



**Director of  
Central  
Intelligence**

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OCPAS/CIG

CY# 285

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# National Intelligence Daily

*Friday  
6 January 1984*

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CPAS NID 84-004JX

6 January 1984

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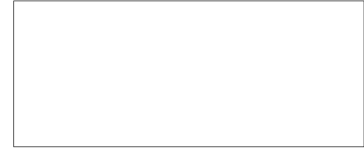
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**USSR-US-LEBANON: Protest by Soviets**

*Moscow's private protest against US naval actions in the Mediterranean reflects its opposition to any infringement on its freedom of navigation and concern about potential threats to its credibility in the Arab world.* 


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The Soviet Ambassador in Washington presented an oral demarche on Tuesday protesting the US declaration that certain Mediterranean waters adjacent to Lebanon are a zone of hazardous US naval activities. He also protested the establishment of a special region for international navigation there. Moscow contends the US action violates international law and freedom of navigation as stipulated in the 1958 Geneva Convention. 


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The Soviets warn that the US must bear responsibility for the consequences of its action. They say the US declaration "cannot fail to aggravate" an already tense situation in the Middle East. Soviet media have not mentioned the protest. 

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**Comment:** Moscow always has responded vigorously to what it regards as infringements on its freedom of navigation in international waters. This protest probably stems from concern that the US action could set a troublesome precedent. 

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The Soviets probably are also concerned that a failure to react in some way to US military actions in the Middle East could jeopardize Soviet credibility in the Arab world. They have issued a series of high-level protests since the Israeli-Syrian clashes in 1982. Moscow eventually may publicize the new warning as a demonstration of its commitment to oppose "aggressive" US actions. 

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**JORDAN: Parliament Recalled**

*King Hussein's decree yesterday calling for a meeting next Monday of the long-dissolved lower house of parliament may be in part an effort to encourage PLO chief Arafat to enter peace negotiations.* [Redacted]

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The parliament, which was elected in 1967, consisted of 60 members—30 each from the East and West Banks. It was suspended in 1974 and dissolved indefinitely in 1976, partly because elections could not be held in the Israeli-occupied West Bank. In addition, the Arab League decision in Rabat naming the PLO the sole legitimate representative of Palestinians was interpreted in Jordan as precluding West Bank representation in parliament. [Redacted]

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Only 12 of the West Bank parliamentarians are actually resident there. According to press reports, seven have already traveled to Amman for the session on Monday without any interference from the Israeli Government. [Redacted]

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**Comment:** Public interest in reviving parliament has been growing over the last few years. Jordanians—East Bankers and Palestinians alike—have become frustrated by their lack of a voice in the councils of government. The King has resisted a recall of parliament for fear of seeming to challenge PLO legitimacy. [Redacted]

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Hussein may now believe that the existence of parliament, which could claim to represent the Palestinians if Arafat fails to reach agreement with him, might encourage Arafat to make the hard decisions necessary for entering peace negotiations. [Redacted]

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Arafat probably sees no immediate threat to his claim to represent the West Bankers, who view him as the only independent Palestinian voice. They are likely to accept the parliamentarians as their representatives in Middle East negotiations only if Arafat is seen as failing to seize an opportunity to end the Israeli occupation on favorable terms. [Redacted]

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**SURINAME: Strikers Defy Bouterse**

*Striking bauxite workers continue to reject Army Commander Bouterse's demand that they return to their jobs, and the hardliners appear prepared to remain on strike for weeks.* [redacted]

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The US Embassy reports that a large number of workers were prepared to work but were dissuaded by hardliners, who also threatened some administrative employees at the plant. According to the Embassy, the strikers have no recognizable leadership since the resignation of worker representatives who had been unsuccessful in negotiations with the government. [redacted]

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The management of Suralco received a letter from strikers on Wednesday asking that the plant be closed because their grievances were not being taken seriously by the government or union leaders. The strikers warned of "unfortunate consequences" if their request was not considered, leading a US manager to comment that their attitude is becoming more dangerous. [redacted]

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The Embassy believes that cabinet changes, including the removal of Finance Minister Caldeira as a face-saving solution, are likely. According to the Embassy, however, Caldeira's departure could prompt resignations by other members of Prime Minister Alibux's moderate socialist party and lead to the resurgence of the pro-Cuban radical party. [redacted]

