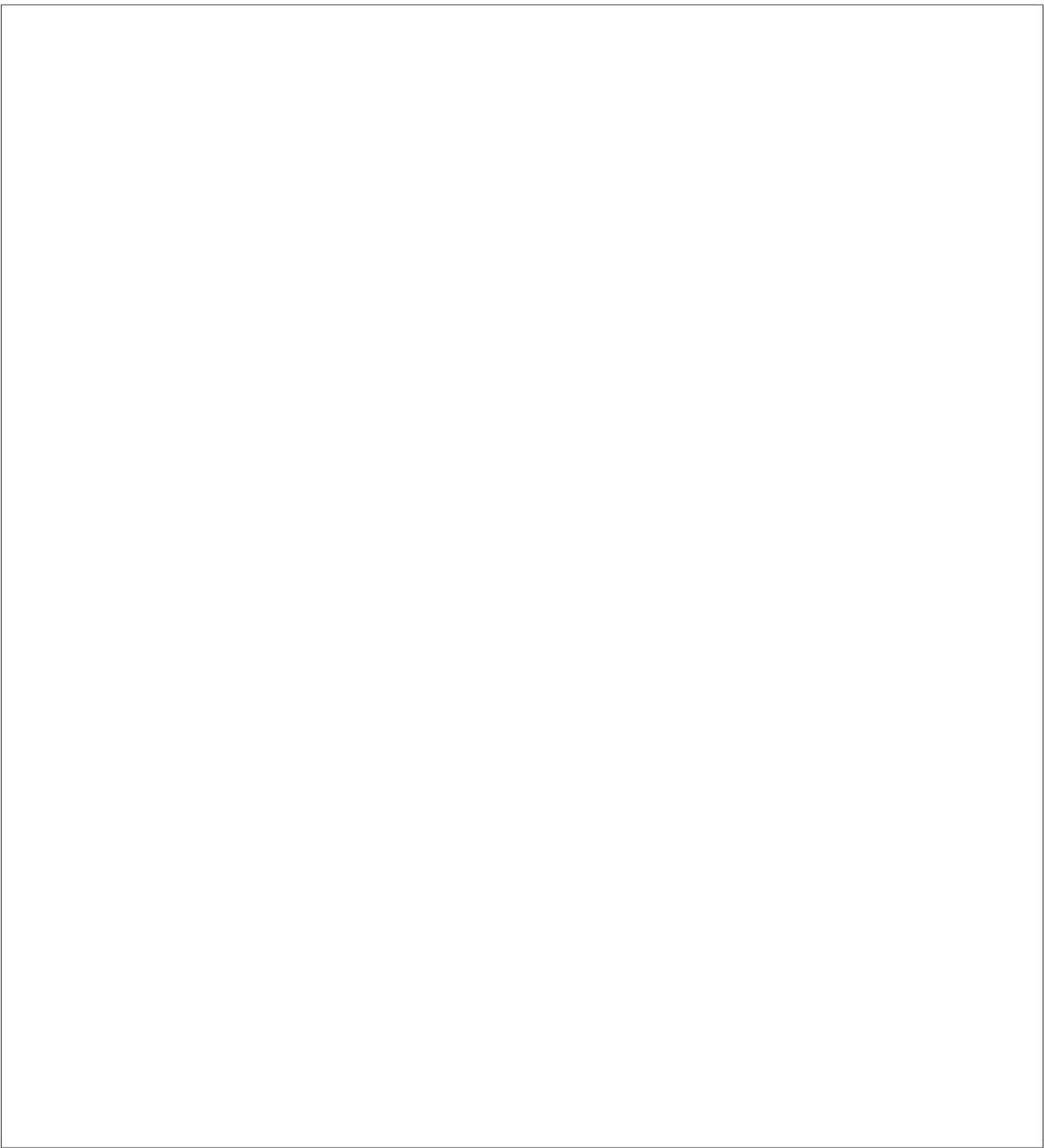


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Unrest Associated With Coal Miners' Demands, 11 July 1990^a



