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STATE INR MORNING SUMMARY VOL. I 11/22-12/31/83

FOIA

[12/17/83-12/20/83]

M2008-098/6

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56173 REPORT	ANAI	LYSIS		3	12/19/1983	B1	В3
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56174 REPORT	CURE	RENT REPORTS		3	12/17/1983	B1	В3
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56175 REPORT	ANAI	YSIS		3	12/17/1983	B1	В3

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

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B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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File Folder: State INR Morning Summary Vol. I 11/22-12/31/83

Date: 3/11/99

[12/17/83-12/20/83] Box 91375 8

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. list	re 12/20/83 documents (w/notations), 1p	12/20/83	P1, F1
2. report	Current Reports, 4p 4 15; Part. 5/9/11	12/20/83	P1, F1
3. report	re analysis, 3p	12/20/83	P1, F1
4. list	re 12/19/83 documents (w/notations), 1p	12/19/83	P1, F1
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6. report	Port. 18; Part. 5/4/11 10 re analysis. 3p (254. 5/9/11 MD8-098/6#56/73	12/19/83	772 P1, F1
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RESTRICTION CODES

- Presidential Records Act [44 U.S.C. 2204(a)]
 P-1 National security classified information [(a)(1) of the PRA].
- P-2 Relating to appointment to Federal office [(a)(2) of the PRA].
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- between such advisors $\{(a)(5)$ of the PRA]. Release would constitute a clearly unwarranted invasion of personal privacy $\{(a)(6)$ of P-6
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MORNING SUMMARY

December 20, 1983

Current Reports

- 1. Kuwait: Betrayal by a Senior Military Officer
- 2. Jordan: King Hussein's Address to the European Parliament
- 3. Cuba: Ready To Fire on US Reconnaissance Plane
- 4. Lebanon: INR Update
- 5. USSR: Impact of INF Debate on Relations with Eastern Europe
- 6. Chad: Habre Discusses the Negotiating Process
- 7. Angola: South African Attacks
- 8. Ivory Coast: Debt Rescheduling Request
- 9. El Salvador
 - Guerrillas Now Using Truck Convoys
 - Guerrillas Punish Army Battalion at Cerro Cacahuatique
- Bolivia: Assassination Plot against US Ambassador
- 11. Nicaragua: Soviet Deliveries of Petroleum Products

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- 1. Lagos: Security Relationship with Vietnam
- 2. El Salvador: Additional Measures Needed To Defeat the Insurgents
- 3. The Kremlin's Courtship of Willy Brandt

