



**Director of
Central
Intelligence**

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National Intelligence Daily

***Friday
22 August 1980***

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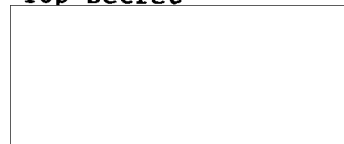
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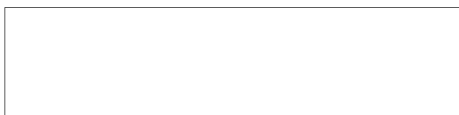
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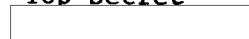
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SITUATION REPORTS

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POLAND

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The new head of the government commission, Deputy Prime Minister and party Politburo member Mieczyslaw Jagielski, probably was selected because of his successful handling of worker grievances in Lublin in mid-July.

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The Church has showed that it is willing to take an active part in easing the situation. According to a Western press report, the Bishop of Gdansk met recently with strike leaders and supported their fight for economic gains and human rights but also counseled them that lengthy strikes and bloodshed would harm the national welfare. As with Cardinal Wyszynski's statement that was publicized on Wednesday, the Bishop's remarks can be read as encouragement for strikers to go back to work.

Gdansk Situation

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Strike leaders are trying hard to prevent defections and to gain additional support.

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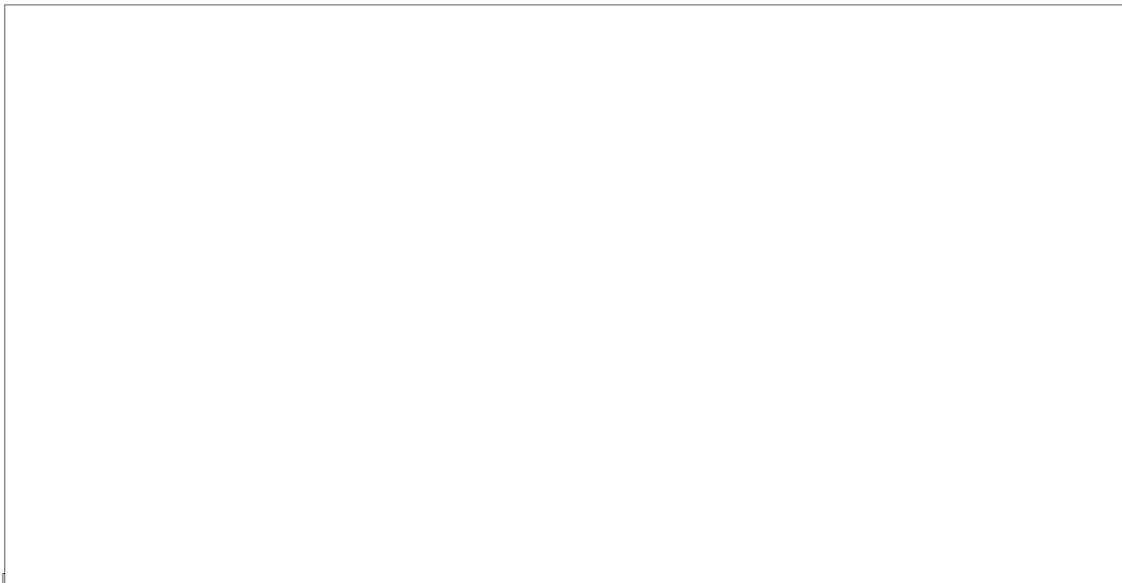
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Official Polish contacts of the US Embassy in Warsaw said that several other enterprises in Nowa Huta were on strike Thursday and that, as of Wednesday, three or four thousand Silesian coal miners had been on strike to demonstrate support for their colleagues in Gdansk.

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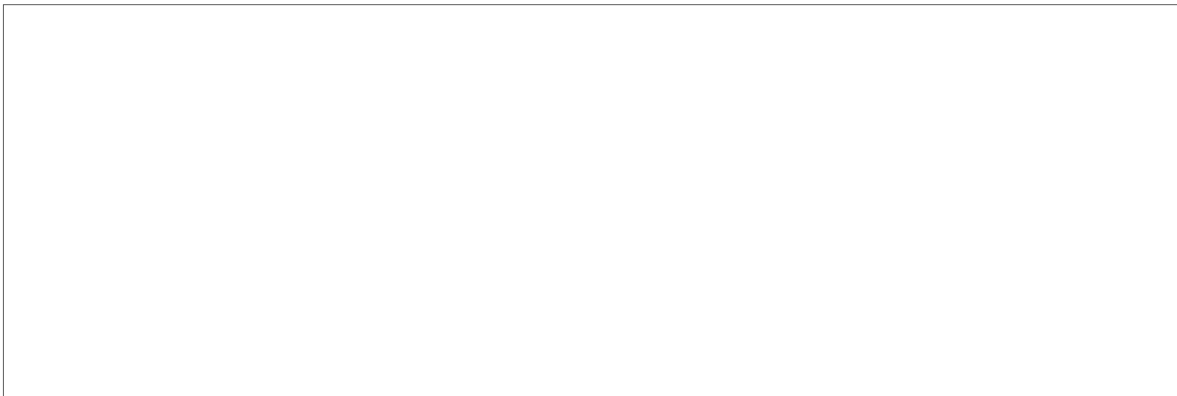


