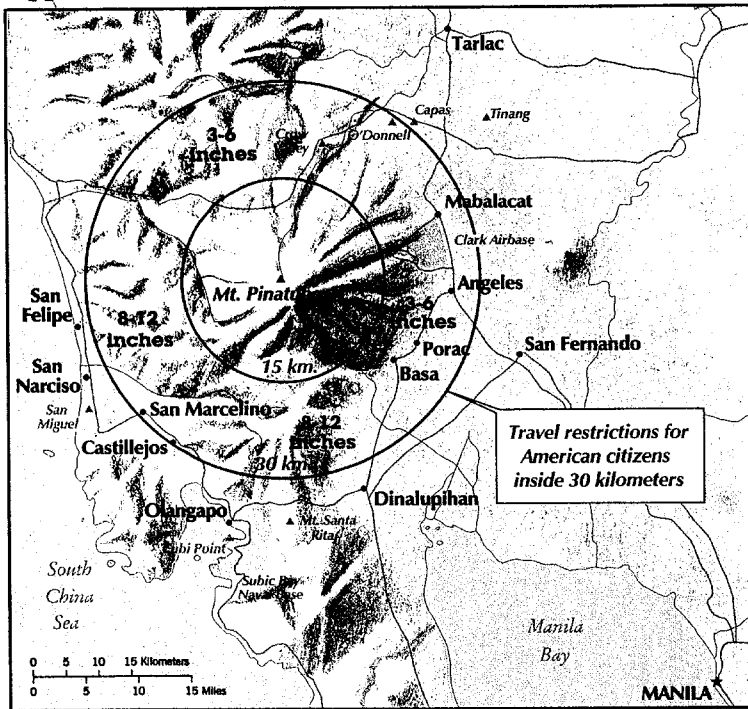






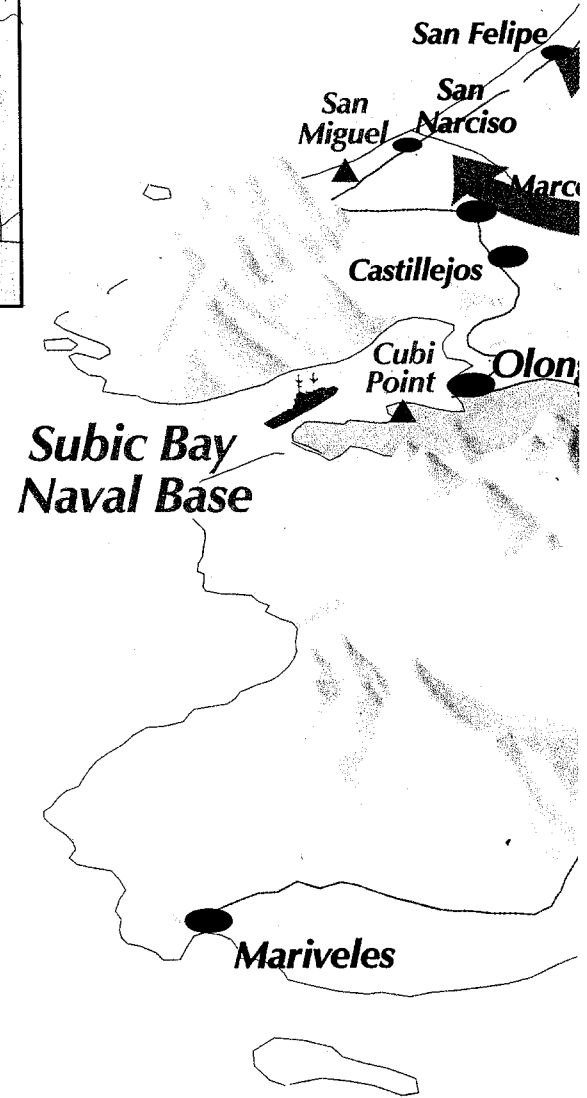
### Approximate Ash Depth



### Mt. Pinatubo

-  Heaviest ash (depth range)
-  Mudflow (approx.)
-  US facility
-  Road

Vertical exaggeration



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26 June 1991

~~Top Secret~~**ROMANIA: Mixed Signals on Legal Reform**

The Romanian legislature's recent preliminary approval of some constitutional provisions and of a national security law suggest the ruling National Salvation Front may be growing more attuned to Western human rights concerns. Romanian opposition groups and international observers alike have been generally positive about the constitutional provision, and the legislature dropped some potentially authoritarian provisions. For example, it deleted an earlier draft provision banning ethnically based political parties—which could have been used to outlaw the country's strongest opposition party, the Hungarian Democratic Union. Some opposition groups, however, have claimed the national security law gives the security services too much power. [redacted]

**Comment:** Romania's dismal economic situation and desperate need for foreign aid probably explain the greater responsiveness to human rights concerns. Potential loopholes remain, however, and the key will be the way provisions are interpreted during implementation. Hardliners are likely to resist reforms in the national security law, and the regime may be reluctant to refuse their demands, even though its need for Western aid will increase as continuing economic turmoil threatens broader social unrest and a further decline in the ruling Front's popularity. [redacted]

**ZAMBIA: Economic Pressures Growing**

Severe food shortages could cause serious unrest in Lusaka over the next month, inducing President Kaunda to postpone the multiparty election planned for October. Last month he told international donors he had to contravene IMF conditions by continuing to subsidize corn, the Zambian food staple, to preserve stability for the election. Low, government-controlled producer prices have prompted farmers to hoard corn, which probably will run out in Lusaka this week [redacted]

**Comment:** The prospects for urban unrest will grow if Kaunda is unable to persuade farmers to release their corn stocks or cannot obtain supplies abroad. Although price hikes on corn have caused riots in the past, cutting food subsidies and raising producer prices may be the only way to induce the release of stocks. By refusing to abide by IMF conditions, Kaunda risks losing more than \$100 million in donor aid. Postponing the election would increase the potential for unrest. Zambia's key opposition party is stronger than the ruling party in urban areas, and the opposition's main constituency—young urban males—would be likely to take to the streets if denied the vote. [redacted]