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**Comment:** The hardliners among the strikers may not have enough support to continue the walkout. Many strikers have already demonstrated a desire to go back to their jobs, and this sentiment is likely to grow. [redacted]

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Changes in the cabinet will not solve the basic problems that led to the strike. The regime still needs to impose harsh austerity measures this year, and opposition among the population toward Bouterse may become more vocal. If he does change the cabinet, the pro-Cuban radicals may be in a better position to encourage a rapprochement with Havana. [redacted]

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**JAMAICA: Election Prospects**

*Lack of confidence in the economy and public disapproval of the call for snap elections on 15 December are likely to cost Prime Minister Seaga substantial support in local elections this spring.*

[Redacted]

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Voter approval of Seaga's Jamaica Labor Party, which grew following the Grenada intervention in late October, dropped from 43 percent to 32 percent in a survey conducted in early December after the opposition People's National Party announced it would boycott the election. Although only 1 percent of the voters switched to the opposition party, the uncommitted category rose from 19 percent of the electorate to 29 percent. Of those interviewed, 59 percent disapproved of Seaga's call for the early election using outdated voting lists, and 70 percent favored holding elections as soon as new lists are ready.

[Redacted]

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The poll indicates that the People's National Party would have captured at least 49 percent of the vote if it had not boycotted the election. If new voting lists had been used, the survey indicates that the youth vote would have helped the opposition win 55 percent of the vote.

[Redacted]

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Fifty-three percent expressed no confidence in Seaga's recently announced measures for economic recovery. In an effort to lower Jamaica's high unemployment and improve the ruling party's standing in rural areas, the government has proposed an emergency program of roadbuilding.

[Redacted]

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**Comment:** Elections for local offices, which have to be held this spring and will use the new voting register, will be widely viewed as a test for Seaga's economic policies. Seaga probably will have to wait at least another six months before the economy shows any signs of recovery as a result of the increased world demand for aluminum.

[Redacted]

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The government's ability to finance projects to create jobs, meanwhile, will be severely restricted by tough spending limits proposed under a new IMF program. The private sector, already disillusioned by the government's indecisive financial policies, is likely to wait until these reforms are carried out before making new investments.

[Redacted]

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**USSR-SOUTH AFRICA-ANGOLA: Soviet Warnings**

*Soviet public and private warnings to Pretoria against military action in Angola underscore Moscow's growing support for the regime in Luanda.* [redacted]

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An authoritative TASS statement yesterday accuses South Africa of trying to overthrow the Angolan Government. Moscow "resolutely demands" that Pretoria halt its military action and withdraw its troops from the area in southern Angola that it occupies as a buffer for Namibia. The statement does not threaten any Soviet action but calls for international pressure on South Africa. [redacted]

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An unusual private warning to South Africa in November, revealed by Pretoria on Wednesday, had cited the USSR-Angola treaty of friendship. The Soviets said Moscow would give Luanda all the support necessary to protect its territorial integrity. Recent press commentaries have also claimed that the USSR "will not leave the Angolan people in their time of trouble." [redacted]

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**Comment:** These warnings reflect Soviet concern over the deteriorating security situation in Angola. Moscow and Havana have significantly expanded deliveries of military aid for the government's defense against South African attacks and South African-backed guerrillas. The TASS statement, which was prompted by the recent South African offensive in southern Angola, probably was authorized before Pretoria revealed the private Soviet approach. [redacted]

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The Soviets presumably are prepared to expand their military deliveries further and perhaps to endorse sending additional Cuban combat troops. Nevertheless, Moscow probably is worried about the long-term prospects for the Luanda regime and about the increasing cost of supporting it. The Soviets already fly logistic support in Angola, but they are unlikely to assume a direct combat role. Cubans can operate the most advanced Soviet weapons likely to be needed in Angola. [redacted]

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The recent South African offensive came after the private Soviet warning in November. Pretoria is unlikely to be intimidated by the Soviet warning yesterday. [redacted]

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**NETHERLANDS: Patriot Procurement Developments**

