



**Director of
Central
Intelligence**

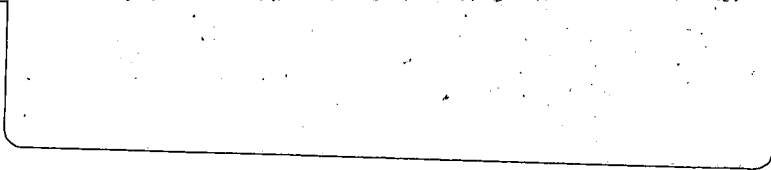
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National Intelligence Daily

*Monday
12 September 1983*

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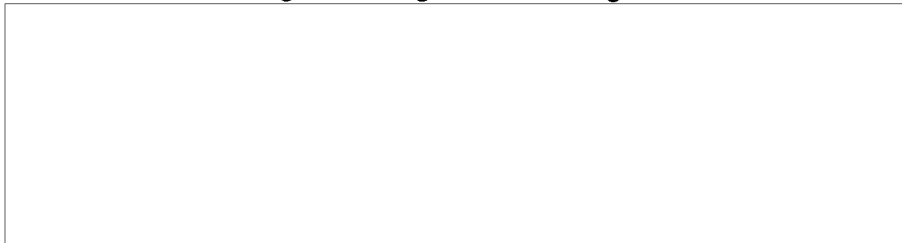
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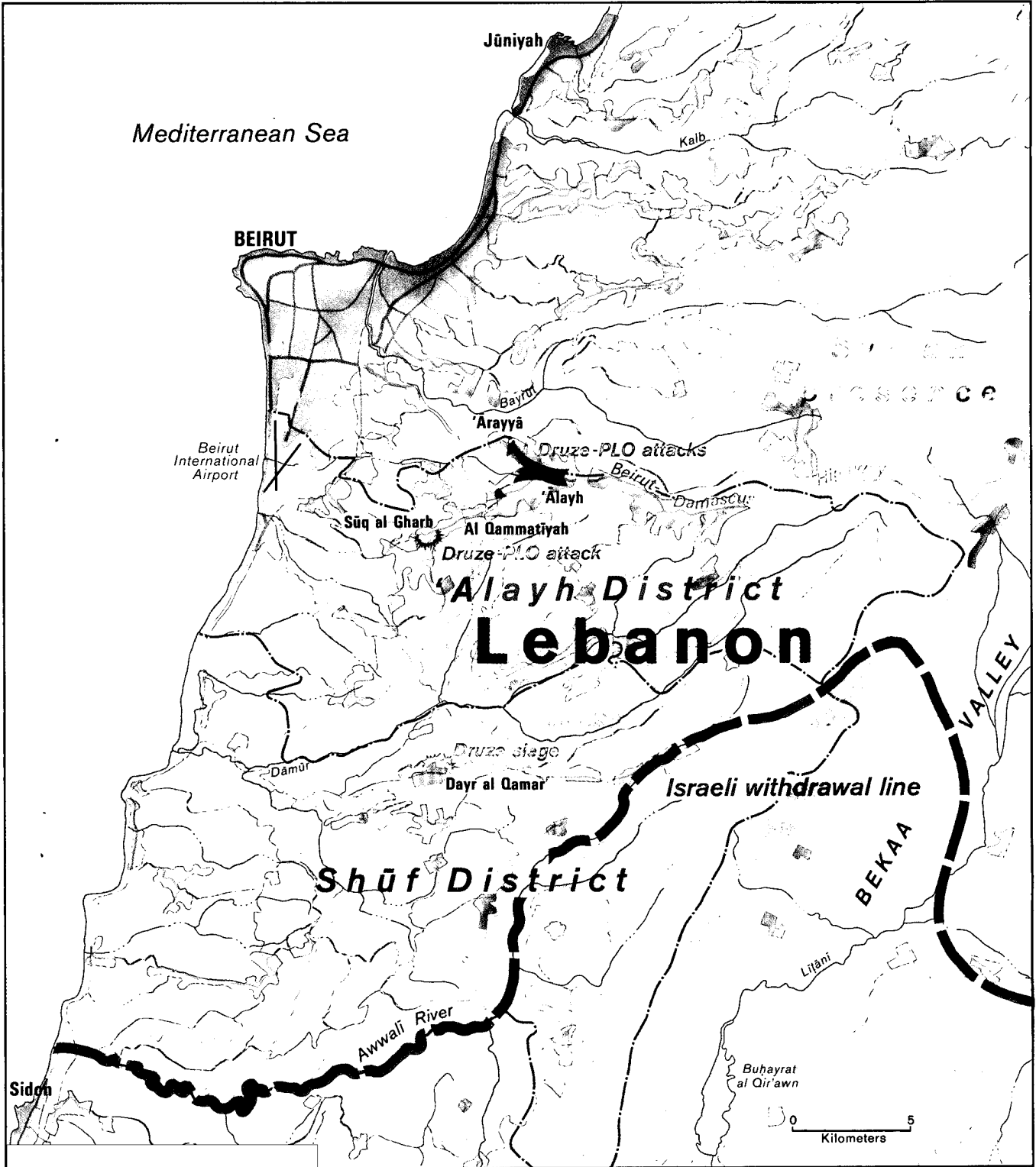
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LEBANON: Military Standoff Continues