Classified by: M. Charles Hill and

Hugh Montgomery

Declassify on: Originating Agency's Determination Required

TOP SECRET/EXDIS/CODEWORD

CURRENT REPORTS

December 20, 1983

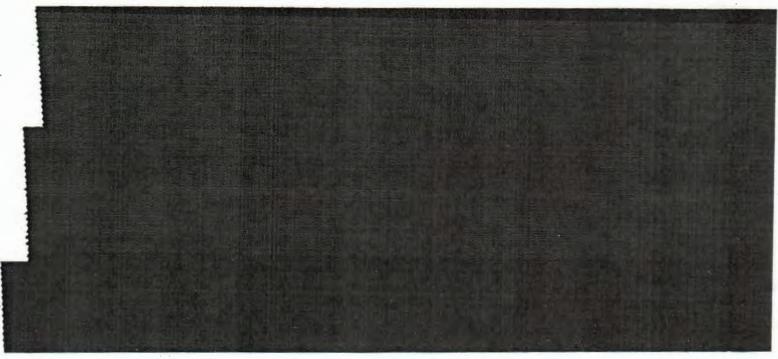


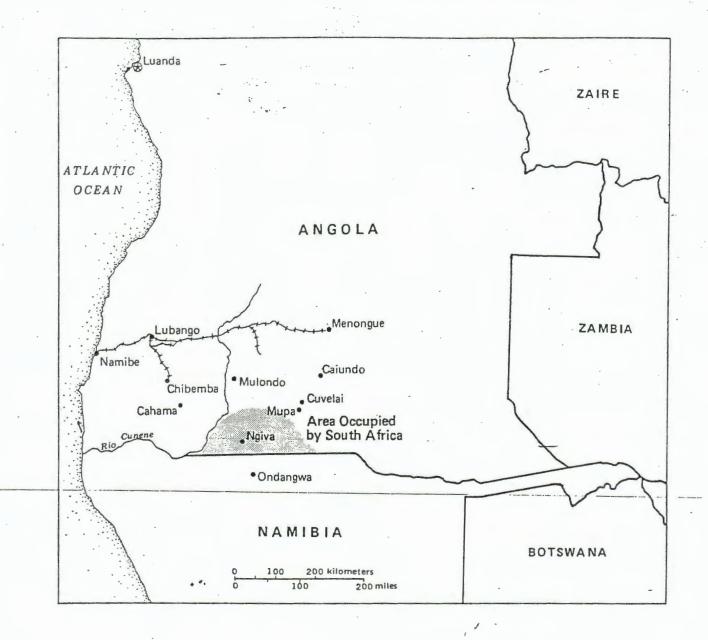


2. JORDAN: KING HUSSEIN'S ADDRESS TO THE EUROPEAN PARLIAMENT

King Hussein provided a comprehensive view of Jordan's role in the Arab-Israeli peace process during his recent speech to the European Parliament, Embassy Amman reports. He emphasized the need to focus on the Arab-Israeli conflict and the Palestinian question, as well as the importance of a US-Soviet dialogue on the Middle East and Soviet participation in the peace process. Although Hussein praised the Reagan initiative and reaffirmed Jordan's commitment to it as a concept, he criticized the US for concentrating on Lebanon and supporting Israel's "expansionist policy." Finally, Hussein said that Jordan intends to continue its dialogue with the PLO and to pursue the proposal that would link the occupied territories in confederation with Jordan. (CONFIDENTIAL)







5. USSR: IMPACT OF INF DEBATE ON RELATIONS WITH EASTERN EUROPE

Soviet moves over the past year to defeat INF deployment may have generated tensions between the USSR and its Warsaw Pact allies which were unexpected by the Soviet leadership, Embassy Moscow reports. The USSR does not appear unduly concerned, and the difficulties the Soviet Union faces probably will not translate into changes in dealing with deployment in the months ahead. Implementation of announced countermeasures to NATO deployment, however, is likely to compound problems within the Pact, and Eastern bloc nations may now be privately lobbying to ensure that repeated Soviet references to "additional steps" do not mean any break in political or economic relations with Western Europe. The Soviets may ultimately be able to ease East European concerns over military countermeasures by agreeing to keep ties to the West essentially intact. (CONFIDENTIAL)

6. CHAD: HABRE DISCUSSES THE NEGOTIATING PROCESS

Chadian President Habre has not yet decided whether to attend the January 9 negotiating conference in Addis Ababa despite assurances given by Foreign Minister Miskine, Embassy Ndjamena reports. In addition to concerns about personal safety in Ethiopia, Habre is angry that Ethiopian leader Mengistu has also invited representatives of eleven Chadian factions, thus leaving his status in doubt. Habre doubts the Libyans will allow any progress in the negotiations, but is under heavy French pressure to continue the process. (SECRET/EXDIS)

7. ANGOLA: SOUTH AFRICAN ATTACKS

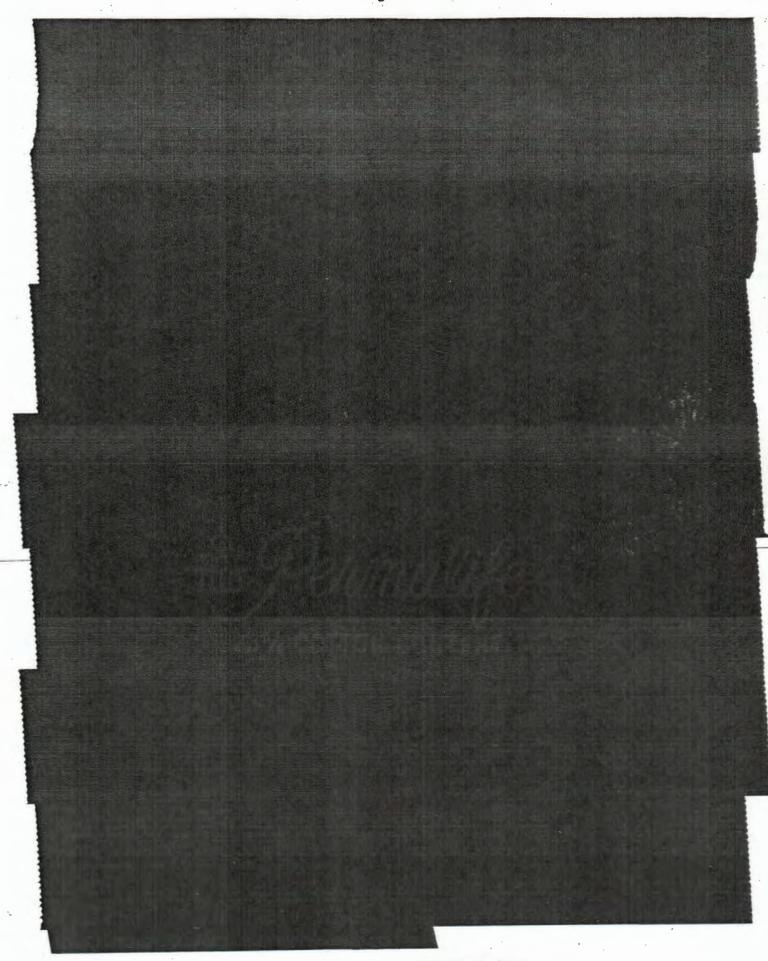
Luanda claims that the South African Defense Force (SADF) engaged Angolan forces at Mulondo (see map) on December 14, that 17 Mirage aircraft bombed that city on December 17, and that another SADF bombing attack hit the town of Caiundo on December 19.