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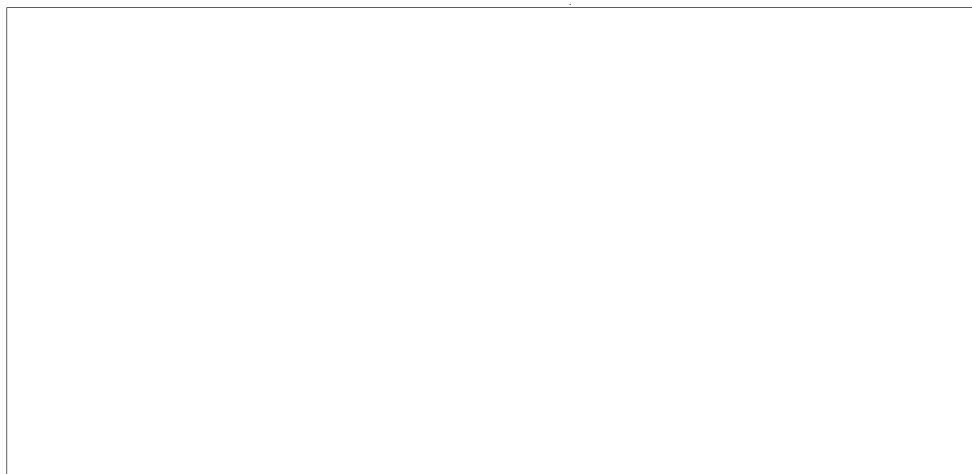
### In Brief

#### Middle East

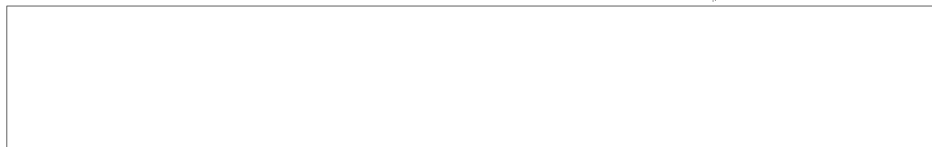
— UN Human Rights Commission, at US urging, appointed Max van der Stoep to lead investigation of human rights abuse in Iraq . . . respected human rights activist who last year expressed concern about Saddam's hunger for power. 


#### Asia

— Cambodian Supreme National Council meetings continuing in Thailand . . . Khmer Rouge qualifying Sihanouk's proposals on cease-fire, moving SNC to Phnom Penh . . . probably fear SNC departing from UN plan to accommodate Phnom Penh. 



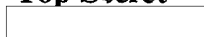
#### Americas



— Cuban Communist Party Secretary Aldana arrived in USSR yesterday . . . most senior party official to visit in almost four years . . . suggests Havana increasingly concerned with tenor of ties to Moscow. 



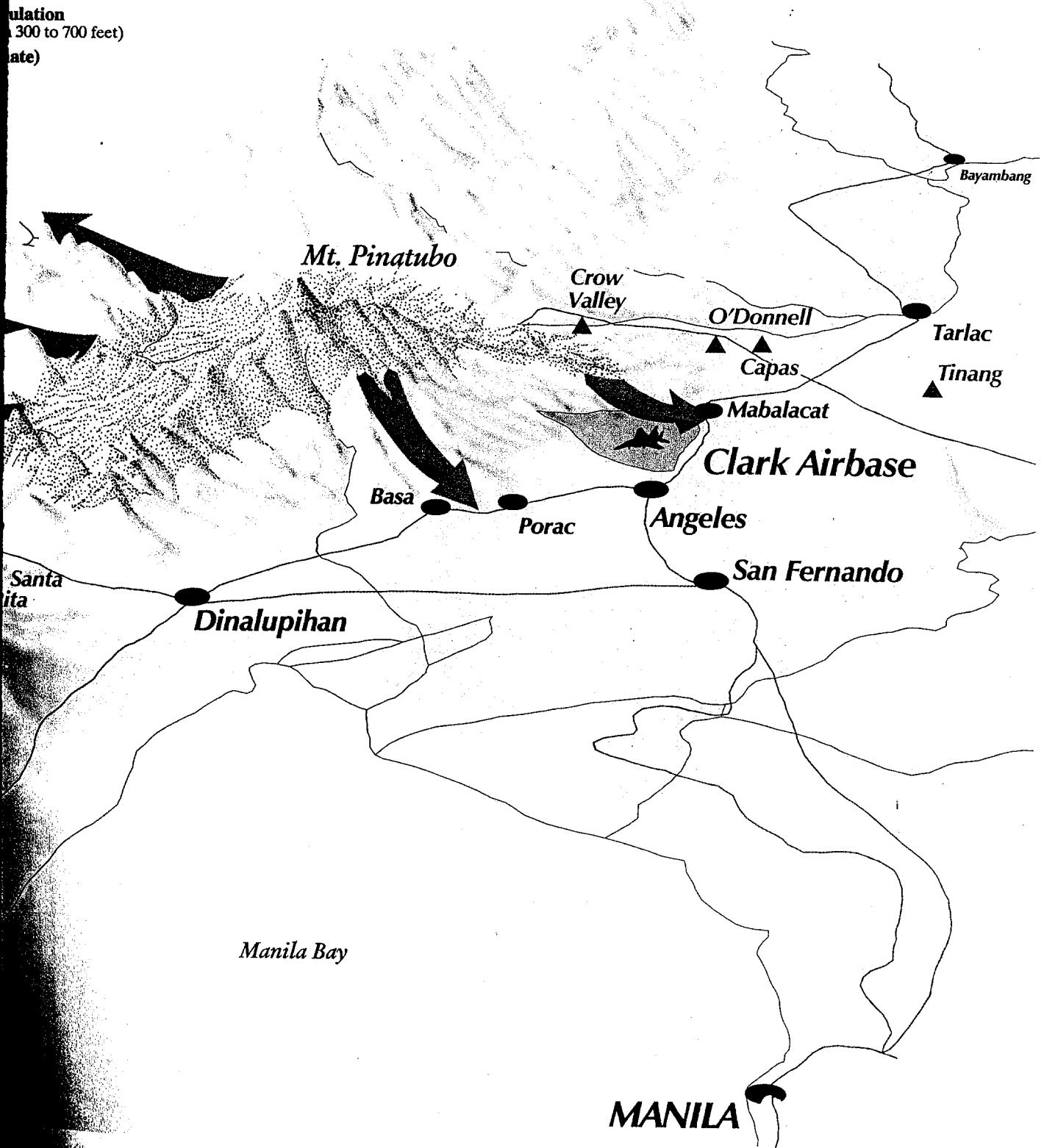
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26 June 1991

# Area, Philippines

Population  
(300 to 700 feet)  
(date)



~~Top Secret~~

USSR:

**Situation Report**

*Traditionalists continue to mount opposition to Gorbachev as he makes a gesture to reformers; meanwhile, nationalist opposition to the union treaty in the Ukraine is growing.* [redacted]

