



**Director of
Central
Intelligence**

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OCPAS/CIG



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*Wednesday
21 September 1983*

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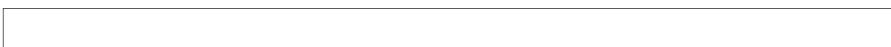
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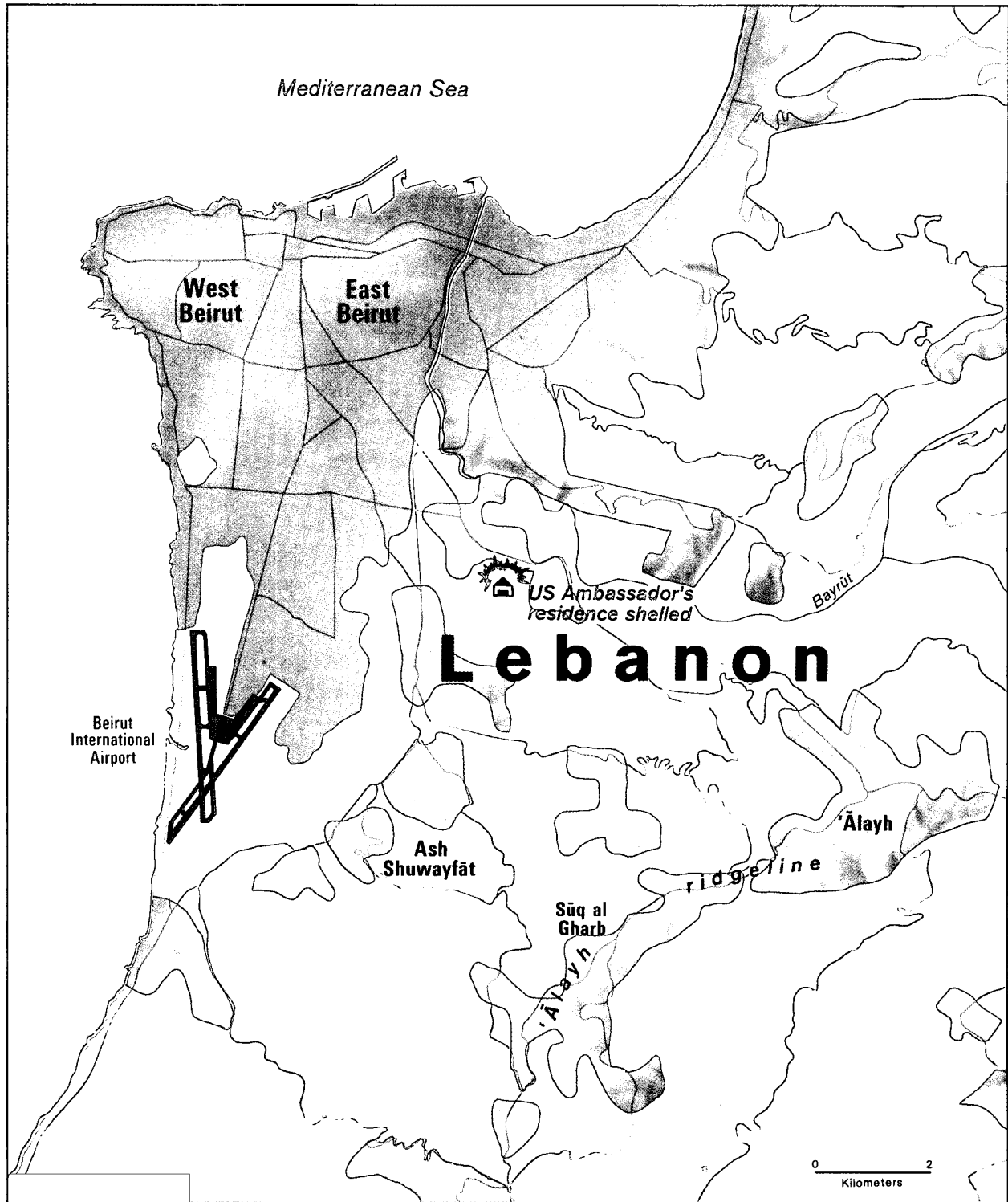
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LEBANON: Fighting Abates


As the fighting around Suq al Gharb died down yesterday, the US Ambassador's residence came under heavy shelling, probably in retaliation for the recent US naval gunfire support for the Lebanese Army. 