The Lebanese Army this weekend fought off Druze and Palestinian attempts to gain control of the strategic town of Suq al Gharb, but, although the Army appears to be holding its own, defeat remains possible and could cause the collapse of President Gemayel's government. [redacted]

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According to the Lebanese Government, Iranians and Palestinian groups participated in the attack against Suq al Gharb. [redacted]

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[redacted] The Army yesterday sent a tank company and an additional infantry battalion and replaced one of the previously committed battalions to reinforce its positions at Suq al Gharb and at nearby Al Qammatiyah. [redacted]

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Druze and Palestinian forces based in Alayh yesterday attacked Army positions in Arayya on the Beirut-Damascus Highway. Druze forces continue to besiege the Christian village of Dayr al Qamar and as recently as yesterday have not allowed the International Red Cross to deliver food to the 20,000 to 25,000 refugees stranded there. [redacted]

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Diplomatic efforts to arrange a cease-fire foundered this weekend. The major sticking point remains Syrian and Druze demands that the Lebanese Army withdraw from its positions in the Shuf and Alayh Districts. [redacted]

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Comment: Syrian officers may be participating in the attacks against Suq al Gharb and Arayya. Palestinian units—unlike the Druze—have the training to engage regular troops effectively, and they are probably spearheading the attacks against Army positions.

[redacted]

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The Army will probably be able to fend off the attack at Arayya, but its units are under considerable pressure at Suq al Gharb. A defeat there would allow Druze and Palestinian units to isolate Beirut from much of the country and could prompt Shia leader Nabih Barri to commit his forces against Army units in Beirut. [redacted]

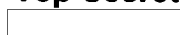
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CHILE: Anniversary Speech

President Pinochet's nonconfrontational 10th anniversary speech yesterday and the moderate level of violence through the weekend probably will permit renewed talks between the government and the democratic opposition. [Redacted]

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Pinochet defended the timetable included in the constitution of 1980 that calls for restoring civilian rule in 1989, but he confirmed the possibility of an amendment that would allow election of a congress before then. He also acknowledged that Interior Minister Jarpa would continue the dialogue with the opposition Democratic Alliance. [Redacted]

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Most of the violence, which press reports indicate has left about nine dead, occurred in the slums of Santiago. Copperworkers union chief Rodolfo Seguel was jailed, but no other prominent opposition figures were arrested. [Redacted]

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[Redacted]

Comment: The government, which refrained from calling on the military to handle security, and the democratic opposition will both gain credibility for having held down violence. Nevertheless, the jailing of Seguel [Redacted] carry the potential to delay or disrupt resumption of talks on a democratic opening. [Redacted]

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UK: Social Democratic Meeting

The British Social Democratic Party, which began its annual conference yesterday, is debating its Alliance with the Liberals and calling for support from moderate voters—particularly trade unionists—who are dissatisfied with Labor's leftward turn. [Redacted]

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Comment: The conference this year marks the first appearance of former Foreign Secretary David Owen as party leader. Polls show Owen to be second only to Liberal Party leader Steel as the UK's most popular politician, and he will use the conference to strengthen his standing further. He also is trying to revive enthusiasm among Social Democratic activists in an effort to reverse the decline in party membership and deal with financial difficulties. [Redacted]

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Owen faces conflicting pressures, however, in discussing relations with the Liberals. Some Social Democrats suspect Steel wants to achieve primacy over Owen, and they are haggling with Liberals about the selection of candidates for local government and European Parliament elections next year. Other Social Democrats want to merge with the Liberals, a process already under way in some localities but opposed by Owen, who wants the Social Democratic Party to have a separate identity. [Redacted]