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~~Top Secret~~**USSR: Miners Hold One-Day Warning Strikes**

Tens of thousands of Soviet miners in the USSR's four major coal-producing regions and other areas yesterday staged one-day strikes and demonstrations demanding that the Ryzhkov government resign and that Communist Party and official Soviet trade union property be nationalized. Some sympathetic farm, factory, and transportation workers in affected regions stopped work in support of the miners. Despite the large turnout, Gorbachev claimed the strike involved only a few thousand miners influenced by outside agitators. [redacted]

Comment: The strikes demonstrated the miners' open, growing hostility toward the Communist Party and the central government. Their decision to strike and their ever-more-political demands stem from Moscow's inability to address their economic demands. The strikes highlight the miners' growing organizational capabilities, including the ability to organize a strike that does not inflict major damage on the economy. The significant number of reported sympathy strikes demonstrates broad public anger. Gorbachev's allusion to outside agitators is apparently a reference to liberal government officials—perhaps even Yel'tsin—who apparently encouraged the miners to take an anti-CPSU stand. [redacted]

USSR: Tightening Grip on Estonian Enterprises

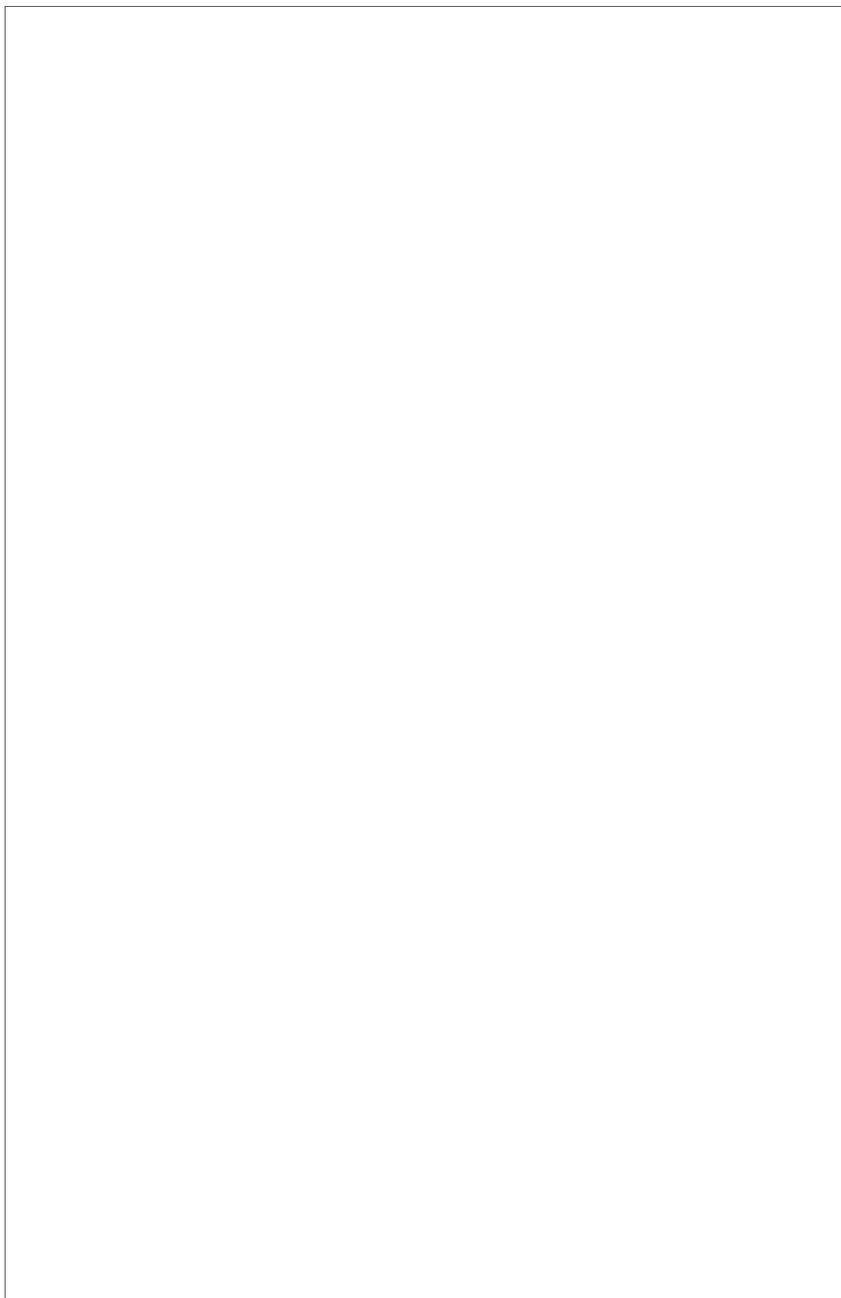
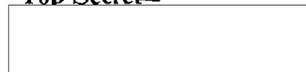
A USSR Council of Ministers decree issued on 2 July has merged all centrally managed enterprises in Estonia except the railroad into an "independent" interministerial association. The decree, [redacted] removes the enterprises from ministerial subordination but stipulates that the head of the association is to be approved by the USSR Council of Ministers and that the association's financial transactions with Moscow, payments to the union budget, and supply allocations are to be arranged directly with central agencies. The decree also invites Estonian-managed enterprises to join the association. An Estonian government resolution, [redacted] condemns the move as creating "a state within a state completely divorced from Estonia's economy." [redacted]