INR Comment: The Angolans often exaggerate the scale of South African attacks, but their claims of such attacks usually prove to be valid.

8. IVORY COAST: DEBT RESCHEDULING REQUEST

On December 17, Ivory Coast announced its decision to request rescheduling of payments falling due between December 1, 1983 and December 31, 1984 on all medium— and long—term debt, Embassy Abidjan reports. Interest payments are to be kept current, and short—term debt will not be affected. Ivory Coast also announced that it will need "new" money from private banks and international financial institutions. Although a figure was not set, speculation is that it will be in the range of \$100-200 million. The French, the local IBRD chief, and a representative from the IMF applauded the Ivorian decision and implied full support. (CONFIDENTIAL)

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TOP SECRET EXDIS

BUREAU OF INTELLIGENCE AND RESEARCH - ANALYSIS - DECEMBER 20, 1983

1. LAOS: SECURITY RELATIONSHIP WITH VIETNAM

As a result of its close ties with Vietnam, Laos is troubled by foreign-supported resistance activities and Chinese hostility. Laos has in turn sought and received increasing Vietnamese assistance, currently including 45,000 troops. Soviet military and economic aid is also important and expanding. Although the resistance does not now pose a threat to the regime's stability, it continues to preoccupy Vientiane. Hanoi and Vientiane also are increasingly concerned over a possible Chinese threat in northern Laos.

The Vietnamese military's ties with their Lao counterparts are long-standing and intimate. Besides training and logistics, the Vietnamese military provides extensive guidance and dictates basic security policies. Hanoi's troops have augmented Lao troops in border surveillance operations and in the suppression of Lao insurgents. Soviet assistance is mostly material and technical.

Vientiane has become increasingly concerned about resistance activities and has stepped up its military operations and begun drafting more Lao youth into the army. Vientiane reportedly soon plans to launch a resistance-suppression operation that will be the "largest of its kind ever conducted in Laos." Despite some increase in the resistance and in attempts to unify its disparate parts, the insurgents remain disorganized and factionalized, and their efforts alone do not seem to warrant the heightened Lao countermeasures. Kong Le, a major resistance leader located in China, allegedly is frustrated with resistance progress and will return permanently to France.

Vientiane's concern may stem more from the threat of increased Chinese activity on Laos' northern border. The Laotians also see the resistance as a Chinese "fifth column" inside Laos. Beijing has, in fact, for several years trained and supplied resistance elements in northern Laos. The Vietnamese may fear that if the Chinese decide to administer another "lesson," it may in part be directed at northern Laos. China's military attache in Bangkok recently stated that any "second lesson" against Vietnam could include attacks along the Lao-China border.

Laos and Vietnam have conducted three major combined exercises this year in northern Laos using scenarios that involved repelling attacks by the Chinese and resistance forces. Hanoi's forces have recently taken even greater responsibility for defending the northern Lao border and now probably provide most of its defense. Although realistically the tortuous terrain in this region would make major military ground movements extremely difficult, Hanoi and Vientiane clearly take this Chinese option seriously.