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The conference yesterday endorsed Owen's views. Despite his rivalry with Steel, Owen realizes that cooperation between the two parties is essential and that Steel is the Liberal most amenable to the Alliance. [Redacted]

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The Social Democratic leader will use the conference to warn the Liberals, who meet next week, that any effort to undercut Steel's authority or endorse unilateral nuclear disarmament will severely strain relations between the two parties. It would damage chances to supplant Labor as the main challenger to the Tories. [Redacted]

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[Redacted]

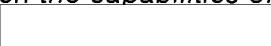
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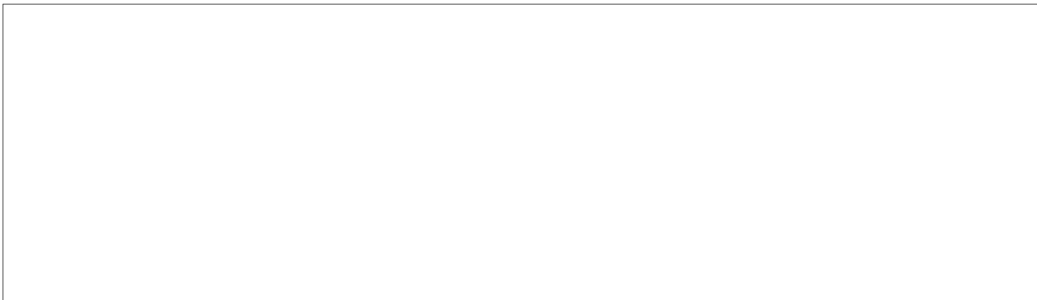


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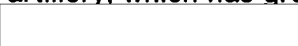
USSR-EASTERN EUROPE: Soviet Ground Forces

The Soviets are reorganizing and modernizing their ground forces in Eastern Europe to provide them with more balanced capabilities against antitank defenses, but the process is widening the gap between the capabilities of their forces and those of most of their allies. 

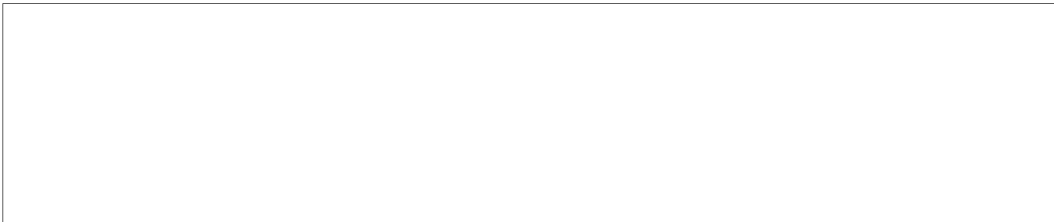
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Comment: These changes are designed to ensure the dominance of the tank on the battlefield by providing Soviet commanders with support to suppress antitank defenses. Some artillery battalions assigned to Soviet tank regiments already are employing self-propelled artillery, which has greater range than NATO's antitank weapons. 

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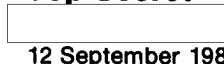


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These improvements will further widen the gap in operational capabilities between the Soviet forces and those of most other Warsaw Pact countries. The East Europeans, who would play a critical role in initial operations against NATO, have not been able to afford all of the improvement programs desired by Moscow. Several of these countries—most notably Poland—still are equipped primarily with World War II-vintage artillery, which they probably will use well into the 1990s. 

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USSR: Industrial Automation

The Soviets plan to improve both military and civilian production by integrating robots with automated machine tools to create versatile manufacturing systems. 

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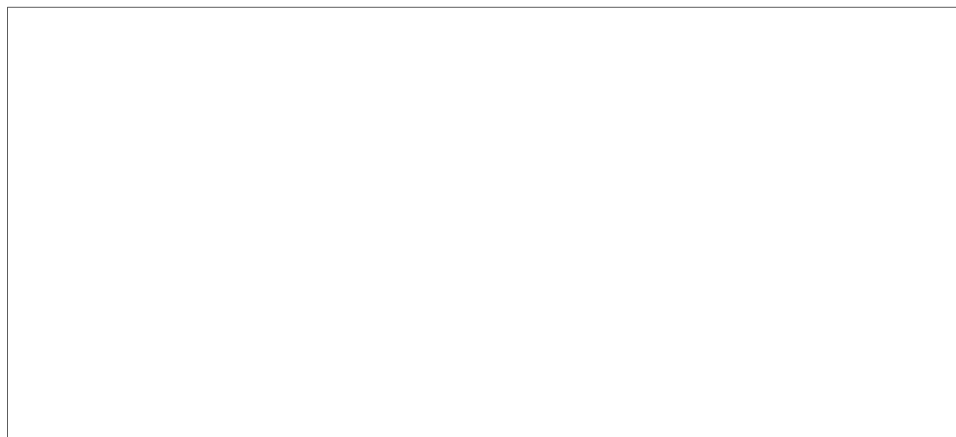
Pravda reports that the Politburo last month released a draft resolution calling for the adoption of advanced production processes by industry. High-efficiency machine tools, robot complexes, and computers are to be employed to create flexible automatic manufacturing facilities and automatic designing systems. 