Comment: The creation of this association is an evident ploy by Moscow to isolate centrally managed enterprises further from Estonian authority. The move clothes a power grab by Moscow in the garb of economic reform—releasing enterprises from the tutelage of parent ministries. Moscow may use similar tactics in other republics to forestall local authorities from gaining control over their economic resources. These tactics run counter to Moscow's professed interest in negotiating greater autonomy for the republics and developing a treaty of the union acceptable to them. [redacted]

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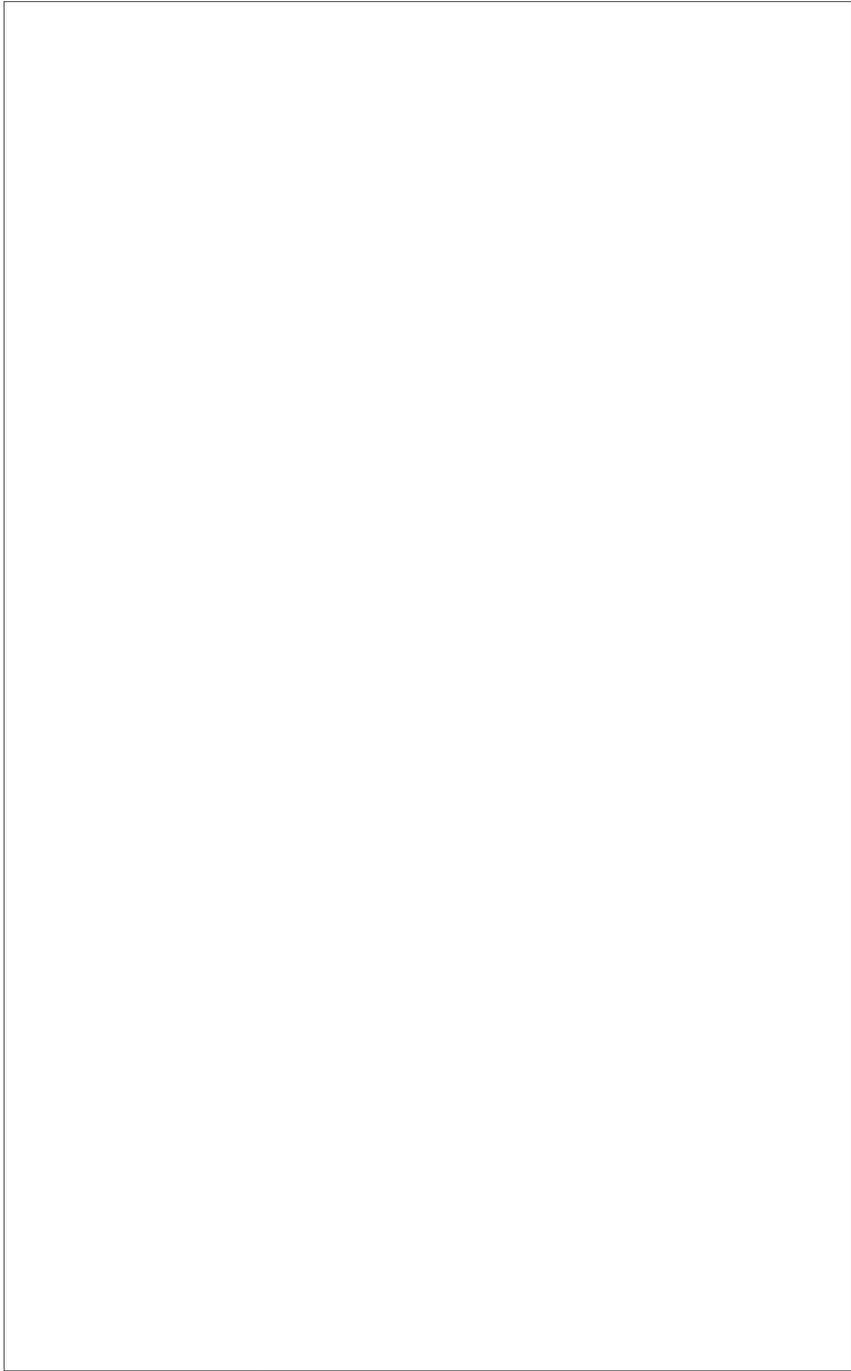


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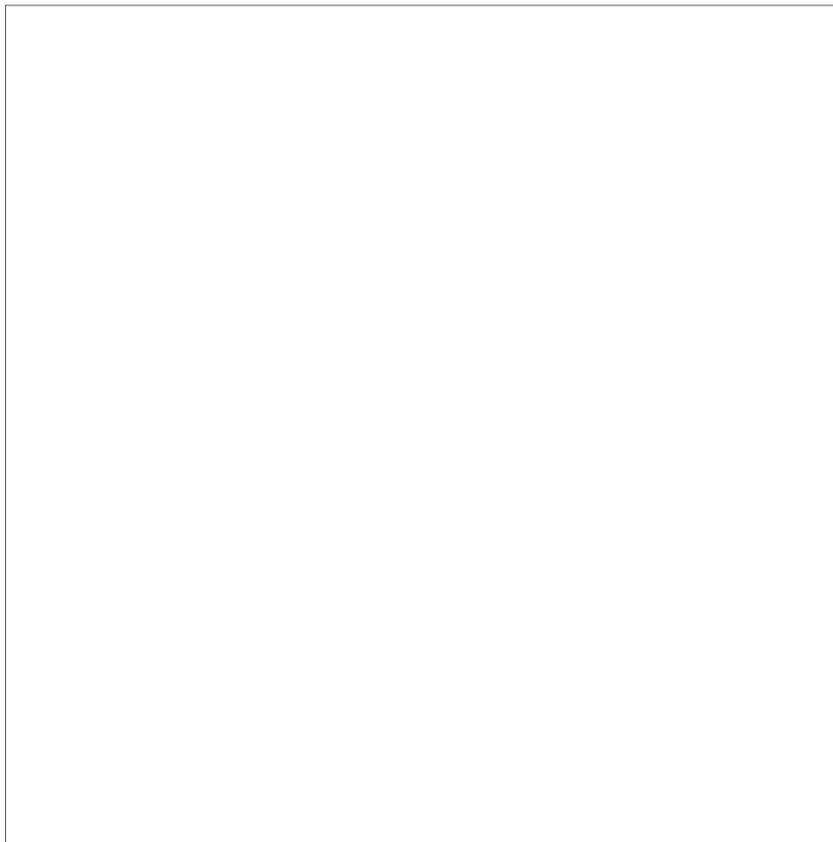