**Gorbachev Facing New Challenges**

Leaders of 11 Siberian Communist Party organizations yesterday criticized the Soviet leadership for promoting unpopular and unconstitutional policies, according to TASS. They called for an immediate meeting of the Russian Communist Party Central Committee and an extraordinary congress of Russian Communists to adopt a program for the Russian party. At a news conference Monday, Soyuz leaders declared their opposition to the union treaty and criticized Gorbachev for his inadequate leadership. One leader said Soyuz had collected more than the 450 signatures required to convene an extraordinary Congress of People's Deputies to call Gorbachev to account but would not formally raise the issue of convening a congress in the USSR Supreme Soviet until the group had 1,000 signatures. [redacted]

**Comment:** As Gorbachev continues to cooperate with reformers, traditionalist opposition is growing more strident, despite his success in beating back the challenges to his leadership. Several Siberian party organizations had called for convening a larger Communist Party congress to remove Gorbachev before last April's Central Committee plenum. They are now trying to mount a new attack from within the more hardline Russian party organization but face an uphill battle because its rank and file is deeply divided. Soyuz leaders evidently are cautious about pressing their campaign to remove Gorbachev as President in the wake of their humiliating defeat in the Supreme Soviet on Friday. [redacted]

**Gorbachev Issues Decree on Military Councils**

On Monday TASS reported that Gorbachev signed a decree that extends membership in military councils in the USSR armed forces, the KGB, the Interior Ministry, and railroad troops to government leaders in republics, regions, and territories, subject to presidential approval. As in the past, the commanders at each echelon of the military structure will continue to chair councils and to be part of the permanent decisionmaking body in each organization. [redacted]

*continued*~~Top Secret~~[redacted]  
26 June 1991

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## Special Analysis

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### PHILIPPINES: Impact of Eruptions on Economy

*Preliminary assessments indicate the heaviest damage occurred within 30 km of Mt. Pinatubo. Concerns about possible mudflows and additional eruptions are delaying reconstruction and restoration of services in nearby urban areas. Over the long term, changes in the level of operations at Clark Airbase and Subic Bay Naval Base will have a broad impact on both the local and national economies.*

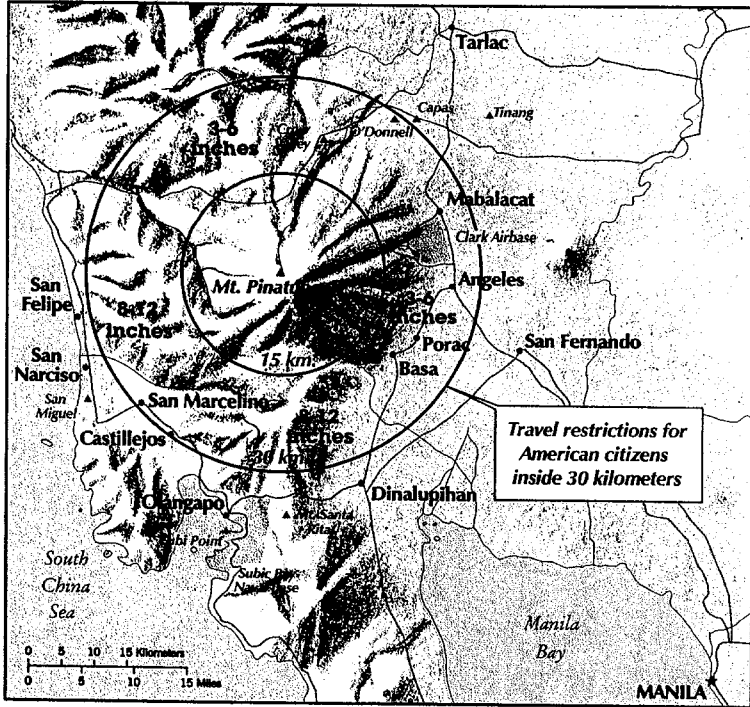
US and Philippine scientists believe the most violent eruptions have ended, although the volcano will pose a threat for two or three more years. The immediate concern is that ash deposits on the volcano's slopes—hundreds of feet thick near the peak—may form dangerous mudflows, especially now that the annual monsoon rains have begun. The rains will continue until October, and at least two tropical storms, with high winds and heavy rainfall, are likely this year. Dams can be built to divert the mud, but in some areas this might cause new problems by sending the mud through adjacent towns. Mudflows already have destroyed major bridges at the base of the volcano, severing important road links near Clark.

The areas suffering most economically are Angeles and Olongapo. At least 200,000 people there have been displaced, and the local governments must help replace destroyed housing, public buildings, markets, and utilities. Moreover, these cities depend heavily on business from the nearby US military facilities. Olongapo businessmen reportedly are awaiting the outcome of the base negotiations before rebuilding.

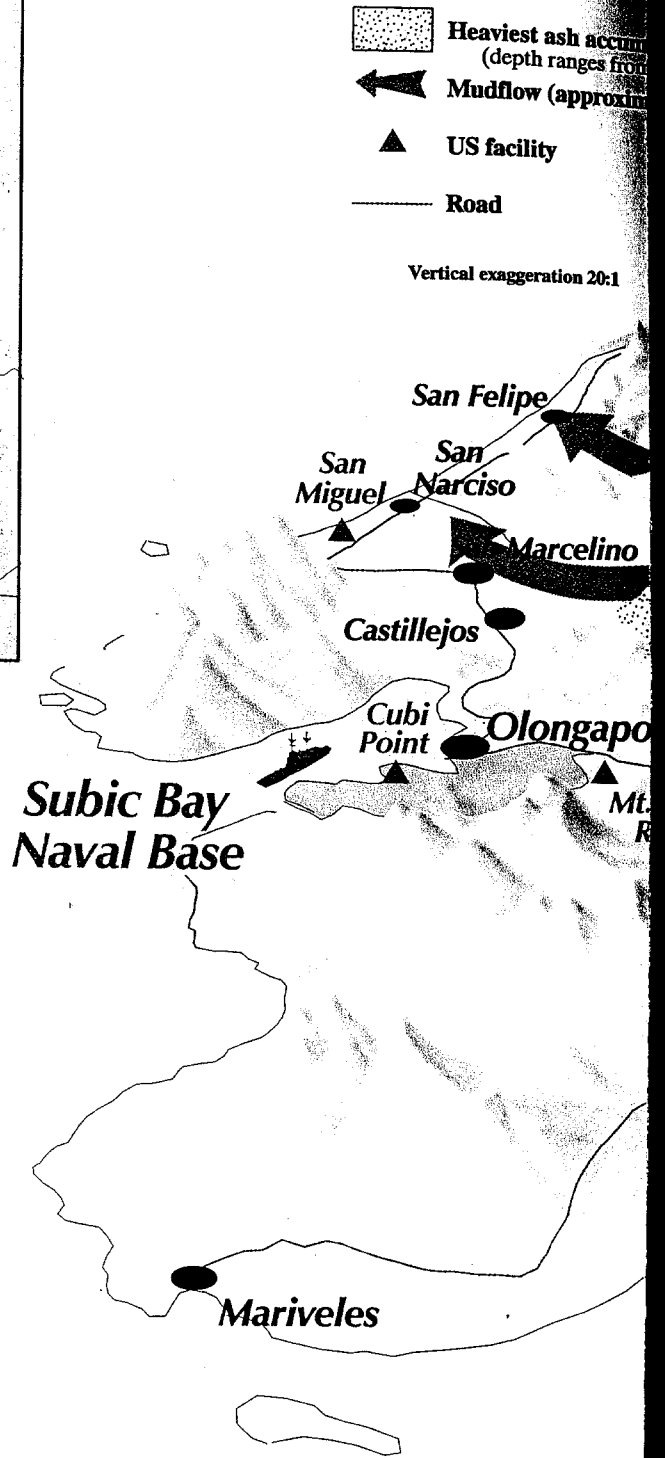
Because of ash buildup, the country's annual rice production probably will be reduced by 1 to 3 percent, a loss of about \$10-30 million. Farmers as far as 60 km from the volcano may incur serious long-range damage from flooding caused by silted irrigation systems and from the inability to plant rice on land covered by two or more inches of ash. Agriculture losses are not, however, critical to national production.