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The US Embassy in Warsaw reports rumors of an impending nationwide general strike; such rumors have frequently surfaced in times of trouble but have rarely proved accurate.

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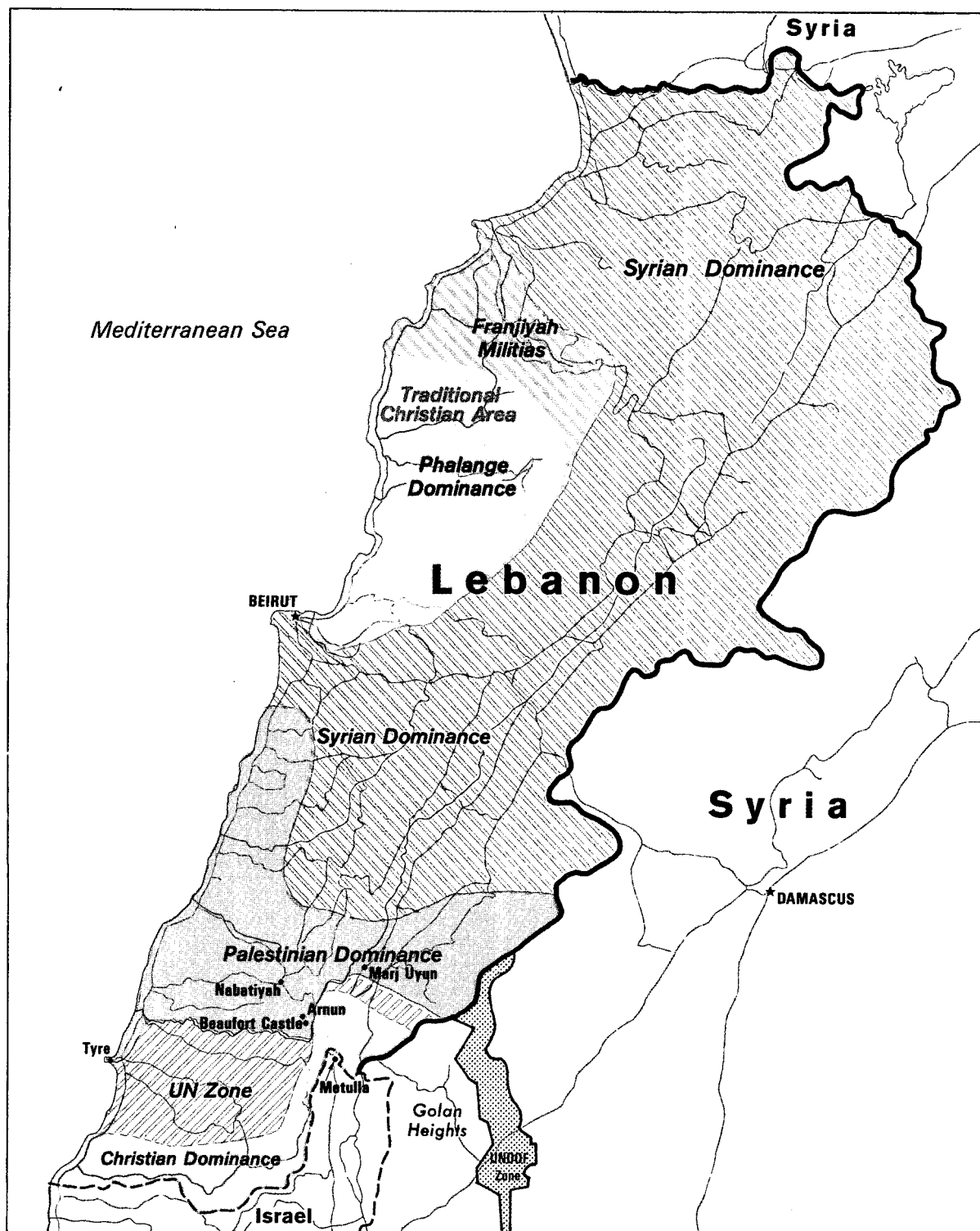


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BRIEFS AND COMMENTS

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ISRAEL-LEBANON: Increasing Israeli Pressure

Prime Minister Begin's public statement on Wednesday that Israel aims to "strike at terrorists at any time and in any place" is an open acknowledgment that his government has reverted to a policy of preemp-tive attacks against Palestinian positions throughout Lebanon.