NLS F97-044 #16 NOT NARA, DATE 6/18/01

2. EL SALVADOR: ADDITIONAL MEASURES NEEDED TO DEFEAT THE INSURGENTS

The defeat last week of a newly trained battalion in eastern El Salvador highlights deficiencies in the war effort that the government must remedy in order to overcome the persistent stalemate. Improvements in military manpower and equipment, resolution of organizational and attitudinal problems in the officer corps, preservation of economic and political reforms, and neutralization of the extreme right are all necessary for a successful outcome to the war.

The deployment of the newly trained Tecana anti-subversion battalion to Morazan department on December 13 indicates the frequent lack of planning in El Salvador. The Tecana was inserted into highly contested Morazan, where insurgents have moved freely for several years, after only five weeks training and with no prior combat experience. The green battalion thus became easy prey for seasoned guerrillas and is the third such unit to be mauled in recent weeks.

The guerrillas appear to be specifically targetting these battalions in order to damage further the army's morale and weaken its confidence in US training. The error of rushing these new units into heavy combat is now compounded by increased guerrilla capabilities. Though total insurgent numbers are not believed to have increased significantly during the course of the war, more insurgents are now fully armed and able to be effective in operations. Consequently, they can better exploit mistakes of the Salvadoran military.

There is evidence that the government is nevertheless making some progress against its many-dimensional insurgency problems. The new constitution gives the reforms initiated in 1980 a multiparty endorsement and helps pave the way for the presidential election next March. The visit of Vice President Bush reportedly resulted in a high degree of consensus among senior Salvadoran officers that action must be taken against right-wing extremists.

This possible progress notwithstanding, the army itself still has considerable difficulties to overcome before it can optimally pursue the war. The sweeping command changes successfully effected by Defense Minister Vides Casanova are only beginning to be reflected in field operations. Even if the changes bring greater dynamism to prosecution of the war, constraints on mobility and logistics will remain, as will resistance to change among many officers. With armed forces of 37,500 facing a seasoned guerrilla force of 9,000 to 11,000, the Salvadoran military has a manpower ratio of only four to one with the guerrillas, a far cry from the ten to one ratio often believed necessary to quell an insurgency.

3. THE KREMLIN'S COURTSHIP OF WILLY BRANDT

Three times in recent months the Soviet leadership has sent personal letters to Willy Brandt appealing for his support on key international issues. In playing up to Brandt, an old political interlocutor and an influential Western political figure who generally accords them sympathetic hearings, the Soviets hope to encourage other "realistic" forces, especially in Bonn, to be more responsive, especially on security issues.

On December 2, Soviet Ambassador to Bonn Vladimir Semenov delivered Brandt a letter from Yuri Andropov which spelled out in some detail the Soviet position on arms control. (In this letter, Andropov essentially repeated the message from the Soviet party's Central Committee to the SPD which Semenov had delivered to Brandt on November 30.) In his personal message to Brandt, Andropov extended an informal leadership invitation to visit Moscow, tentatively in February.

Andropov's letter was the follow-up to a September 9 letter bewailing US attitudes toward the INF talks and citing the US "provocation" over the KAL incident as evidence of US disinterest in reaching an agreement. Andropov had noted that "the time has now come for you to commit once again your prestige...to the cause of bridling the arms race. I would ask you to express your thoughts on what we can do together to change the dangerous course of events."

A third letter to Brandt, dated December 9, this time in the name of the Central Committee, warned that the US might participate in an invasion of Nicaragua. Though framed somewhat less personally, this missive noted that "we would welcome and pay great attention to your thoughts on what might be undertaken to counter the dangerous developments around Nicaragua."

As the former German chancellor and a statesman of world standing, Brandt is seen by Moscow as a person whose views carry weight with the electorate and hence with the government and who might be able, as Andropov put it in his September letter, "to exert appropriate influence on the U.S. Administration." Moscow's appeal is also directed to Brandt's role as chairman of the Socialist International. While seeking to enlist Brandt's influence with the Nordic socialists in the cause of Nicaragua, Moscow also clearly has an eye to his resonance in the European peace movement. As the Central Committee told the SPD, the peace forces "must not relax the pressure just when it is needed the most."