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### Approximate Ash Depth



### Mt. Pinatubo Area



South  
China  
Sea



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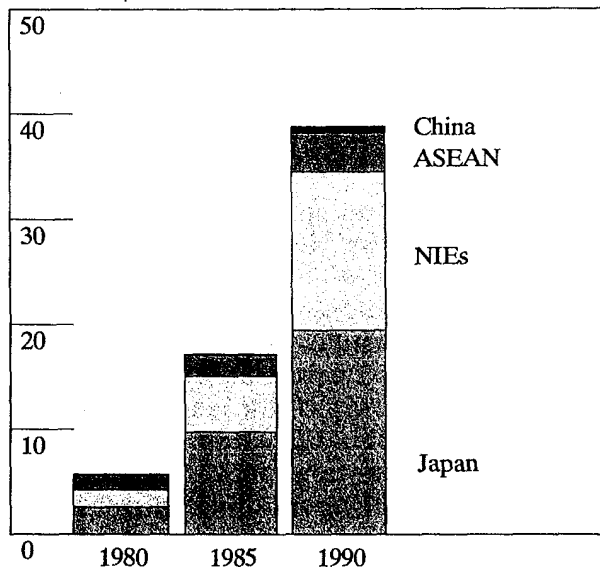
26 June 1991

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**East Asia's High-Technology Exports to the US**

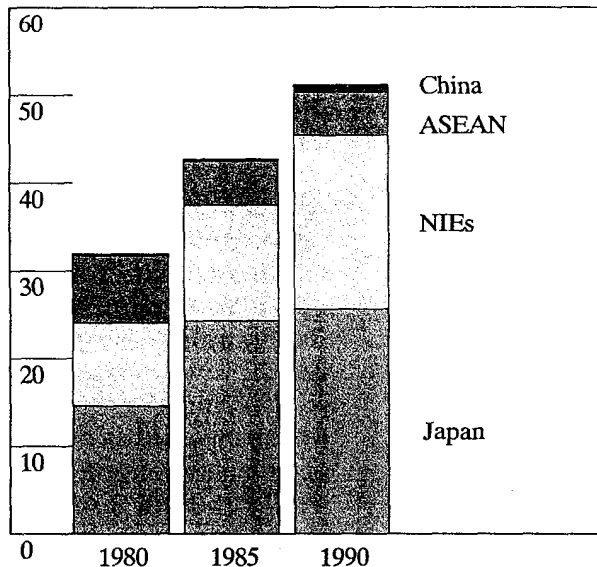
**Value**

*Billion US \$*



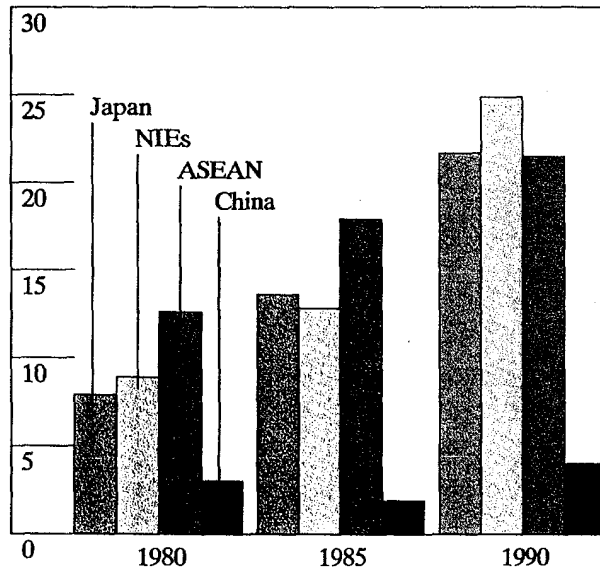
**Share of US High-Technology Imports**

*Percent*



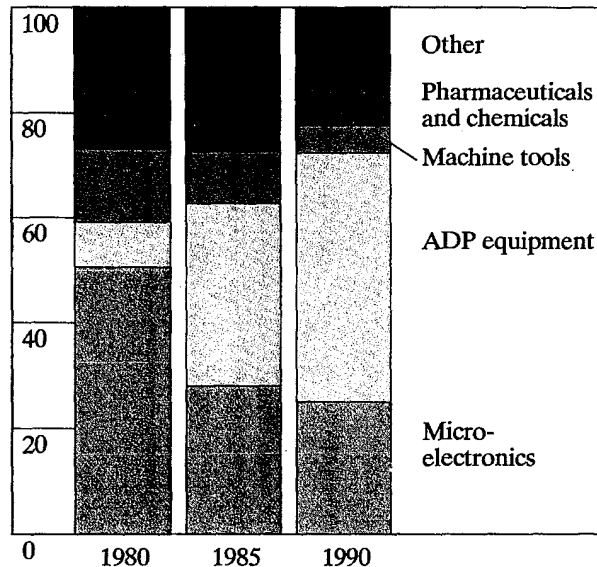
**Share of Total Exports to US**

*Percent*



**Product Mix of High-Technology Exports to US**

*Percent*



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## Special Analysis

USSR:

### Republics Creating Paramilitary Organizations

*The Caucasus and Baltic republics, as well as Moldova, are developing paramilitary and security groups independent of the Soviet central government. Georgia and, to a lesser degree, Armenia and Lithuania have already established such groups, which could complicate any effort by the center to assert its control with force.* [redacted]