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The Israelis thus far have concentrated their attacks against areas in southern Lebanon--including Nabatiyah, Marj Uyun, Arnun, and the Beaufort Castle--used by the Pal-estinians for training and for directing artillery and rocket fire against northern Israeli settlements. Major Haddad, leader of the Israeli-allied southern Lebanese Christian militias, has supported the Israeli actions by restricting UN patrols in his enclave along the Israeli border and by shelling Palestinian forces in Tyre.

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Israeli forces continue to cross into southern Leb-anon in support of their attacks; at least 28 Israeli ar-tillery pieces and six Centurion tanks reportedly crossed into Lebanon yesterday from the Metulla area.

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Begin has long favored an activist policy and is in-clined to accept the recommendations of hawkish Chief-of-Staff Eitan, whose influence has grown since former Defense Minister Weizman resigned last May. Eitan has referred publicly to Israeli intelligence indicating a Palestinian buildup in southern Lebanon and probably used it to persuade Begin to resume Israeli attacks.

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Begin probably aims to demonstrate that his govern-ment will not be deterred by its declining international image, setbacks in the UN, and eroding support from Western states. With an eye to the coming national election, he also wants to show his determination to defend Israel's security interests.

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The Israeli attacks in the south could heighten ten-sion and lead to a wider military conflict in Lebanon. Palestine Liberation Organization leader Arafat will be under growing pressure to retaliate with cross-border attacks if the raids continue. The Israeli operations also could eventually lead to new Syrian-Israeli air clashes. Rightwing Christian Phalange militia, moreover, might take advantage of the raids to attack Palestinian and Muslim leftist positions in Beirut or move against rival Syrian-backed Christian forces in northern Lebanon.

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SOUTH KOREA: Chun's Takeover

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General Chun Doo Hwan's retirement from the Army today paves the way for his assumption of formal executive power.

The 2,500-member electoral college will meet on 27 August to elect Chun as President, probably unanimously. Following his inauguration on 1 September, Chun probably will name a conservative and promilitary cabinet and announce an accelerated schedule to revise the constitution and hold general elections.

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The public appears to have acquiesced in the resignation of the ineffectual President Choi Kyu Hah and in Chun's ascendance. Chun's "purification" campaign and social reforms have been popular among the general public and have gained him the grudging admiration of many intellectuals. Widespread public apathy, deep-seated fear of North Korea, and the public's desire to end the uncertainties of political transition and to concentrate on solving the nation's economic problems have also aided him.

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Much of the politically informed minority opposes Chun's takeover, however, and radical college students are almost certain to attempt to organize protest demonstrations after schools reopen next week. Nevertheless, no serious opposition to Chun's presidency or to the revised constitution--details of which were announced yesterday in the press--is likely to surface soon.

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Although many Koreans will have misgivings about the new constitution, which rejects political liberalization, it is likely to be approved when a national referendum is held, possibly in early October. Chun seems determined to hold presidential and national assembly elections under the revised constitution within the next six months.

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USSR: Comments on a European Security Conference

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Pravda on Wednesday outlined Moscow's position on a post-Madrid European security conference, exhorting signatories of the Helsinki Final Act to display maximum flexibility in planning the conference but signaling little readiness to move beyond earlier proposals for limited military confidence-building measures.

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The article is intended to shape the agenda of a European security conference and lobbies for its convocation in Warsaw. Its timing reflects the Soviet desire to have security issues, especially the idea of a "conference on military detente and disarmament," be the centerpiece of next month's preparatory conference and the review conference in Madrid in November of Helsinki Act signatories.

Moscow sees a security conference as the best way to inject vitality into its European detente policy. The Soviets are acutely aware, however, of the potential for disagreements in planning for such a meeting, especially since France and a number of other West European countries are advancing security proposals unacceptable to the USSR. The article moved decisively to spike anticipated support for a French proposal to expand to the Urals the zone of applicability of European confidence-building measures, noting that their present scope was the result of a "carefully adjusted balance of interests" of the participating states.