MORNING SUMMARY

December 19, 1983

Current Reports

- 1. Kuwait: Bombing Investigation Results Announced
- 2. Lebanon: INR Military Update
- 3. Japan: Election Results
- 4. Nicaragua: Ortega's Call for Negotiations
- 5. USSR: Mixed Signals on Gromyko CDE Attendance
- 6. Egypt: Concern about Southern Sudan
- 7. Morocco: Dissatisfaction in the Army
- 8. USSR: More Arms to Iraq
- 9. Afghanistan: Regime Harasses Iranian Diplomats
- 10. USSR: Submarine Training of Special Forces

Analysis

- 1. East Asian Arms Assistance to the Iran-Iraq Conflict
- 2. El Salvador: Land Reform Compromised?
- 3. Nigeria: Balking at Economic Reform

F91-044 # 17

Classified by:

M. Charles Hill and

Declassify on:

Hugh Montgomery
Originating Agency's

Determination Required

TOP SECRET/EXDIS/GODEWORD

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CURRENT REPORTS

56172

December 19, 1983

1. KUWAIT: BOMBING INVESTIGATION RESULTS ANNOUNCED

The Kuwaiti government has identified 12 persons, all members of the extremist Shia "Al-Dawa" party, as responsible for the December 12 bombings, Embassy Kuwait reports. Ten people taken into custody have confessed to planning and executing the bombings. According to the the Kuwaitis believe that fewer than 20 persons were involved in the crime and that Kuwaiti Shia may also be implicated in the bombings. (CONFIDENTIAL)

2. LEBANON: INR MILITARY UPDATE

Israeli gunboats again shelled Tripoli yesterday. Although Greek ships are still scheduled to evacuate Arafat and his fighters, press reports indicate that the ships remain in Cyprus. The Syrians publicly claimed responsibility for yesterday's antiaircraft fire on US F-14 reconnaissance aircraft over Lebanon. Intermittent exchanges continued in the Shuf, and another 500 civilians were evacuated from Dayr al-Qamar. (SECRET)

3. JAPAN: ELECTION RESULTS

The Liberal Democratic Party (LDP) suffered a major defeat in Sunday's lower house election with a possible loss of 36 seats. To retain its parliamentary majority of 256 seats, the LDP reportedly has recruited nine newly elected conservative independents. Early returns show the largest opposition gains going to the Buddhist Komeito "Clean Government" party and the Socialist Party.

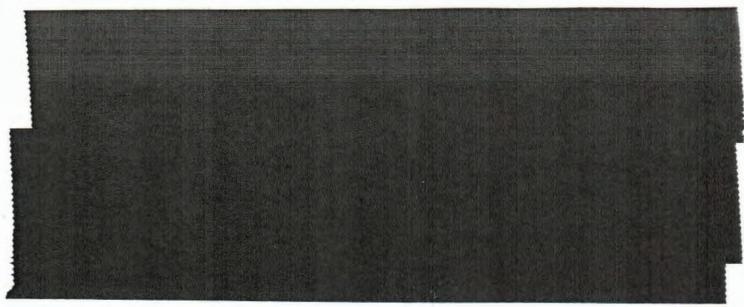
Former Prime Minister Tanaka scored his biggest victory ever in his home district. His well-organized faction within the LDP lost only four seats. The Suzuki and Fukuda factions lost nine and seven seats, respectively. Nakasone's faction lost five seats.

INR Comment: Low voter turnout, due in part to severe winter weather, was a major factor in LDP losses, which occurred even in normally conservative rural areas. A coalition with independents would weaken seriously the LDP's authority in the Diet, particularly on trade and defense matters. The setback greatly jeopardizes Nakasone's political future. (CONFIDENTIAL)

4. NICARAGUA: ORTEGA'S CALL FOR NEGOTIATIONS

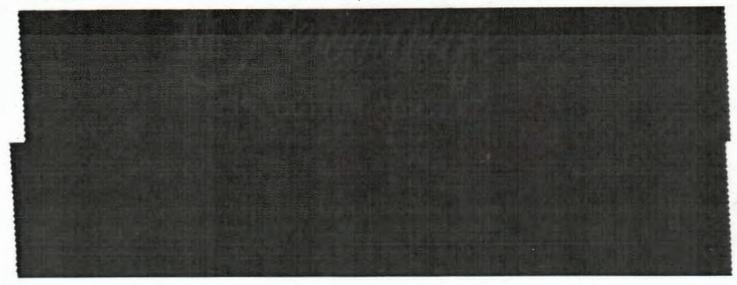
Chief of State Daniel Ortega told a US Congressional delegation
December 15 that Nicaragua recognizes US security interests in
Central America and is ready to come to an agreement, Embassy Managua
reports. Ortega reaffirmed his commitment to the Contadora process
and added that Nicaragua would not allow its territory to be used as
a conduit for arms supply to other states, provided other Central
American countries did the same. Progress toward agreement now
depends on the US, whose contribution so far has been limited to
propaganda, Ortega said.