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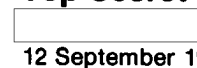
Comment: Soviet authorities evidently recognize the value of using computers to integrate robots and machine tools into flexible manufacturing systems. Such systems can make high-technology products efficiently in limited quantities, and they can be changed rapidly and inexpensively by reprogramming the computers to make other similar items. The Soviets realize that the flexible automation made possible by reprogrammable robots is the key to achieving major increases in the production of batches of items. 

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JAMAICA: Support for Seaga Down

Reliable public opinion polls taken late last month show opposition leader Manley and his People's National Party to be leading in 24 of 36 parliamentary constituencies that were covered. [Redacted]

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[Redacted]

Although Seaga is urging incumbents to spend more time in their constituencies, their efforts are hampered by a lack of funds and by the government's inability to finance local vote-getting projects. Manley's party, however, also is suffering from organizational problems, and the former Prime Minister's lead in the polls is primarily a result of voter dissatisfaction with Seaga, rather than a strong belief that the opposition can resolve Jamaica's economic problems. [Redacted]

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Comment: Seaga first fell behind in the polls last fall, and his position has grown worse as the island's economy has slumped. He is not likely to get any good economic news soon. A growing shortage of foreign exchange, which is causing inflation and unemployment to rise, is being made worse by Seaga's insistence on retaining the costly subsidy on gasoline. [Redacted]

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COSTA RICA: Nicaraguan Refugees Increasing

A recent surge of refugees from Nicaragua is causing concern in San Jose. The government's two refugee camps near the Nicaraguan border already contain an estimated 1,400 people. If the present rate continues, the camps are expected to be full within the month, according to sources of the US Embassy. The government reportedly has been seeking to establish at least two other camps farther south in order to relocate Nicaraguans away from the border area, but efforts have been hampered by a lack of funds or suitable land. [Redacted]

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Comment: Government officials probably worry that a massive influx of Nicaraguan refugees would contribute to Costa Rica's already severe unemployment problem. They may also be concerned about the possible infiltration by Sandinista agents into the camps, which could lead to sabotage incidents. The recent rise in refugees may in part reflect Nicaragua's new military conscription law as well as heightened military action in southern Nicaragua by anti-Sandinista forces. [Redacted]

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[Redacted]

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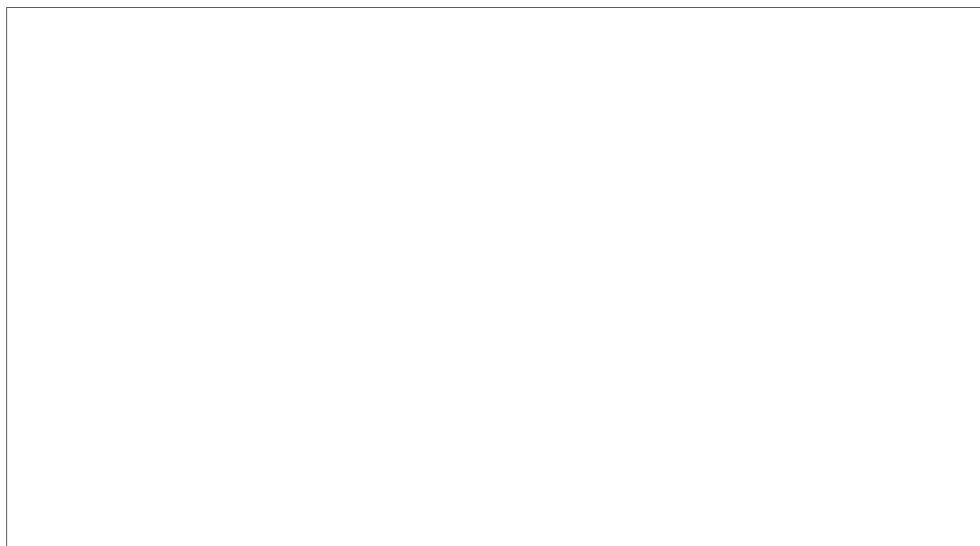
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CHINA: Crackdown on Crime

The Sixth National People's Congress Standing Committee concluded its second session early this month with announcement of harsher penalties and swifter sentencing for violent criminals. The move follows a vigorous anticrime campaign that included heavy media coverage, arrest and sentencing drives, and public executions of a number of common criminals throughout China. The US Embassy notes, however, that high-level cadres and their families continue to be safe from prosecution. 