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The Army retains control of Suq al Gharb, and there are indications the Druze may be ready for a cease-fire. 



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Since 28 August, the Army reportedly has lost 111 men killed and 850 wounded. Army Commander Tannous has told the US defense attache his weary troops are near the breaking point. Tannous says there are no units available to relieve the 5th and 8th Brigades on the Alayh ridgeline. 

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Clashes between Muslim snipers and the Army continue in West Beirut, and Shia militiamen control the city's southern suburbs. The Army has declared a 24-hour curfew in the area separating Druze-controlled Ash Shuwayfat from the Shia-controlled area of Beirut. 



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Saudi mediator Prince Bandar has told the US Embassy in Damascus that Syria has agreed to a cease-fire plan that would go into effect five hours after the agreement is announced. He indicated, however, that some issues remain unresolved. The Syrians have suggested that representatives of the Lebanese Government and the opposition meet before a reconciliation conference to discuss the agenda. 

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Comment: Renewed attacks by Druze and Palestinian fighters supported by Palestinian reinforcements probably would wear the Army down. The Druze, however, may have been hurt even worse than the Army by the fighting on Tuesday. 

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CHILE: Prospects for Dialogue

Chances are improving for the resumption of the dialogue between the government and representatives of the democratic opposition, but major obstacles to a political settlement remain. [Redacted]

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[Redacted]

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Archbishop Fresno, who has been active as an intermediary, has announced that he is willing to help arrange a new round of talks. The government has contributed to the improving atmosphere by dropping some charges against the chief of the copperworkers' union and by reducing restrictions on public meetings. Despite these positive developments, press reports state some groups are planning protests next month. [Redacted]

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Comment: Key leaders on both sides probably are becoming more concerned that the violent demonstrations cannot be stopped. So far, however, both the government and the opposition have given more attention to questions of political liberalization than to the economic grievances of the poor and of youth—the groups most likely to cause violence. [Redacted]

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EL SALVADOR: Rightist Violence

Ultrarightists apparently are using "death squad" activities to discourage adoption of liberal reforms in the draft constitution and support for a dialogue with the insurgents. [Redacted]

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Union leaders lobbying for the adoption of articles in the constitution that would establish more rights for workers and peasants have been the main targets of recent bombings. Bombs also have exploded near the homes of outspoken supporters of peace talks with insurgents. According to US Embassy sources, some of the victims claim that Roberto D'Aubuisson's party is behind much of the rightwing violence. [Redacted]

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Labor organizations claim that 10 workers and peasants were killed by death squads earlier this month. Union leaders believe the death squads are well financed. They claim the terrorists have the support of some industrialists, landholders, members of the armed forces, and at least one prominent jurist. [Redacted]

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Terrorists reportedly fired on the National Conciliation Party headquarters on 7 September, and they continue to threaten party leaders. The party forms a key part of a center-right coalition in the Assembly that is generally in opposition to the ultraright. According to some party members, the terrorists hope to intimidate them into joining D'Aubuisson's group in the assembly. [Redacted]

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Comment: Rightwing terrorism is likely to continue as the Assembly debates articles on unionism and the future of agrarian reform. The violence also is aimed at discouraging support for any real dialogue between the government and the leftist insurgents. [Redacted]

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**La Pelota Island, Nicaragua
Arms Depot Destroyed**



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NICARAGUA: Arms Depot Destroyed

[Redacted] the arms transshipment facility in Nicaragua at La Pelota Island—previously identified as a supply point for insurgents in El Salvador—has been destroyed. The attack, which [Redacted] was carried out by Nicaraguan Democratic Force commandos on 12 September, destroyed the wooden pier and heavily damaged two of the three support buildings. The Sandinistas are charging US complicity in the attack, which they claim destroyed an office and three boats belonging to a civilian fishing cooperative.