NLER MO 8-0986#56172 BY LW MARA DATE 3/9/11 Embassy Comment: The Sandinistas have clearly decided to emphasize explicit recognition of US security interests in their effort to find a starting point for future negotiations. (CONFIDENTIAL)

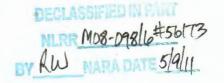


6. EGYPT: CONCERN ABOUT SOUTHERN SUDAN

President Mubarak told Ambassador Rumsfeld that Egypt is deeply concerned that Nimieri's efforts to enforce Islamic law have exacerbated serious problems in southern Sudan, Embassy Cairo reports. The communists are benefiting by using this issue to alienate Sudanese Christians further, Mubarak said. During Nimieri's recent visit to Cairo, Mubarak emphasized the dangers of this policy and Nimieri reportedly agreed to "slow down" efforts to implement Islamic law. Egypt's defense minister will soon visit Khartoum to stress Mubarak's concern. (SECRET/EXDIS)







BUREAU OF INTELLIGENCE AND RESEARCH - ANALYSIS - DECEMBER 19, 1983

1. EAST ASIAN ARMS ASSISTANCE TO THE IRAN-IRAQ CONFLICT

Since the outbreak of the Iran-Iraq war in 1980, East Asian arms have assumed increasing importance in the fighting. East Asian arms deliveries, mainly North and South Korean and Chinese, now constitute about 15 percent of Tehran's and Baghdad's global arms imports. Indeed, their combined shipments to Iran since 1980 almost equal those from the entire free world. North Korea has become Tehran's largest supplier, exceeding even the Soviet Union, and South Korea is one of Iran's largest noncommunist suppliers.

From 1980 through mid-1983, North and South Korea, China, Japan, Singapore, and Taiwan shipped almost \$2 billion in armaments to Iran and Iraq:

		Iran	In million \$ Iraq	Total
North Korea		771	0	771
PRC		97	611	708
South Korea		171	140	311
Japan		18	56	74
Singapore		14	NA	14
Taiwan		2	0	2
	Total	1,073	807	1,880

While the Soviet Union and France remain Iraq's main suppliers, North Korea's \$771 million in deliveries to Iran during the conflict considerably exceed Moscow's \$475 million.

Ground forces receive the great bulk of these armaments, including small arms, ammunition, explosives, mortars, trucks and jeeps, radios, and quartermaster materials. However, North Korea has sent tanks, antitank missiles, and sea mines to Iran, and China has shipped F-7 fighter aircraft, antiship missiles, and tanks to Iraq.



2. EL SALVADOR: LAND REFORM COMPROMISED?

The National Assembly's newly approved constitution raises the upper limit on landholdings from 150 to 245 hectares. The far right ARENA party and its sometime ally, the National Conciliation party, joined forces to achieve the new compromise. The action will not, however, roll back the very extensive land reform already carried out, which has helped to win rural support against the violent left.

* * *

The increased maximum limit applies mainly to the 1,700 farms of 100-500 hectares still dangling in the limbo of the reform's never-carried-out Phase II. Phase II had been expected to make another 73,000 hectares of land available for additional reform beneficiaries. With the larger maximum, less than 30,000 hectares now will be available. However, the new limit may reduce rightist opposition enough to permit Phase II to be carried out. This would release 50,000 hectares of Phase II farmland already claimed by renters under Phase III's land-to-the-tiller program.

The ARENA-led coalition may try to block new land-to-the-tiller claims after the end of this year. Campesino groups, supported by the Christian Democrats, have vowed to keep applications open into a fifth year. About 53,000 individuals so far have claimed ownership of land which they previously rented. There are probably at least another 30,000 potential claimants, but the majority are in the least secure areas, where filing is risky.

The land reform stopped the ground swell of campesino support for the violent left, removing its most effective issue. Crop yields have held up remarkably well, given the problems of violence, low world prices, and shortages of production inputs. Yields in the reformed sector are now better than in the traditional sector, except for cotton and rice.

The Salvadoran military continues to play an ambivalent role in the land reform: the army helped the campesinos take over the big farms but often turned its back when smaller land-owners evicted land-to-the-tiller applicants. In the spring of 1982 a wave of violence and evictions threatened to overturn the whole land reform until some of the regional military commanders stepped in to return 2,300 campesinos to their claims. In recent weeks, however, campesino leaders again have been threatened with violence by the far right as the debate over the new constitution's land reform provisions heated up.