Several Soviet republics are sponsoring paramilitary groups and building security groups ranging from police units to aspiring territorial defense armies. Most are limiting these groups to police and peacekeeping functions, but some are creating more conventional military units that could be used not only against ethnic groups or neighboring republics but also against Soviet security and military forces trying to curb republic independence efforts. [redacted]

### Other Republics Not Far Behind

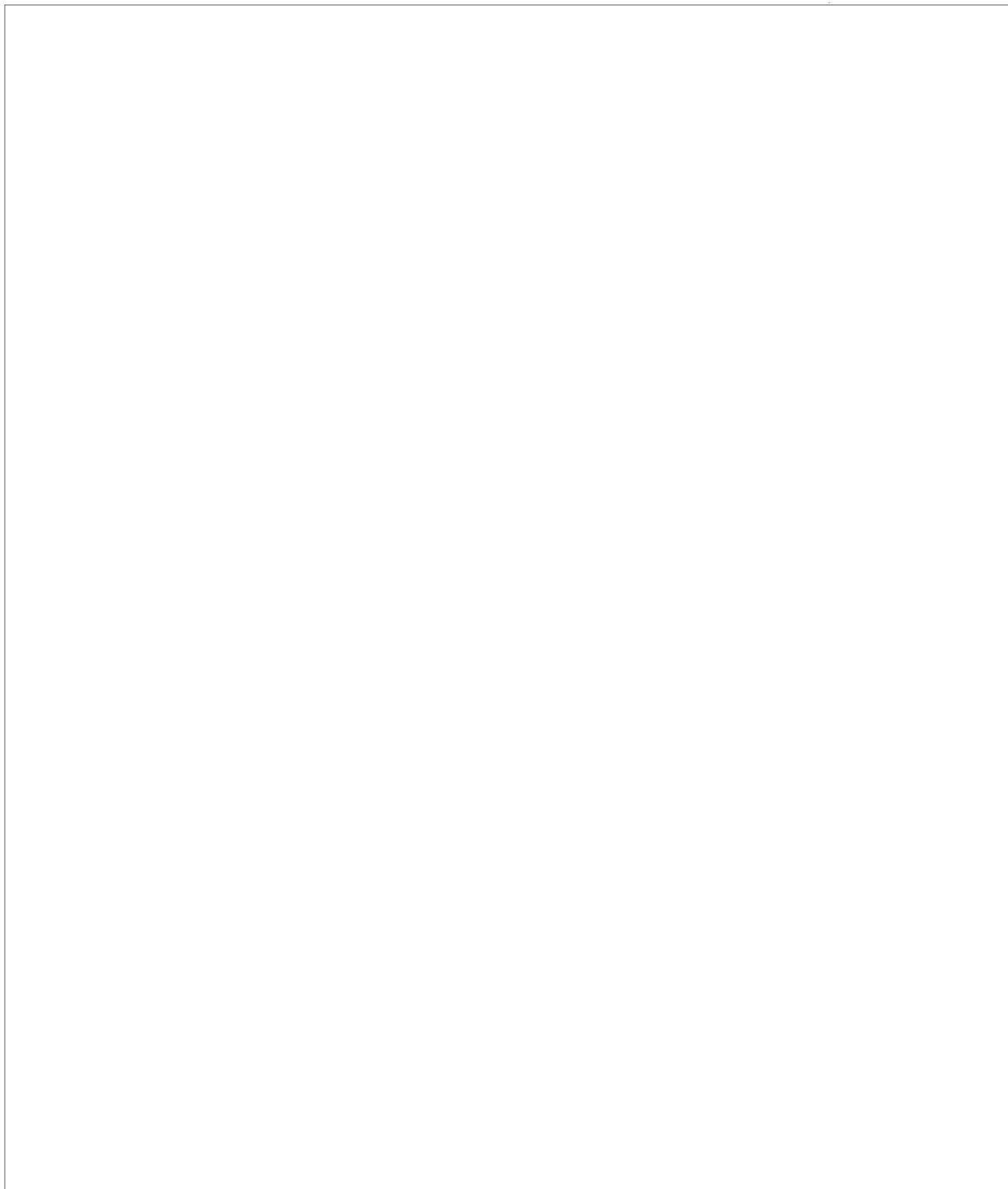
**Estonia, Latvia, Moldova, and Azerbaijan** are not building military formations but are improving their republic militias and setting up other new paramilitary groups. In addition to traditional police tasks, some of these groups are being used as border guards and as security forces with many of the same tasks as those of the Soviet Interior Ministry (MVD) troops. None of the republic groups is subordinate to the all-union MVD, and all are organized specifically to respond to republic directives. [redacted]

The Ukraine and Belorussia, while not pressing as hard as the breakaway republics, have declared their right to create republic military units. Neither, however, appears likely to do so in the near

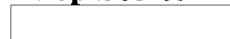
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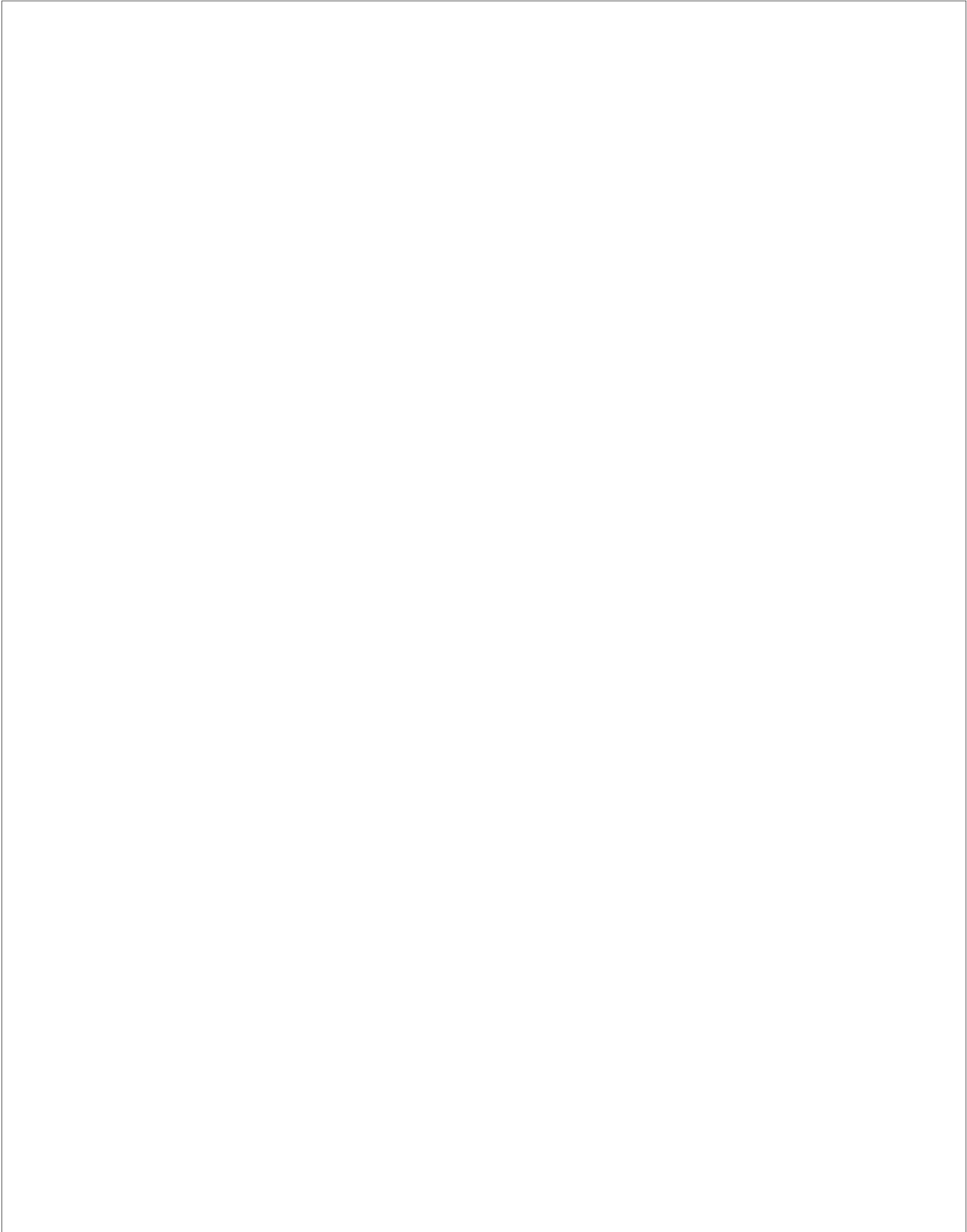