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Comment: The raid is the first successful attack by anti-Sandinista forces against a Nicaraguan supply point for Salvadoran insurgents. Sea routes are important to the guerrillas in El Salvador, and the attack on La Pelota may prompt the Sandinistas to provide better security for other covert delivery operations. [Redacted]

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POLAND: Status of Debt Rescheduling

The US Embassy in Paris reports that Poland's Western government creditors reluctantly agreed last week only to reaffirm the decision made in July to move ahead in principle with rescheduling. They had expected to agree to open negotiations with the Poles by mid-October—a timetable that now has slipped at least a month. Austria, Switzerland, and Sweden are increasingly impatient with the delay. Meanwhile, the US Embassy in Warsaw reports that Austria has approved a \$30 million guarantee for grain financing, the first new government-guaranteed credit for Poland since martial law. [Redacted]

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Comment: The delay probably prevents substantial progress from being made on rescheduling government debt before the end of the year. Allied creditors generally have supported Washington's go-slow approach, and the neutrals have not been able to develop a strategy of their own. Brazil has even asked to join the Western creditors, after failing for two years to get some payments on its \$1.8 billion credit in bilateral negotiations with Warsaw. [Redacted]

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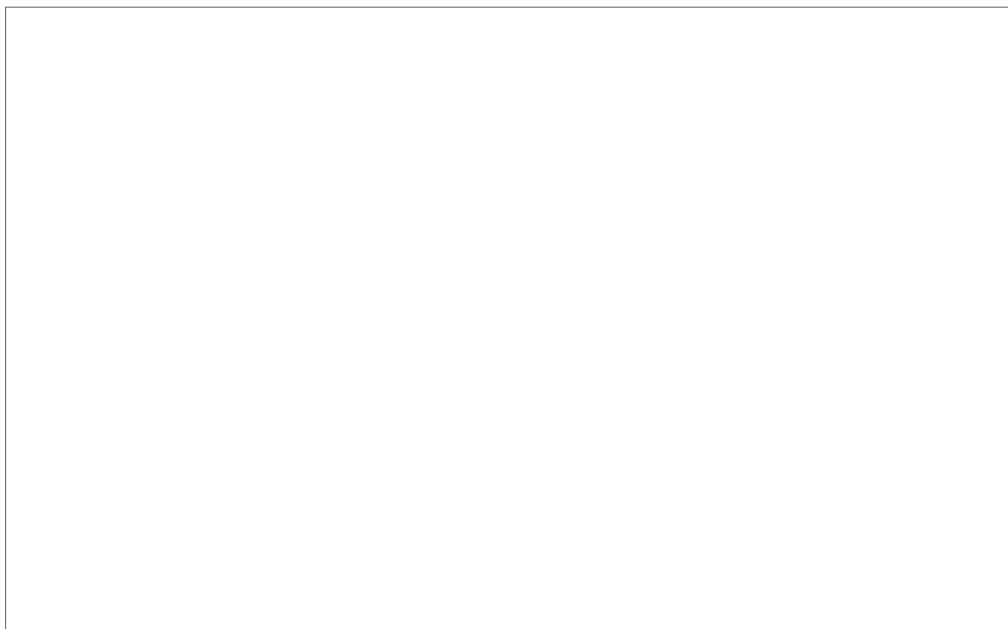
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ITALY: Anti-INF Demonstrations

The Italian leftist extremist group "Autonomia," which last month provoked clashes with police at the missile site in Comiso, plans to stage further acts of violence during anti-INF demonstrations scheduled for 23 to 26 September. The militants are urging pacifists to abandon their insistence on peaceful protest. The security services believe the extremists will try to instigate more clashes with police in the hope that the resulting casualties will outrage the lethargic Sicilians. 

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Comment: The pacifists of the International Meeting Against Cruises in the "peace camp" outside the base are not likely to join the extremists. The group probably will try again to establish a peaceful blockade and make greater efforts to prevent provocation by the Autonomia group, but it may not succeed in controlling the militants. The police, fearing a repetition of the public and official criticism of their handling of the demonstration last month, are likely to respond passively to protest activities. As a result, demonstrators again may be able to block access to the base and slow down site construction.