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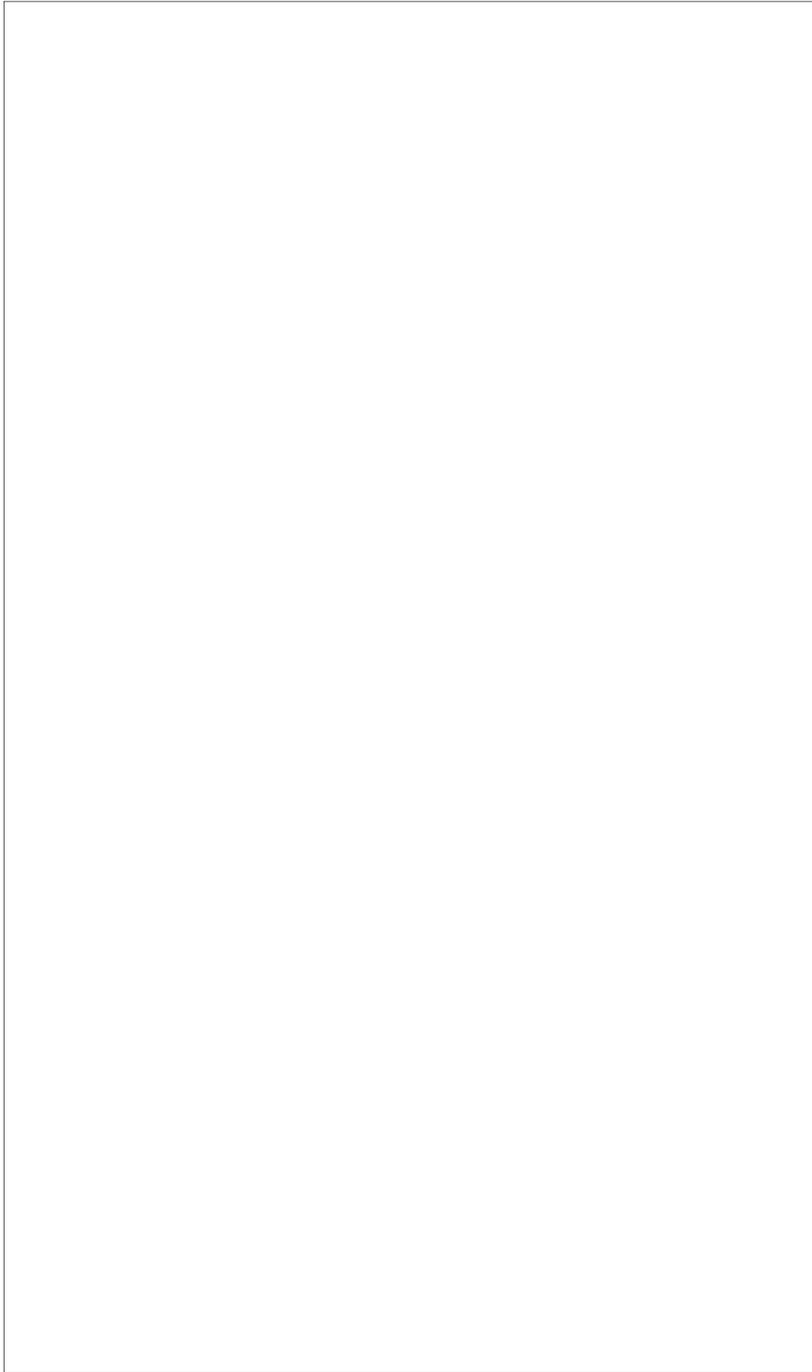


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~~Top Secret~~**ALGERIA: President Distancing Government From Party**

The ruling National Liberation Front concluded a tempestuous Central Committee meeting yesterday by electing a Politburo that, for the first time, includes no representative of the government. The Prime Minister, Mouloud Hamrouche, and members of his cabinet resigned from the Politburo the day before. The new 13-member Politburo contains five new members. Former Politburo members will retain their seats in the Central Committee. President Bendjedid will probably continue formally to head the Front, as he has since 1979.