*The State Secretary in the Ministry of Defense is pressing hard for US concessions on Dutch procurement of the Patriot air defense system.* [Redacted]

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Secretary van Houwelingen informally told the US Ambassador that an agreement on the procurement has to be made by the end of his visit to the US next week in order to gain budgetary approval and allow a response to the US manufacturer's offer. Van Houwelingen, who has the authority to make the final Patriot decision, implied that the Dutch may cancel or indefinitely defer their purchase if an agreement is not reached. He also linked an agreement on the Patriot to future purchases of other US military hardware. [Redacted]

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**Comment:** The Netherlands has already begun dismantling its old Nike-Hercules air defense system, and the Patriot has to be ordered soon to prevent gaps in the Dutch sector of NATO's integrated air defense system. The Dutch are hoping for an arrangement that would include substantial US Government offsets similar to those provided in the US-West German air defense agreement signed last month. Dutch dissatisfaction with the way the "two-way street" has functioned, following US decisions not to purchase Dutch minesweepers or aircraft, has probably also added to their harder line on offsets for this purchase. [Redacted]

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The Dutch probably will eventually buy the Patriots, especially because cancellation of the deal would lead to heavy criticism within NATO. They will press for a substantial offset package that will alleviate budget difficulties and assuage domestic and parliamentary concerns. If an agreement is not reached with van Houwelingen next week, however, Prime Minister Lubbers probably will be ready to discuss the topic during his visit later this month. [Redacted]  
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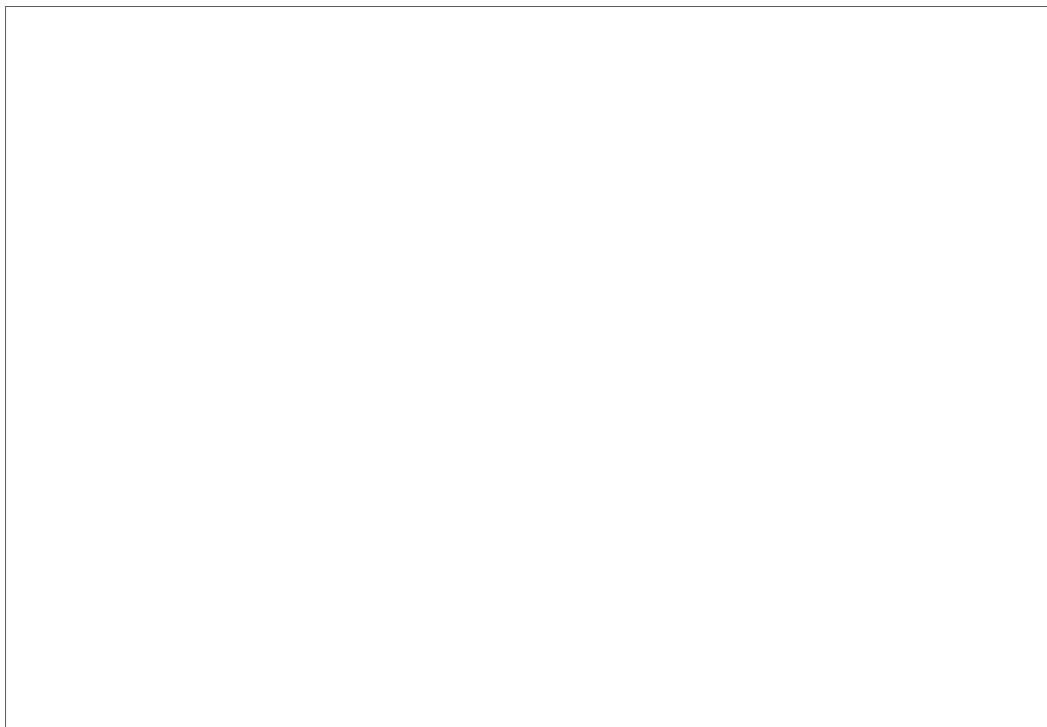
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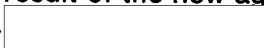


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**ITALY-US: Potential Losses of Technology**

A recent agreement between the Olivetti company and a large US telecommunications firm to buy 25 percent of Olivetti provides the Italian firm with the European distribution rights to the US company's advanced telephone systems, software, and microprocessors. Olivetti's recent investment in other US firms is providing it with early access to large-scale integrated circuits, vertical magnetic recording storage disks, linear integrated circuits, optical storage systems, third-generation digital communications processors, and other new technologies. 