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26 June 1991

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[Redacted]



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[Redacted]  
26 June 1991

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**Comment:** The move probably is a response by Gorbachev to the demands of reformers and republic leaders for more involvement in defense decisionmaking. Civilian membership will transfer to elected officials, instead of being reserved for the Communist Party. However, because the councils remain subordinate to the central government and under the supervision of the chiefs of the respective security organizations, hardliners are still guaranteed effective control over security policy. [redacted]

**Ukrainian Strike  
Committees  
Challenge Union  
Treaty**

A session of the All-Ukrainian Strike Committee ended Sunday with a warning that strikes will be considered a viable option if worker demands are not met and if the union treaty is signed. [redacted]  
[redacted] this new committee unites separatist forces from the west with the labor movement for the first time. [redacted]

**Comment:** The formation of this committee is further indication of the inroads proindependence forces are making into Ukrainian public opinion. As nationalist sentiment increases in the republic's populous eastern region, Ukrainian Chairman Kravchuk's maneuvering room for compromise with Gorbachev on a union treaty will be reduced. [redacted]

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[redacted]  
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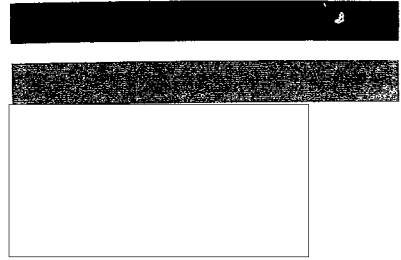
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26 June 1991

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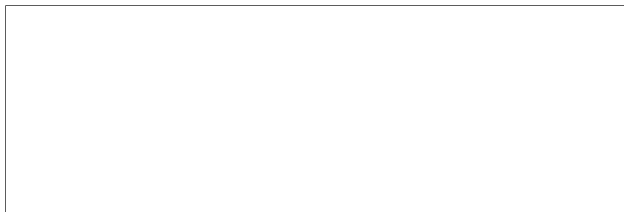
*Susan*

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(b)(3)