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The article also reiterates President Brezhnev's proposals of last October to strengthen existing confidence-building measures modestly by extending them to include notification of major air and naval exercises and by limiting the size of military maneuvers. It concludes with familiar proposals for an exchange of assurances, including nonfirst use of nuclear and conventional weapons, guarantees to nonnuclear European states, nonexpansion of alliances, and a freeze on armed forces within the region defined by the Helsinki Final Act.

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ETHIOPIA: Soviet Helicopters in Tigre Province

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Six Soviet MI-24 attack helicopters were observed
[redacted] of an airfield at Mekele in
Tigre Province. [redacted]

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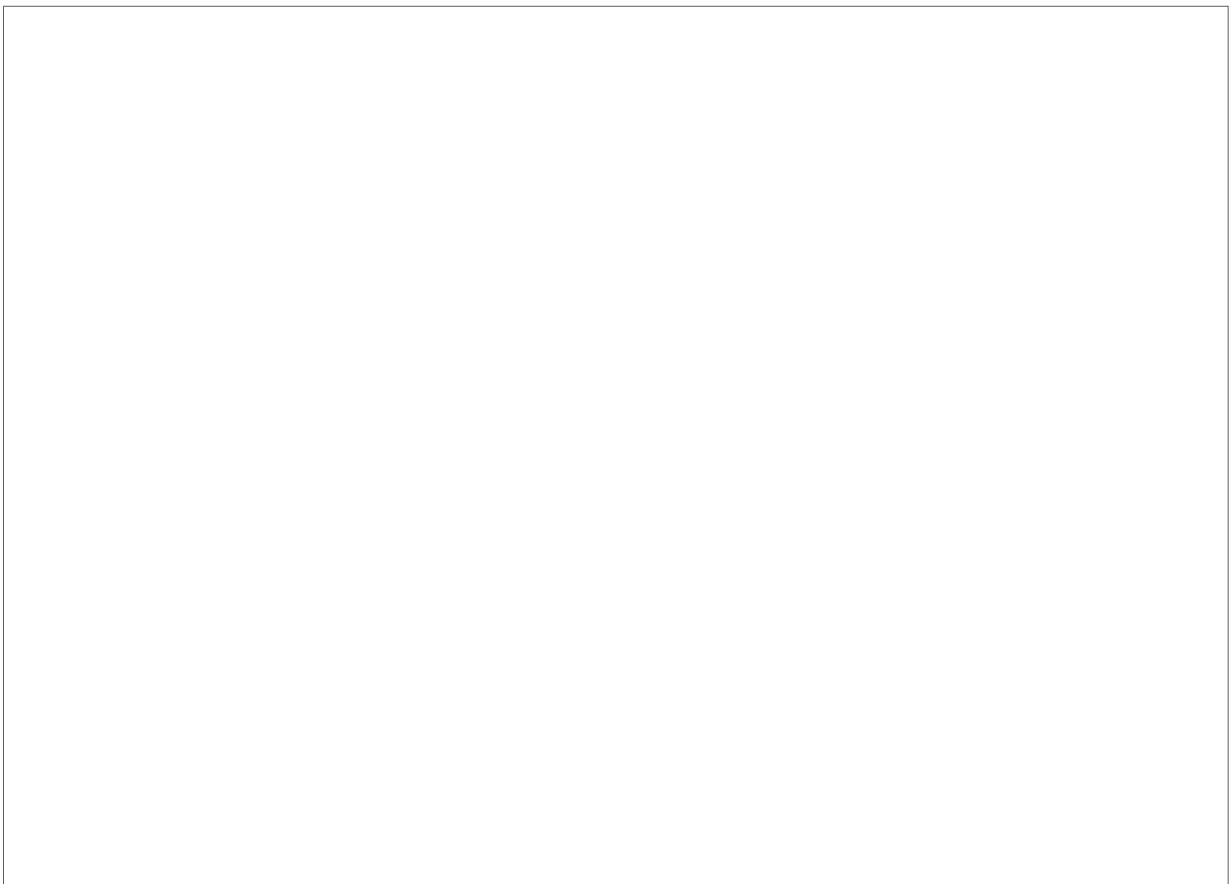
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[redacted] Although insurgents in Eritrea have claimed
that the government is preparing to use toxic gas dis-
persed by helicopters, no chemical warfare or decontamina-
tion equipment was detected [redacted] The So-
viets reportedly delivered a small number of chemical
decontamination vehicles to the Ethiopians several years
ago. [redacted]

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NICARAGUA: Private Debt Rescheduling

After eight months of negotiations, foreign banks are likely to reschedule about \$500 million of Managua's guaranteed private debt in a meeting in Panama City today. For at least cosmetic purposes, Managua is also talking about the need for an International Monetary Fund program, a move that would be favorably received by the bankers. An early agreement probably would enhance Nicaragua's credit standing enough to secure short-term credit for critical imports. If agreement is not reached at the meeting, the banks could declare the Nicaraguan debt in default, attempt to seize Nicaraguan assets abroad, and shut off any new lines of commercial credit. Such actions would set back Nicaragua's recovery efforts and inhibit any efforts to reschedule a \$300 million debt to official bilateral lenders or to renegotiate another \$380 million in private unguaranteed debt.