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**Comment:** Olivetti has extensive dealings with the USSR and other East European countries, and the new agreement could result in the illegal transfer of advanced US technology. Recently, at a Moscow trade fair, Olivetti sold to the USSR a US-origin computer-aided design system for integrated circuit design and manufacture without obtaining a reexport license. The system was produced by another US firm with which Olivetti has the sole distributorship in Europe. The potential for similar losses of advanced technology in the US may increase as a result of the new agreement between Olivetti and the large US firm. 

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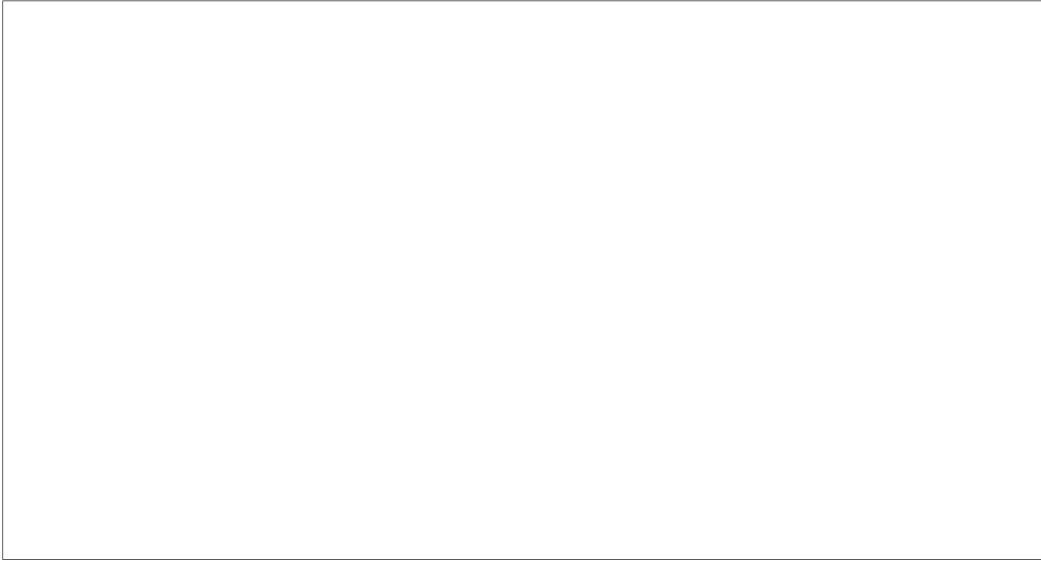
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**USSR-US: Moscow Shuns Trade Hearings**

Moscow will not participate in the International Trade Commission hearings scheduled today to examine US allegations that the USSR illegally entered and disrupted the US ferrosilicon market, including setting prices below cost. A senior Soviet foreign trade official recently indicated to US Embassy officials that the USSR would not attend the hearings, and the Soviets did not come to a preliminary meeting last month. The official expressed concern that, if the US position is upheld by the Commission, it would hurt the Soviet export market. While ferrosilicon exports have not earned substantial foreign exchange for the USSR, US industry officials say that the Soviets had planned to increase sales in the US, and they estimate that their low prices could have enabled them to capture some 15 percent of the US market in just over two years. 

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**Comment:** The Soviets probably believe that the inquiry is politically motivated rather than primarily a commercial measure. Moscow apparently views the hearings, which follow the recent US ban on Soviet nickel imports, as designed to restrict the Soviet export market rather than to protect the US domestic market. 