Director of Central Intelligence

# NATIONAL INTELLIGENCE DAILY

Wednesday, 26 June 1991

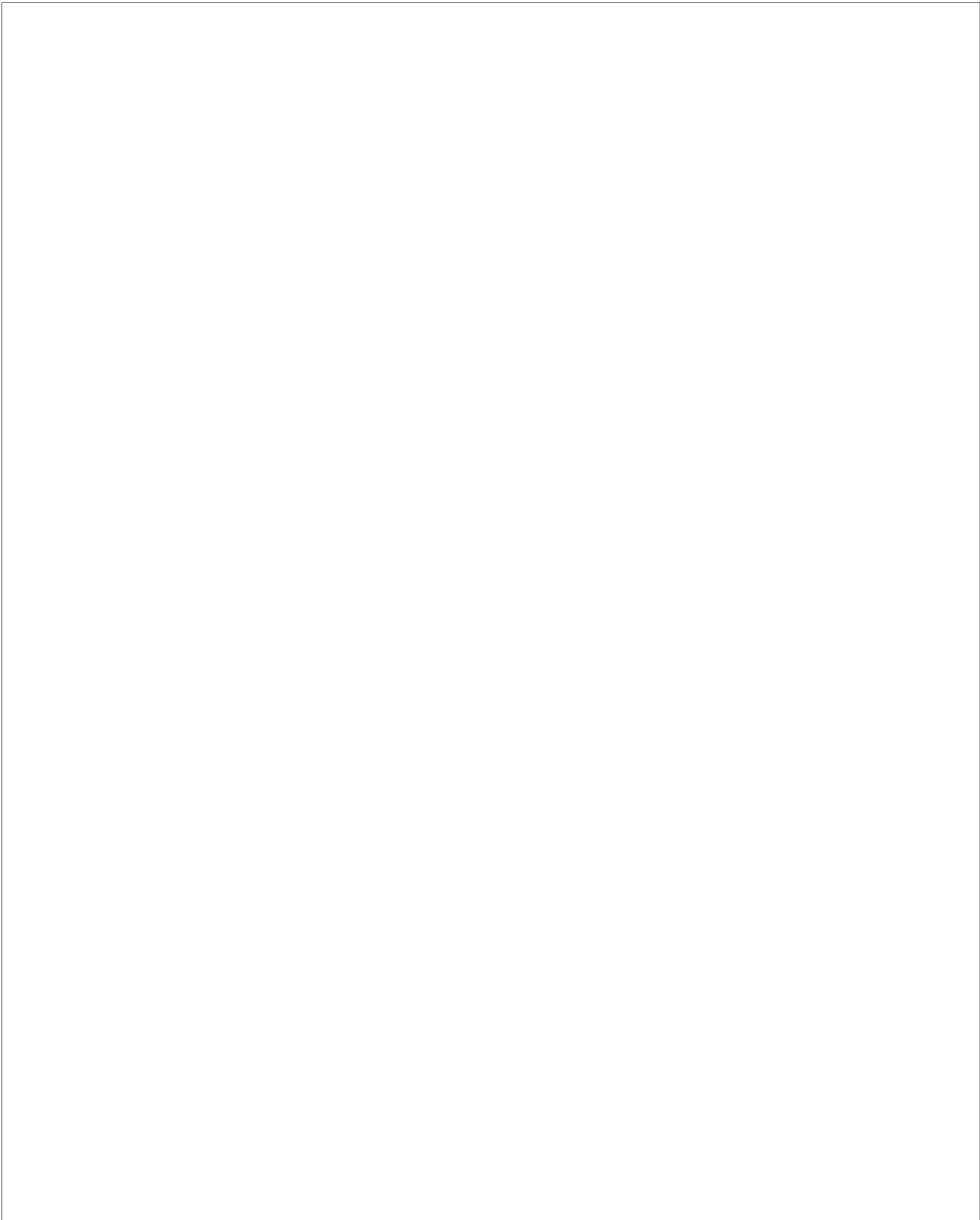


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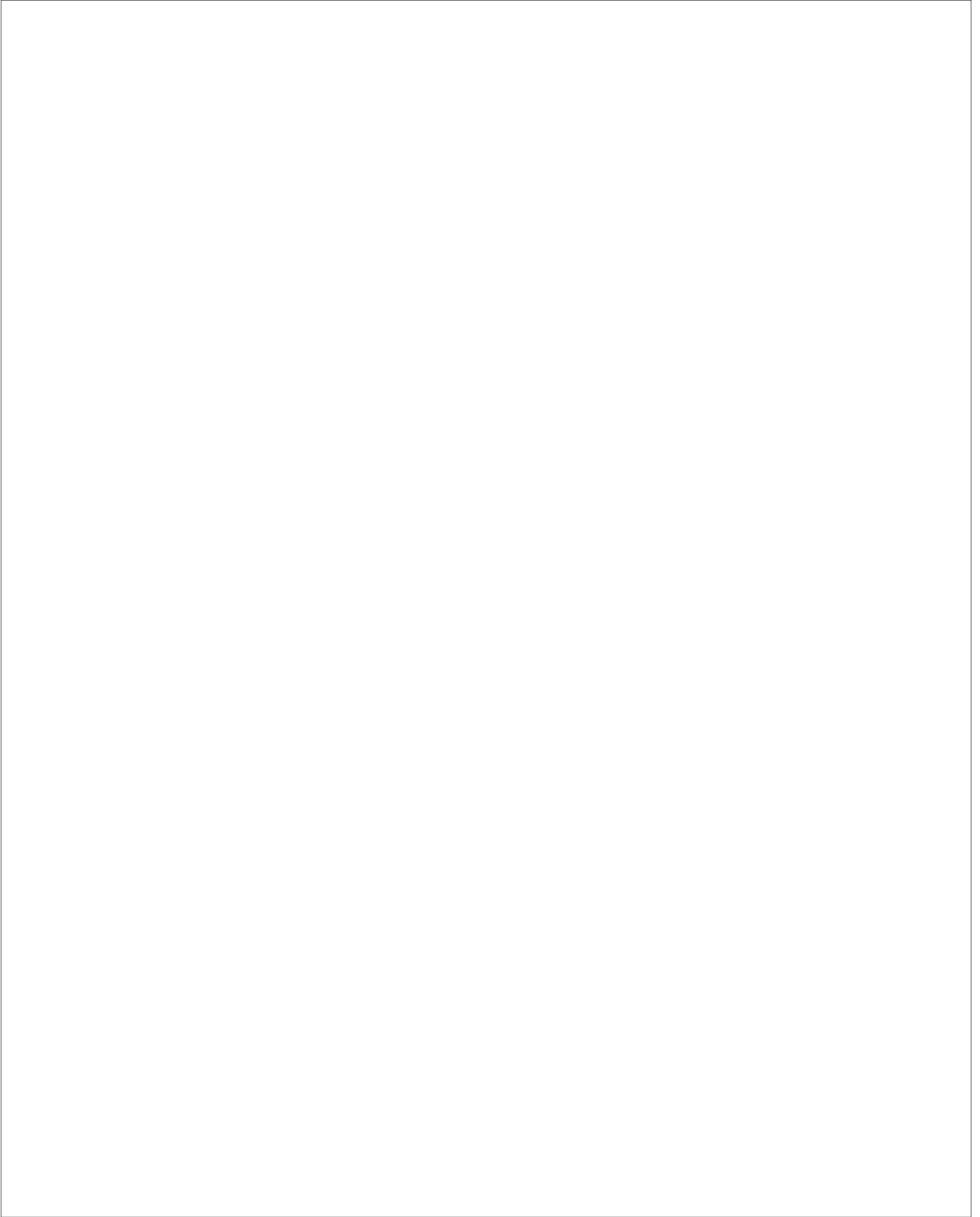
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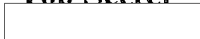
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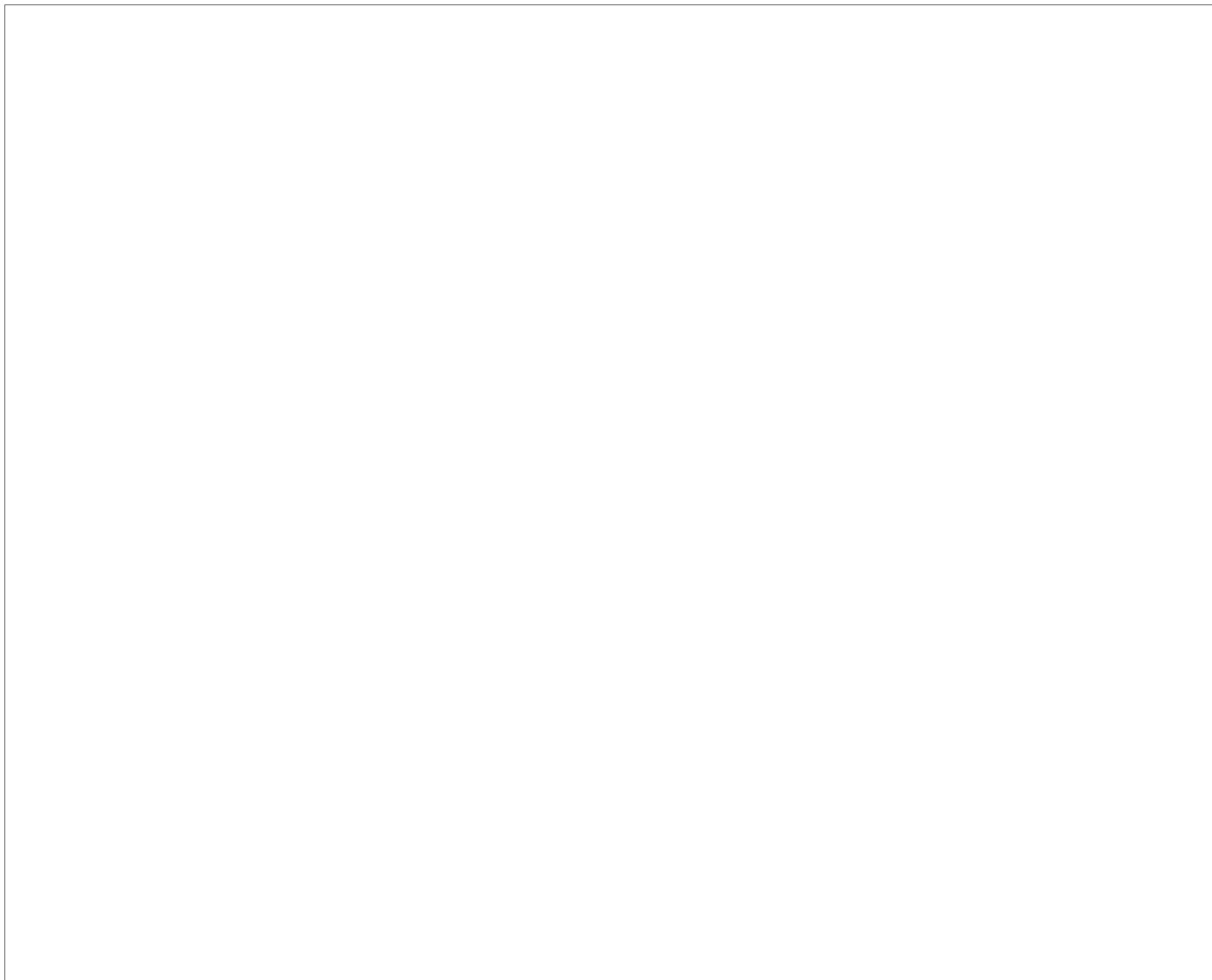
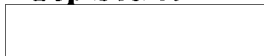