3. NIGERIA: BALKING AT ECONOMIC REFORM

President Shagari remains unwilling to take the stringent measures necessary to achieve an agreement with the IMF. While oil income has risen from the low levels of early 1983, foreign exchange earnings remain depressed and Nigeria's international credit standing is sinking due to poor performance in meeting short term obligations. As the economy deteriorates, Shagari's pleas for Western assistance to "save Africa's largest democracy" will become more insistent.

* * *

The key obstacle to agreement with the IMF on a \$2.5 billion extended fund facility (EFF) is the Fund's demand for a large devaluation. The IMF wants Nigeria to devalue its currency from \$1.35 to \$1.00; the black market rate is only \$0.40. Related reforms on tariffs, subsidies, and producer prices—as well as a proposed \$300 million World Bank loan designed to complement the EFF—are keyed to the exchange rate adjustment. Lagos, however, is concerned over the political reaction to a large devaluation in its import—dependent economy. Furthermore, Shagari evidently is convinced that political leverage can force the IMF to back down, as was evidenced by his aborted proposal to ask President Reagan for US help.

Relations with international banks are strained because of Lagos' failure to process letters of credit promptly in accordance with recent agreements that rescheduled \$2 billion of an estimated \$7.5 billion in short term arrearages. The banks in effect are rolling over short term obligations, but they are not willing to provide new money. The poor payment performance could hinder ongoing efforts to reschedule the remaining \$5.5 billion in short term arrearages, another likely precondition to an IMF agreement. Nigeria remains current in servicing its medium and long term debt.

Bankers believe Lagos' inability to make timely payments on short term debt stems more from bureaucratic ineptitude than from foreign exchange shortages. CIA trade data indicate exports are averaging \$950 million a month in 1983 and imports \$750 million a month. Oil production, which provides 95 percent of foreign exchange earnings, recently has been holding near the OPEC quota of 1.3 million b/d. Lagos is willing to exceed its quota, but the soft oil market offers little prospect for an increase in the near future. Moreover, government restrictions and the freezing of credit lines by international banks have squeezed imports indiscriminately, starving the import dependent manufacturing sector. Luxury goods remain available in quantity due to smuggling and bureaucratic corruption.

MORNING SUMMARY

December 17, 1983

Current Reports

- 1. Lebanon
 - A. INR Military Update
 - B. INR Update of PLO Evacuation
- 2. USSR/MBFR
 - A. Implications of Eastern Walkout
 - B. Pravda Links MBFR, INF
- 3. Kuwait: Steps toward Martial Law?
- 4. South Africa
 - A. Offer To Pull Out of Angola
 - B. Plans To Reduce Apartheid
- 5. USSR: Did Andropov Attend Politburo Meeting?
- 6. Italy: Arms Sales to Iran
- 7. Poland: Demonstrations Suppressed

Analysis

- 1. Nicaragua: Evaluating the "Concessions Offensive"
- 2. Election Prospects in Japan
- 3. Assad's Syria: Vulnerability Assessment

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Determination Required

NLS F97-044 #70

NARA, DATE 1/17/0)

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CURRENT REPORTS

December 17, 1983

1. LEBANON

A. INR Military Update

There were minor LAF-Druze clashes December 16 along the Alayh ridgeline, and fighting continued between pro- and anti-Arafat forces in Tripoli. Beirut Airport reopened yesterday as a "neutral" zone under the National Salvation Front's ceasefire agreement, after a 17-day closure. However, small arms and mortar fire erupted near the airport less than an hour after the ceasefire took effect. This morning, US Marines at the airport came under small arms and mortar fire, and a USMNF convoy returning from the US Embassy received and returned small arms fire. No casualties were reported.

B. INR Update of PLO Evacuation

Plans for the evacuation appear to be proceeding smoothly. Reuter reports that the first of five evacuation ships left Piraeus on December 16, and that the rest were expected to follow soon. Seriously wounded fighters would be taken on an Italian ship to Cyprus and then flown to Cairo, according to Embassy Rome. Reuter also reports that the Greek government claims it has all the "necessary guarantees" for a safe evacuation. (CONFIDENTIAL)

2. USSR/MBFR

A. Implications of Eastern Walkout

The East's withdrawal has created uncertainty about the future of the negotiations and contributed to European concerns over Western defense policy. Moscow is now in a position to end an arms control forum it never really wanted, and it may believe the West will be forced to work for the resumption of the talks.