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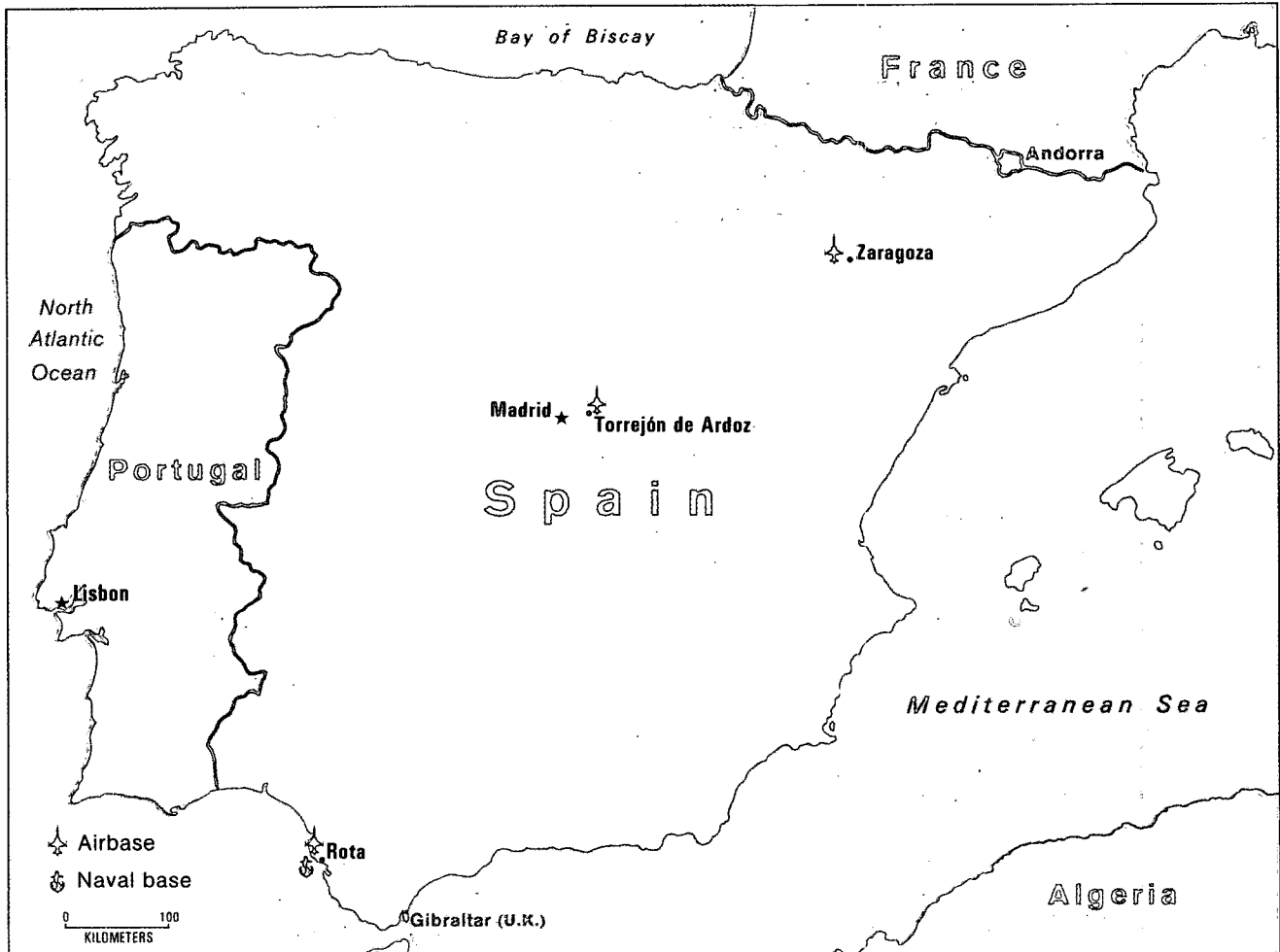


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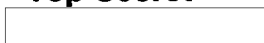


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**USSR-SPAIN: Soviet Pledge on Nuclear Missiles**

A Soviet general who advised the USSR's delegation to the Geneva INF talks recently told a Spanish newspaper that the USSR would not target nuclear missiles against Spain as long as it remains "denuclearized." He said that, in spite of Spain's accession to NATO and the presence of US bases, the USSR considers Spain a neutral country and seeks good bilateral relations. [Redacted]