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[redacted]

**YUGOSLAVIA: Croatia and Slovenia Declare Independence**

*In moves that begin the formal dissolution of Yugoslavia, Croatia yesterday declared symbolic independence, and Slovenia adopted more forceful articles of secession that will take effect today.* [redacted]

Croatia declared itself a sovereign state but said the separation process is only beginning. The republic legislature also adopted a bill of minority rights. Republic leaders admitted that most enabling legislation is unfinished, and the legislature ordered steps that fall short of full independence. For example, the republic delegation will withdraw from the lower house of the federal legislature but remain in the upper house, and Croatia's representative will remain on the paralyzed federal Presidency. The republic also will allow the federal government to continue unspecified operations in Croatia and will accept federal laws not yet replaced by republic ones. [redacted]

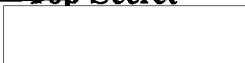
Slovenia today will legally separate from the federation. The republic reportedly will withdraw all legislators from Belgrade, dispatch a negotiating team, and remove its representative from the federal Presidency while allowing him to attend any meetings as an envoy. Slovenia also will bar enforcement of the federal Constitution and take control of the customs service, civil aviation system, and telecommunications agency. In addition, the Slovenes are to start operations of an independent republic central bank and begin checking travel documents at posts on the border with Croatia. [redacted]

**Comment:** Although Slovenia is moving more aggressively toward independence, Croatia's action is more likely to spark violence. Serbs are unlikely to be placated by the Croatian bill of rights and may put into motion plans to join Serb-populated regions of Croatia to the Serbian Republic. Federal authorities probably will wait to gauge how much control they have lost before deciding on a response. [redacted]

[redacted]

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[redacted]  
26 June 1991

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26 June 1991

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**USSR: Armenian Presidency Created**

After several months of consideration, the Armenian legislature reportedly voted yesterday to establish the post of republic president and hold a popular election on 16 October. Legislative Chairman Ter-Petrosyan said the post is needed to dismantle ineffective Communist structures and to bolster the confidence of the center and other republics in the Armenian government's ability to govern. Russian Radio reported yesterday that a crowd of 10,000 gathered in Yerevan's central square and called for the dissolution of the Armenian legislature, new multiparty elections, and the election of a republic president.

**Comment:** The legislature's action, coming at a time when Ter-Petrosyan still enjoys broad popular support, will help consolidate his position and probably secure his election. The republic leadership appears to be maneuvering against radical nationalists who are agitating for immediate republic independence and against Ter-Petrosyan's less confrontational strategy of complying with the union law on secession. Although the radical nationalists do not now seriously threaten Ter-Petrosyan, their increasing involvement in public demonstrations and inflammatory rhetoric indicates their support may be growing.

**USSR: Baltic Republics Addressing Property Claims**

All three Baltic republics this month passed laws recognizing the ownership rights of pre-1940 property owners or their heirs. Lithuania's law—the most far reaching—calls for transfer of or compensation for all land, housing, and commercial buildings within 10 years but applies only to Lithuanian citizens. Latvia will transfer ownership of housing to pre-1940 owners regardless of citizenship. Estonia has called for the return of property or compensation but has not addressed citizenship.

**Comment:** The actions are designed to win political support, investment, and the possible return of Baltic emigres, but they almost certainly will cause legal clashes with current property holders—many of whom are Russians and Poles—complicate privatization efforts, and aggravate tension especially among ethnic minorities, who may fear relocating because of housing shortages. Vilnius's requirement for Lithuanian citizenship will draw criticism from the center.

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[redacted]

future. Ukrainian President Kravchuk has asserted that all-union MVD units based in the Ukraine should come under republic authority but has emphasized that the republic does not intend to alter its participation in all-union military forces. Unsanctioned proindependence paramilitary groups, however, are operating in the western Ukraine. [redacted]

### **Problems and Prospects**

All the republics trying to create security and paramilitary organizations face a shortage of funds, limited arms and equipment, and inadequate training and training facilities. These difficulties and union laws banning such efforts, however, have done little to deter the republics. None of the republic forces could withstand a massive use of Soviet force, but those in Georgia, Armenia, and Lithuania could hamper a quick and decisive crackdown. If the center intervenes militarily in one of these republics, the paramilitary forces of at least Georgia and Armenia, if not other republics, probably would go underground and conduct guerrilla operations against Soviet forces. [redacted]

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[redacted]