MBFR Vienna Comment: The Soviet position on MBFR is more cryptic than on START and presents a more difficult target for Western criticism. Our allies want to maintain the MBFR forum, but will differ on how to do so. The Soviets have kept their options open by attaching no specific conditions to resumption of the talks. (SECRET/EXDIS)

B. Pravda Links MBFR, INF

In a brief article sandwiched between two parts of a long, unsigned piece on INF, Pravda reported December 16 that a date for the resumption of the MBFR talks "will be fixed later."

MLRR MAG-DASIL+36174
BY (W) NARA DATE 5/9/11

As Amended 3.3.8

Embassy Moscow Comment: There are no signs the USSR intends to end the MBFR talks permanently. Pravda's apparent linkage of INF and MBFR, its remarks on resumption of the MBFR talks, and its closing emphasis in the INF piece on Moscow's firm commitment to end the arms race, suggest the Soviets will return to Vienna. (CONFIDENTIAL)

3. KUWAIT: STEPS TOWARD MARTIAL LAW?

Press reports indicate Kuwaiti forces have imposed round-the-clock roadblocks and are patrolling the country's beaches and coastal waters. Special troops surround the Shu'aybah port and oil installation, target of one of the December 12 bombings and the major transshipment point for Iraqi war supplies. The government has reportedly taken control of all operations there, deploying 1,000 troops with heavy equipment and drastically slowing work with security precautions.

INR Comment: Kuwaiti leaders appear determined to meet the continuing threat with an "iron hand." Stern measures toward the country's Shia minority, whose loyalty is suspect, could be counterproductive because Shiites constitute a large segment of the city-state's total population.

4. SOUTH AFRICA

A. Offer To Pull Out of Angola

South Africa has told the UN it will withdraw its forces from Angola January 31 for 30 days if Luanda can guarantee that SWAPO, Angolan, and Cuban troops will not exploit the withdrawal, Embassy Pretoria reports. The offer is an effort to defuse the upcoming Angola debate in the Security Council and to accommodate UN Secretary General Perez de Cuellar, whom Pretoria considers even-handed on Namibia.

Embassy Comment: This offer has the potential to neutralize the Security Council debate and to focus the Namibian question on the issue of Cuban withdrawal. A decision on South Africa-Angola talks is now up to Luanda. (SECRET/EXDIS).

B. Plans To Reduce Apartheid

The government may be preparing major moves to reduce racial discrimination, Embassy Pretoria reports. Significant revisions in the Mixed Marriages, Immorality, and Group Areas Acts may be introduced in 1984 despite recent anti-black incidents. The regime may feel the need to attract new English voters into a reformist nationalist party, to assure coloreds and Asians that their participation in the new constitutional system will not bolster apartheid, and to start bringing blacks into the political system.

Embassy Comment: The regime wants to move promptly to eliminate the more notorious aspects of apartheid with efforts that appeal to both internal and international audiences. (CONFIDENTIAL)

5. USSR: DID ANDROPOV ATTEND POLITBURO MEETING?

The press report of the regular Thursday Politburo meeting referred to Andropov's remarks on balancing the 1984 economic plan, but did not say specifically that he spoke at the meeting.

INR Comment: The artfully worded communique appears intended to suggest that Andropov was present.

6. ITALY: ARMS SALES TO IRAN

Italy does not appear ready to accede to the US request to block all military sales to Iran, Embassy Rome reports. The foreign ministry said that such a ban would endanger the 3,000 Italians working in Iran, that the Italian government would bear responsibility for preexisting contracts, and that a coordinated Western cutoff would only drive the Iranians into the arms of the Soviets. Rome believes that the "Afghanistan effect" has worn off among the Iranians, who would feel little compunction about turning to Moscow to replace lost Western arms. (SECRET/EXDIS)

7. POLAND: DEMONSTRATIONS SUPPRESSED

A massive nationwide security operation yesterday thwarted underground attempts to stage major demonstrations, although protesters clashed with water cannon reinforced riot police in at least five cities. In Warsaw, some 4,000 people marched peacefully but police later used clubs to disperse churchgoers after evening masses. Walesa, bedridden with the flu, sent his wife to place a wreath at the shipyard workers monument in Gdansk.

INR Comment: A widespread sense of futility, sub-zero temperatures, and the regime's massive display of force contributed to the relatively low turnout. Although the regime will use this as further proof of dwindling support for the underground, it is not taking unnecessary chances and has apparently postponed the introduction of food price hikes from January 1 until late February. (CONFIDENTIAL)

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