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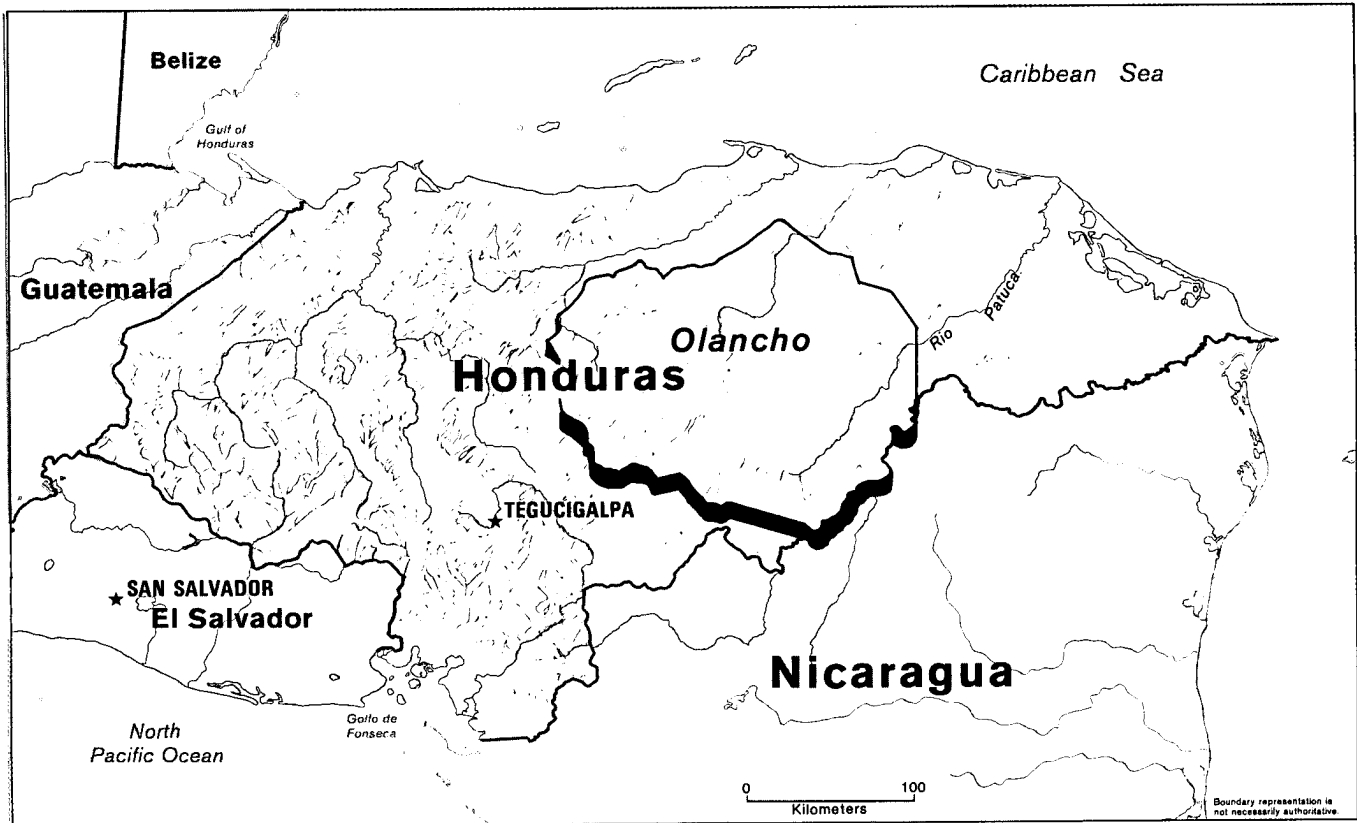
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HONDURAS: Counterinsurgency Operations

Army troops in Olancho Department are mopping up remnants of the insurgent group that infiltrated from Nicaragua in July. [Redacted]