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Comment: The severe measures reflect the leadership's concern over what it views as a breakdown in public order, symptomized by an increasing crime rate and numerous revelations of official misconduct. Beijing blames the situation on influences of the Cultural Revolution and corrupt ideas from the West. Deng Xiaoping and his supporters need to control corruption to forestall attacks on their policies of economic liberalization. 

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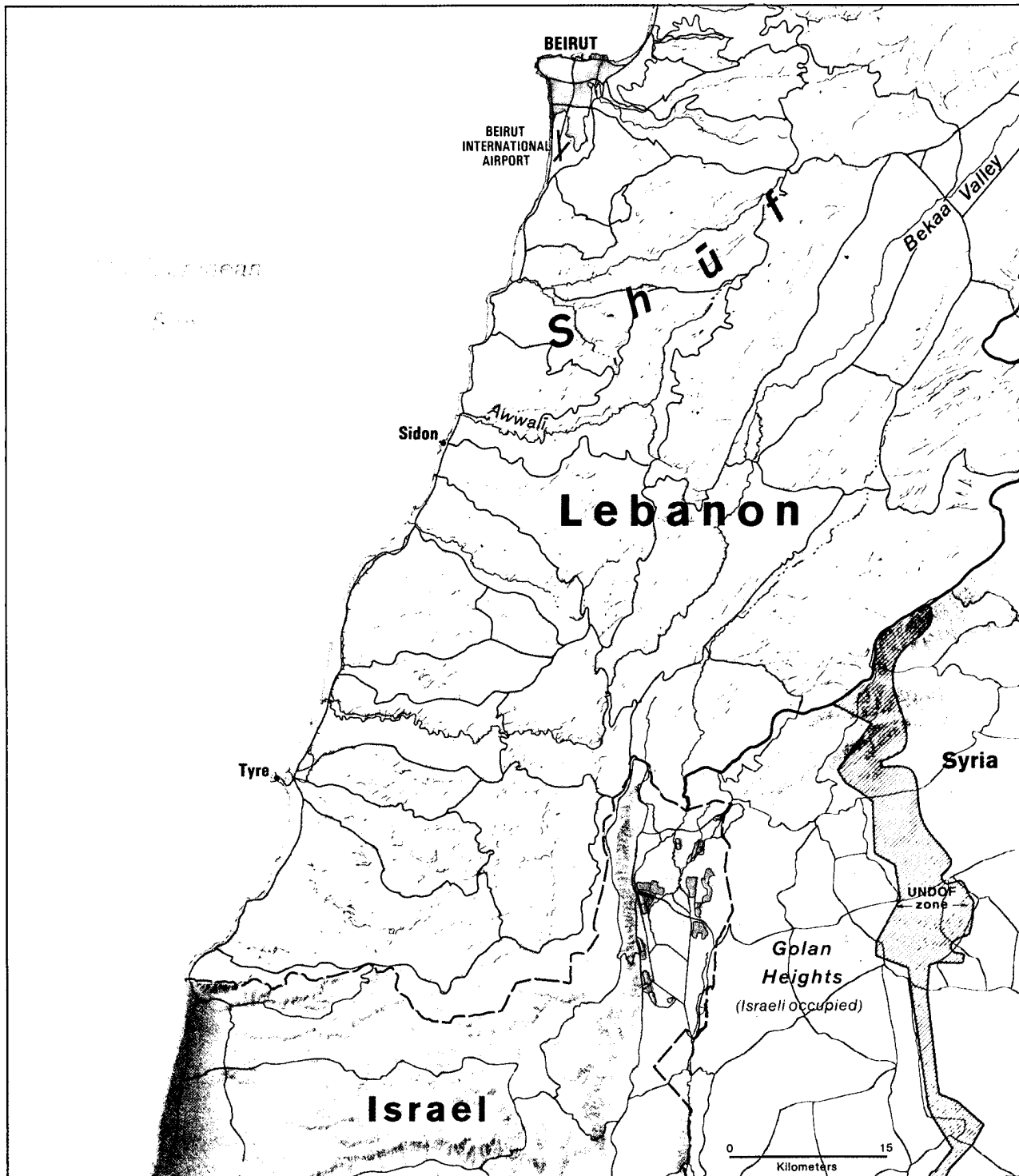
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Special Analysis