Comment: Unable to mold the recalcitrant Front into a "party of reform," Bendjedid has been distancing himself from it for several months. He took advantage of the party's rout in recent local elections to disassociate his government further from the widely discredited institution. Bendjedid probably hopes to develop a coalition of centrist, democratic parties as a vehicle for economic and political reform and as a counterweight to his country's burgeoning Islamic movement. While Bendjedid looks for such vehicles beyond the ruling party to carry his reform message, however, Islamist demands for powersharing and for early legislative elections will continue to build.

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~~Top Secret~~**SOUTH KOREA: Assembly Session Chaotic**

The opposition is using aggressive tactics in the National Assembly to counter the ruling party's huge majority, making for a rancorous session that is likely to increase public frustration with both sides. Yesterday, opposition lawmakers assaulted a ruling-party committee chairman who passed a military reorganization bill without debate. On Saturday an opposition lawmaker injured a ruling-party member who introduced a bill to strengthen government control of the state broadcasting company. Opposition leader Kim Dae Jung is threatening to block these bills forcibly and is demanding the Assembly pass enabling legislation for local government elections this year.

Comment: Kim, taking the risk that the opposition's aggressive tactics will draw public ire, may be trying to force the ruling camp to use its three-to-one majority to play on public concern that it is unresponsive and undemocratic. Commentators sharply criticized the ruling party in March when it tried strong-arm tactics to ram through the military reorganization bill. The ruling party may use the chaos in the Assembly, however, as an excuse to delay indefinitely local government elections, in which it anticipates losing ground to the opposition.

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~~Top Secret~~**FRANCE: Defense Minister Proposes Force Cuts**

Defense Minister Chevenement has publicly proposed an armed forces personnel cut of 35,000 by the mid-1990s as part of an ongoing military reorganization. Under his proposal, the Army would lose two of its six armored divisions, the Navy would grow slightly, and the nuclear forces would remain untouched.

Chevenement refused to consider the \$1.2 billion cut in the 1991 defense budget advocated by Finance Minister Beregovoy.

Comment: Chevenement almost certainly was forced to propose these reductions by the rapid political changes in Europe, the challenges to defense spending in the ruling Socialist Party, and the Finance Minister's tight budgetary policy. Previously, Chevenement has argued that French defense forces were at the minimum necessary to maintain security, and he has been unwilling to consider the major cuts suggested at the CFE talks. Chevenement's announcement probably was timed to show his Ministry is trying to economize and to answer growing pressure for troop withdrawals from West Germany. He will be hard pressed to prevent cuts in defense spending as the government prepares its budget for next year. Over the next several years, further cuts in the Army and possibly the Air Force are likely as Paris attempts to fund its nuclear-modernization programs and maintain forces for out-of-area operations.