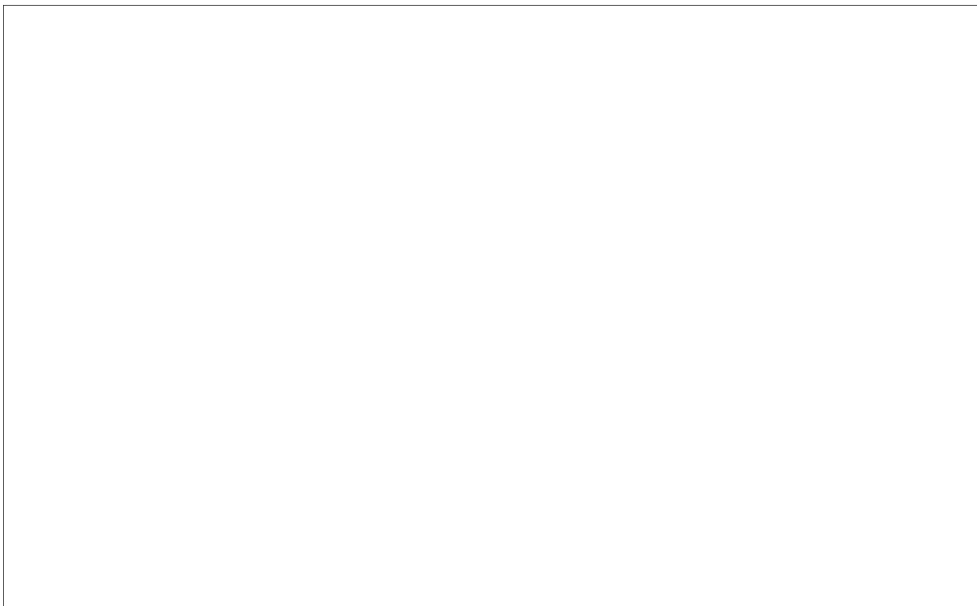
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[Redacted] the leader of the guerrilla force was killed in a firefght on Sunday. About 25 of the original 100 or so insurgents reportedly remain at large. Operations against them are continuing, and the government plans to follow up with a civic action campaign in the area. [Redacted]

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Comment: The operation in Olancho appears to have been successful partly because of the effectiveness of the Army's operations and partly because of the ineptitude of the guerrillas. The decimation of the group and the death of the most capable Honduran guerrilla leader may prompt the Sandinistas to reevaluate their efforts to promote an active insurgency in Honduras. The plan to follow up with civic action teams is likely to strengthen the government's popular support in Olancho. [Redacted]

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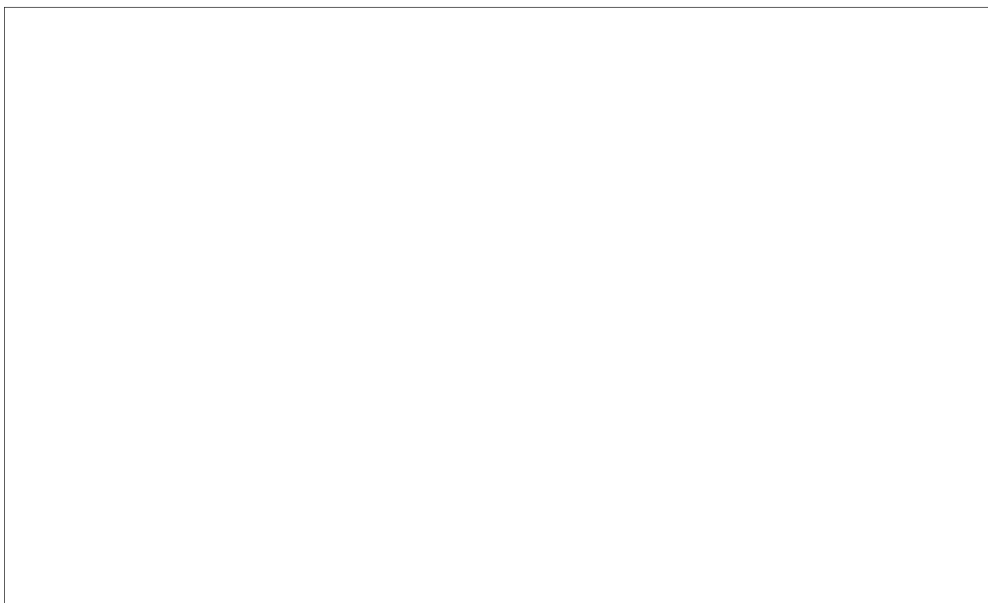
WESTERN EUROPE-TURKEY: Criticism of Constitution

The Council of Europe's Parliamentary Assembly will consider a resolution on 29 September that criticizes the Turkish constitution as undemocratic, unrepresentative of the Turkish people, and incompatible with the European Convention on Human Rights. As a result, the draft states the Turkish parliamentary deputies who will be elected on 6 November cannot participate in the European Assembly. Although Ankara has not been represented in the Assembly since the military takeover in September 1980, it had planned to send a delegation to the Assembly's session next January. [Redacted]

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Comment: The resolution, which is likely to be adopted, reflects West European disaffection following the regime's ban this year on all but three approved political parties and its continuing restrictions on press freedom. Despite this latest rebuke by its allies in Europe, Turkey is unlikely to withdraw from the Council or weaken its ties to Western Europe. [Redacted]