ISRAEL-LEBANON: Tel Aviv Stands Back

Israel has decided, for the moment at least, to concentrate its efforts on building workable security arrangements in southern Lebanon and on avoiding involvement in the current fighting. Contacts with key groups north of the Awwali River—particularly with the Druze and Phalange—will continue. Israel, however, will now look to the US to take the lead in shoring up President Gemayel's government and reducing Syrian influence. A major Syrian political victory—particularly success in getting the Lebanese to void the Israeli-Lebanese accord—or a return of armed Palestinians to Beirut would be difficult for the Israelis to accept. Either development probably would cause them to reexamine their policy. [Redacted]

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Israeli disillusionment with Gemayel and other Christian leaders has been growing for some time. Gemayel's refusal to meet with senior Israeli officials and his hesitancy in deploying the Army to stop the fighting in the Shuf mountain region have convinced most Israelis that prospects for his government are dim. They have concluded that their hopes for a strong central government capable of implementing the May accords are misplaced. [Redacted]

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Political uncertainty in Israel following Prime Minister Begin's decision to resign also has contributed to the decision to take a lower profile in Lebanon. Senior Likud officials are preoccupied with forming a new government, and they have little time or enthusiasm for Lebanese affairs. Public opinion, concerned about mounting casualties, supports the pullback and a reduction in Israel's involvement in Lebanon. [Redacted]

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Focusing on the South

The Israelis will now concentrate their efforts in Lebanon on building security arrangements in the south that will enable them to continue to occupy that area with as few troops as possible. They are likely to pay particular attention to fostering close ties with Shia groups. [Redacted]

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[Redacted] Israel believes it can reach an accommodation with major Shia leaders on preventing attacks on Israeli troops and limiting Palestinian infiltration.

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Although the Israelis hope to avoid renewed military involvement north of the Awwali, they probably would respond to specific Syrian or Palestinian provocations with airstrikes or artillery fire. If the Syrians become more openly involved in the fighting in the Shuf, Tel Aviv might try to intimidate Damascus by threatening to move against Syrian forces on the Golan Heights or in the Bekaa Valley. The Israeli public would have little enthusiasm for escalating the conflict or moving back into the Shuf, however, if Damascus refused to stand down. [Redacted]

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Tel Aviv will retain its ties to groups such as the Druze and will maintain relations with the Christians. It believes ties to the Druze are important in preventing infiltration into the south, [Redacted]

[Redacted]

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[Redacted]

[Redacted] Israelis also are likely to be cool to Maronite proposals of an immediate peace treaty in return for Israeli support for a Christian state based on the Maronite-controlled areas. On the other hand, Tel Aviv has indicated it will continue to supply arms and ammunition to Christian militias.

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[Redacted]

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Looking to the US

The Israelis, aware that their lower profile leaves them little influence in Beirut, will look to the US to shoulder the burden of supporting the central government and intimidating the Syrians. There is, however, some nervousness in Israel that the US may decide to offer Syria political concessions—probably at Israel's expense—to induce Damascus to reach some limited, tacit accommodation with Gemayel. They are particularly concerned that Washington may offer to try to persuade Israel to open negotiations on the Golan Heights as part of a package deal on Lebanon. [Redacted]

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[Redacted]

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[Redacted] The Israelis also suspect that the Syrians are encouraging PLO factions under their control to participate in the Shuf fighting and that they may be planning to send Palestinians back into Beirut.

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[Redacted]

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The Israelis will look first to the US to prevent these developments. Tel Aviv might be willing to let the Lebanese accord remain quietly frozen, but probably would view any public statement by Beirut abrogating the agreement as an unacceptable sign of Syrian political control. Without physically moving into the Shuf or forcing Syrian troops out of the Bekaa, however, Israel can do little to change the situation. [Redacted]

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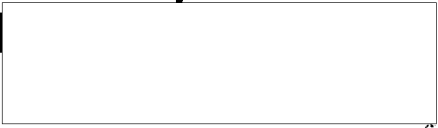
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