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ZAMBIA: Concern over Possible South African Attacks

President Kaunda advised Western ambassadors in Lusaka on Wednesday that he believes South Africa is about to launch a major attack against bases of the South-West African People's Organization in Zambia. South African raids against SWAPO bases in Zambia and Angola in the past few months have increased concern in Zambia over the possibility of such an attack. Zambia has repeatedly emphasized to the West the need to keep pressure on Pretoria to end such attacks and to achieve a Namibian settlement. Although Pretoria could easily use forces already on the Zambian-Namibian border against suspected SWAPO positions, there are no signs [redacted] of the "massive buildup" of which Kaunda warned. Kaunda is about to embark on a month-long trip to Eastern Europe and Asia and may be exaggerating the nature of South African activities in hopes of averting trouble while he is away. [redacted]

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SPECIAL ANALYSIS

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POLAND: The Prospects for Confrontation

The struggle in Poland has now reached a point where clashes between workers and security forces are a distinct possibility, especially in the port cities along the Baltic coast. Powerful forces of restraint, however, are still in evidence.

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The influence of young militants, assisted by dissidents, on the joint strike committee appears to have increased. This leadership is now making economic and political demands that go well beyond redress of the initial grievances of the current industrial unrest.

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The regime has no intention of accommodating the militants' political demands. It has made economic concessions, but as it has done so, the demands have escalated.

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This process has maimed the austerity program, although the government insists that there is ultimately no alternative to it. The regime also has sought to isolate the militants by refusing to negotiate with the joint strike committee, disrupting telecommunications, and arresting dissidents who have been serving as information channels.

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A Volatile Situation

The regime has made at least contingency preparations for any violence. Police units have been moved from Warsaw to Gdansk, and the Politburo member in charge of security forces is also there. Use of the security forces, however, and especially the military, runs the risks that these forces might not perform reliably and that any violence might spread beyond the regime's ability to control it.

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At the same time, the regime is attempting to wear down the workers with both threats and promises. It hopes that the militants' popular support will gradually evaporate from fear, fatigue, and a sense that as much as possible has been accomplished. []

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The staying power of the strikers will be importantly affected by the degree to which the Gierek regime can present a united front to the public, denying the militants' hope of exploiting leadership differences. Gierek starts from a strong point, having just earlier this year retired Poland's unpopular Premier and having exiled to East Germany the one Politburo member who was thought to be his most serious rival. []

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No ready alternative to Gierek's leadership appears to exist. Both Gierek and Premier Babiuch have publicly committed their prestige to the regime's current stand, and there has been no suggestion that others in the leadership are wavering. []

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The Role of the Church

The attitude of the workers and the regime will also be importantly affected by the Church's posture. Polish television played up Cardinal Wyszinski's appeal for calm on Sunday. []

The Church, however, can hardly be considered a trusted ally. It probably does not want matters to get so out of hand that Gierek falls or the Soviets step in, but it also does not want to be viewed as opposing the aspirations of non-Communist Poles. []

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Moscow's Position

The USSR and Poland's Warsaw Pact allies also will have an impact on the outcome. Three Soviet officials commented separately this week that they were confident Gierek had taken the correct stance and would be able to end the unrest. []

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Moscow's continued confidence in Gierek, its pre-occupation with its southern borders, and its continued pursuit of detente in Europe are powerful factors encouraging a restrained position. If the Soviets want to do more, they could increase exports of consumer goods and extend large hard currency loans. Moscow's hesitation reflects its own difficult consumer supply situation and the implicit message for other East European states that industrial unrest has its rewards. [REDACTED]

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The concern in Moscow about the Polish situation is reflected most directly in the jamming of Western broadcasts. The Soviet leadership expects Gierek to employ whatever force is necessary to crush the unrest, and it would attempt to install some other Polish leader to do the job if Gierek proved unwilling. Poles of all political persuasions appreciate this reality, and, even without Gierek's reminder earlier this week, it remains the major underpinning of stability. [REDACTED]

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