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Special Analysis

USSR-EASTERN EUROPE: Divisions Over Anti-INF Campaign

The USSR is having trouble lining up support in Eastern Europe for its efforts to stop or at least postpone NATO's planned INF deployments. The East Europeans fear jeopardizing economic ties with the West, and they have refused to agree to a strong common position in the Warsaw Pact on military countermeasures. The Soviets have extracted pledges of support from most of them, however, and they may try to develop a unified position by convening another Warsaw Pact summit this fall. Those countries that have the most to lose from increased East-West tensions will continue to urge Moscow not to make a harsh response. With the possible exception of Romania, however, all will comply with the USSR's final decision. [Redacted]

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The Soviets opened the current campaign against INF in May, when they threatened to resume deployments of SS-20s in the western USSR. They also alluded to placement of newer missile systems in Eastern Europe by warning of other measures "in agreement with other Warsaw Pact states." [Redacted]

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[Redacted]

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The Soviets subsequently have held bilateral discussions with each member of the Pact, with mixed results. After Hungarian party chief Kadar talked with General Secretary Andropov in July, he signed a communique that endorsed "effective retaliatory measures." He apparently signed with reluctance, however, and Budapest has avoided further comment on the subject. [Redacted]

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The Poles also have been unenthusiastic in expressing support for countermeasures. Only the Czechoslovaks and East Germans have given strong public endorsements. [Redacted]

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The Soviets have been vague on the nature of their countermeasures, but the East Europeans have referred directly to possible deployments of SS-21, SS-22, and SS-23 short-range missiles, SS-20 intermediate-range missiles, and even cruise missiles.

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The wide variety of Soviet actions mentioned by the East Europeans suggests they are not fully informed about the USSR's deployment plans. Moscow presumably hopes that these wide-ranging threats will encourage stronger public pressure in Western Europe against NATO deployments without committing the USSR to a particular course.

[Redacted]

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East European Concerns

Bucharest's fear of losing some of its independence from Moscow has been the main factor behind its advocacy of a moderate approach to INF. The Romanians realize that an escalating arms race and the consequent rise in East-West tensions would lead the Soviets to increase their demand for greater economic and military cooperation in the Pact. In addition, further cooling in the East-West climate might reduce the availability of Western credits needed to avert a financial crisis.

[Redacted]

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The Hungarians also fear that their economy would be seriously hurt by reduced access to Western credits and markets. This, in turn, could jeopardize the regime's reform program and weaken public support for the government.

[Redacted]

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Polish leaders are preoccupied with domestic concerns and anxious not to damage ties with the West, particularly financial relations. They would prefer to avoid close identification with Soviet countermeasures that could further damage their standing at home and abroad.

[Redacted]

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Sofia is worried that Soviet missile deployments in Bulgaria would require the introduction of Soviet troops and kill its proposal for a Balkan nuclear-free zone. Neither Poland nor Bulgaria appears to have come under much pressure to participate in the campaign threatening countermeasures, which may reflect their low priority in the USSR's counterdeployment plans. When Andropov visits Sofia next month, however, he may urge Bulgarian leader Zhivkov to play a more active role.

[Redacted]

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East Germany and Czechoslovakia, the countries where the USSR would be most likely to counter INF, have different concerns. East Berlin needs to reassure Moscow of its willingness to cooperate while insulating relations with West Germany from any increase in East-West tensions. Prague's insecure leadership also has been eager to demonstrate its support for Moscow on this issue and has little to lose if East-West relations deteriorate.

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Outlook

As NATO's INF deployments draw near, Moscow's propaganda on possible countermeasures probably will become more strident, and its pressure on recalcitrant East European allies will become more intense. The Soviets are aware that lack of unified support would weaken their case with Eurocommunist parties and anti-INF groups in Western Europe. This would seriously undercut Moscow's opportunities for manipulating anti-INF sentiment in Western Europe and for reducing the freedom of action of NATO governments. [Redacted]

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The Soviet leadership will be anxious to obtain a collective Warsaw Pact endorsement for strong countermeasures before the NATO deployments occur, and it might convene a summit before December. If Romanian leader Ceausescu continues to balk, the Soviets may proceed without him. They probably would calculate that, even without Romanian adherence, a strong endorsement from the rest of the Pact would improve the credibility of the Soviet threat in the eyes of West Europeans. [Redacted]