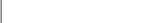
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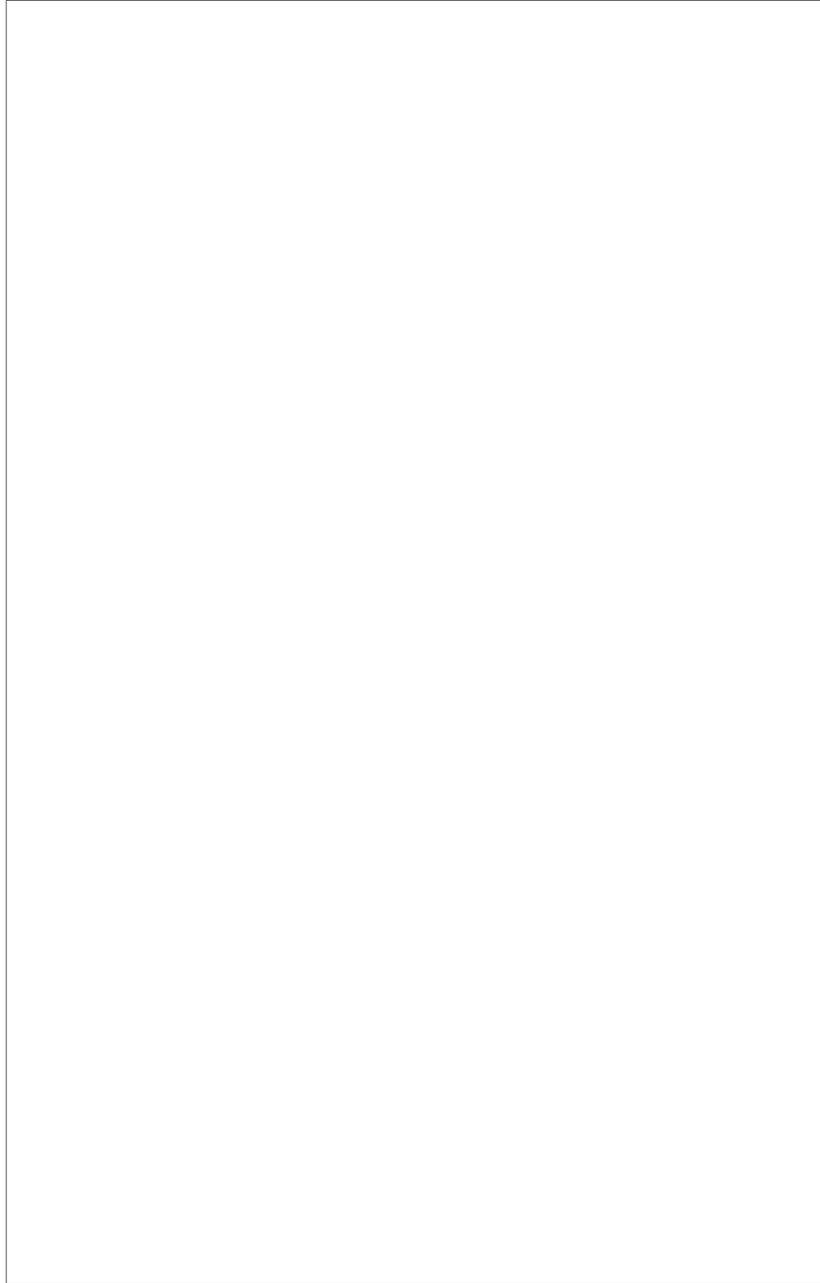
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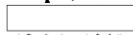
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In Brief

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Africa

— **Liberian** Government, rebel forces continued to clash in Monrovia's suburbs yesterday; capital quiet . . . Taylor's forces also skirmishing with rival rebel faction . . . his delegates arrived in **Sierra Leone** for peace talks yesterday. [Redacted]

[Redacted]

Americas

— Seven more **Cubans** evaded police guards, entered **Czechoslovak** Embassy in Havana yesterday, raising total to 14 . . . Castro refusing to negotiate with Prague, **demanding** asylees surrender or remain indefinitely at mission. [Redacted]

— Press says far-leftist group in **Chile** threatening to kill Senate president, other congressmen . . . first such threat against new civilian government . . . if carried out, Aylwin administration might seek antiterrorist help from Army. [Redacted]

East Asia

— **Philippine** press reports Aquino government may halve cabinet posts . . . speculating Local Government Secretary Santos will replace Defense Secretary Ramos . . . military reportedly would resent Santos, increasing potential for coup attempt. [Redacted]

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