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**Comment:** The USSR has long maintained that it would not target nuclear missiles against any country not having nuclear weapons, but it has recently reemphasized that pledge to some NATO countries in an apparent effort to limit INF deployments. The general's statement reflects Moscow's reluctant acceptance of the current Spanish Government's evident desire to remain in NATO and consider future integration into the military structure. Moscow recognizes that US nuclear weapons are not deployed or permanently stored in Spain at this time. The statement appears tacitly to accept the fact that the US airbases at Zaragoza and Torrejon and the naval base at Rota periodically handle nuclear-armed aircraft and ships. [Redacted]

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[Redacted]

**MOROCCO: Growing Unrest**

Security forces in Casablanca, Morocco's largest industrial center, have been put on increased alert because of mounting tensions in the poorer sections of the city. [Redacted]

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[Redacted]

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[Redacted] Last Sunday the government increased the price of petroleum fuel products by an average of about 10 percent. [Redacted]

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**Comment:** Morocco's poor and unemployed now comprise 25 percent of the available work force nationwide. Criticism of the austerity program has been limited thus far, however, by the government's assurances that the burden will be shared equitably. In addition, the regime has been encouraging the view that Morocco's economic woes are the result of the Saharan war—a popular, nationalist cause. Security concerns have been heightened by the recent riots in Tunisia, and government officials do not want to be embarrassed by public disorder during the Islamic Conference Summit in Casablanca, which begins on 16 January. [Redacted]

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## **Special Analysis**

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### **USSR: Ocean Research for Strategic Goals**

*The USSR's large commitment to oceanographic research will result in better ASW capabilities, improved weather forecasts, a more efficient worldwide fisheries industry, an improved capacity to locate oil and gas resources, safer maritime transportation, and the development of a deep sea mining expertise.*

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The ocean research program has grown from a limited effort in the late 1950s to the largest in the world. The basic and applied ocean research carried out by numerous military and civilian organizations supports a number of the USSR's economic, political, and military interests.

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The research is conducted worldwide, but it is usually concentrated in areas of greatest scientific and strategic interest to the USSR, such as the Northern Atlantic, Norwegian Sea, and Barents Sea and the Northwest Pacific—Sea of Okhotsk areas. Recently Soviet researchers have become active in the Indian Ocean. They also have studied ocean circulation and temperature off the US East Coast, often with US cooperation.

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The USSR has more than 200 oceanographic ships with about 100 more in fishery research. In contrast, the US has fewer than 60 ships. The Soviet fleet is newer than the US fleet, and some of their newest ships are better equipped.

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In addition, the Soviets have a sizable fleet of deep-diving submersibles for research and military activities. Five submersibles were used in attempts to salvage the downed South Korean airliner.

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The Soviets have launched five satellites related to oceanography. The USSR claims that the most recent satellite—COSMOS-1500, which was launched in September—has an imaging radar that is used to map icefields and ocean thermal discontinuities.

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The satellites permit the study of vast areas of the world oceans. They help make repeated measurements in a short time. Satellites can collect data on ocean temperatures, circulation, internal and surface waves, ice distribution, and biological productivity for use in ASW research, maritime transportation, weather prediction, and fisheries.

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**Economic and Political Interests**

The Soviets conduct ocean research in support of their fishing fleet—the world’s largest—and their offshore oil, gas, and minerals productions. They are trying to increase their marine food sources by studying marine life and by searching for new fishing areas and species of food sources. Recently, the Soviets have increased fishery research in the Southern Hemisphere, often in cooperation with Third World nations, to obtain access to new fishing areas. [Redacted]

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The USSR has offered to conduct research in the exclusive economic zone of many Third World countries. The Soviets share the data, earning good will and receiving political concessions. [Redacted]

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**Outlook**

The Soviets see great long-term value from ocean research, and they will continue to improve the technology and methodology of their ocean research. They have boasted of plans for a network of satellites and automated instrumented buoys to “monitor the oceans.” They probably will orbit more advanced oceanographic satellites, but such a network is unlikely for at least 10 years. [Redacted]

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Study of the influence of the ocean on weather may bring the USSR closer to fulfilling its goal of accurate, long-term weather prediction and weather modification. The Soviets will increase their chances of controlling oceans resources and strengthening their military position through improvements in traditional submarine operations and mine warfare. As in the past, ocean research is likely to lead to new, unforeseen military techniques. [Redacted]

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