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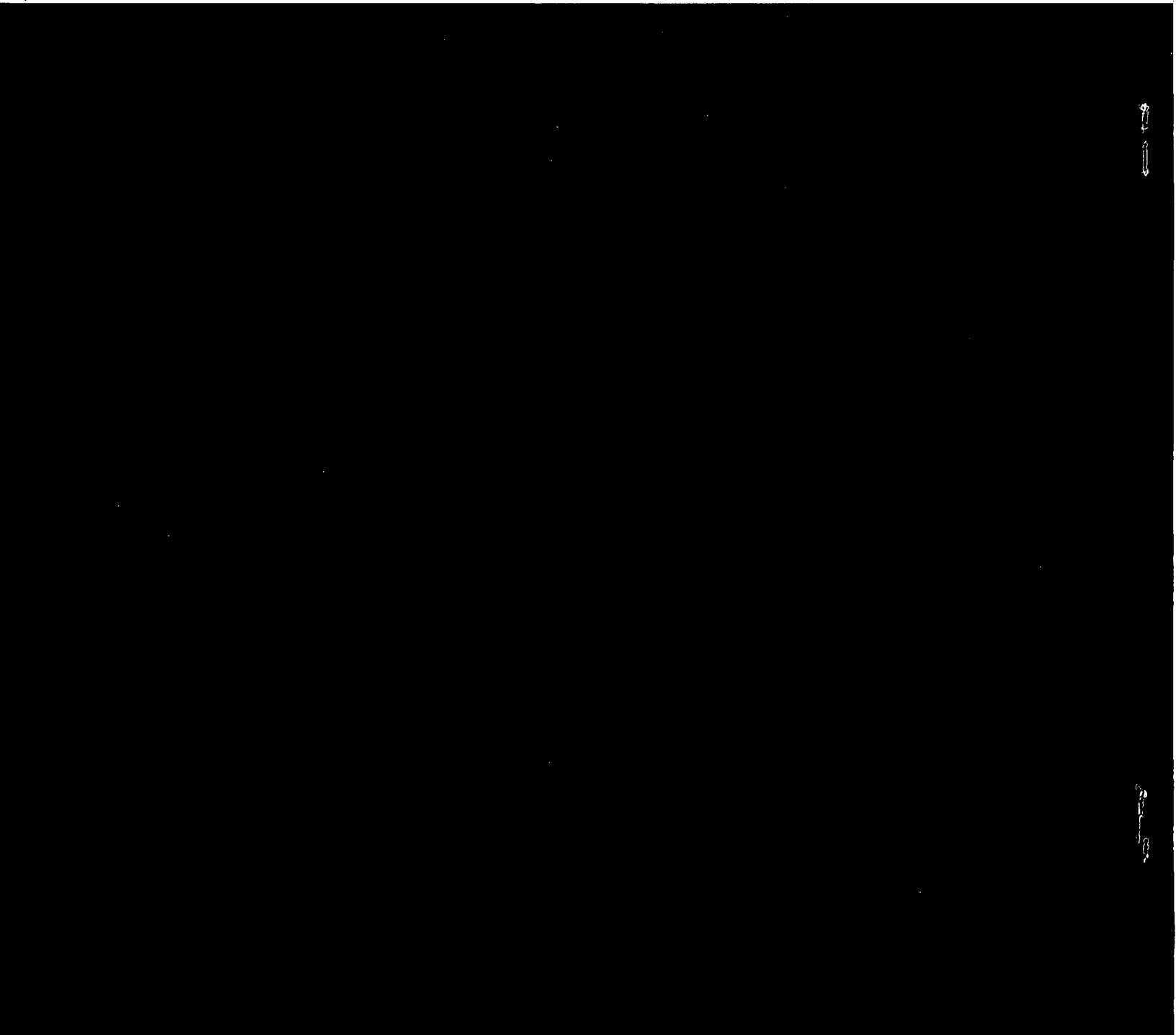
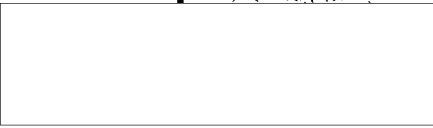
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