25X1

#### THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

3 January 1983

National Intelligence Council

MEMORANDUM FOR:

Director of Central Intelligence

Deputy Director of Central Intelligence

FROM

NIO for Warning

SUBJECT

NIO Monthly Warning Assessments:

- The reports on the NIO warning meetings are attached. 1.
- 2. Comments on warning situation.

# USSR-Middle East

- (1) The Soviets apparently are planning new initiatives calculated to enable them to play a more active political role in the region including a possible visit to Egypt and other Arab states by a senior Soviet official--perhaps Andropov himself--in early 1983.
- Moscow's resolve to strengthen its influence in the region also has been underscored by its decision to install SA-5 long-range, high-altitude surface-to-air missiles at two sites in Syria. This marks the first export of this system to the Third World. The SA-5s will significantly upgrade the Syrians' air defense capabilities by establishing a defensive envelope 240 kilometers deep.

### Iran-Iraq

Iran is accelerating preparations for another offensive along the Doveyrich River and in the central border area in January and is mobilizing more reserves. The Khomeini regime remains determined to prosecute the war until Saddam Husayn is overthrown, and it apparently believes the eventual collapse of the Iraqi army will open the way for the establishment of a Shia clerical regime in Baghdad. The Iranians may install the Shia government-in-exile that was created in November on "liberated" Iraqi territory as the

25X1

first step toward a Shia takeover.

# c. <u>Mozambique</u>

(1) In the aftermath of the South African raid in Lesotho and destruction of the petroleum terminal at Beira, President Machel may be approaching a decision to call for Cuban combat troops and for greater Soviet military and political support. The Soviet military delegation's recent visit to Maputo reflects Moscow's growing concern about the government's capacity to contain the South Africasupported insurgency.

# d. Vietnam-China

- (1) Conflicting claims to Gulf of Tonkin waters and islands may lead to air and sea clashes and intensified skirmishes on the land border in the next three months. China may be preparing a forceful political and military response to Vietnam's expansion of its territorial waters on 12 November to 100 nautical miles in the Gulf and 72 nautical miles off Vietnam's south-eastern coast. Beijing quickly rejected Hanoi's claim as "illegal and null and void." Further Chinese reactions may be timed to coincide with Vietnam's dry season offensive in Kampuchea.
- (2) Hanoi's recent conclusion of an air route agreement with Taiwan's government-owned airline also represents a provocation to Beijing.
- (3) The timing of Vietnam's defiant moves against Chinese interests suggests that the Hanoi regime is seriously concerned about the implications of the Sino-Soviet dialogue and may be seeking a controlled confrontation with China that would derail a Sino-Soviet rapprochement.

# e. El Salvador

- (1) The insurgents are preparing for a major new offensive in early 1983. Their last campaign in October-December 1982 demonstrated improved coordination among the five main groups and a capacity to sustain offensives longer than in the past.
- (2) In the coming offensive, the guerrillas may attempt to draw the bulk of government forces away from San Salvador in order to open the way for spectacular attacks in or near the capital. In striving for maximum political impact, the

insurgents' principal objective would be to compel the government to enter direct negotiations on a power-sharing arrangement. Failing this, they may hope to trigger a rightist coup aimed at blocking movement toward negotiations, including President Magana's idea of a "dialogue" with leftist political groups aimed at splitting them from the querrilla movement.

# f. Argentina

(1) The drift toward a potentially explosive confrontation between the military regime and its civilian opponents was accelerated by the antigovernment protest demonstration on 16 December—the largest since the military seized power in 1976. Growing anti-military sentiment will compel opposition party and labor leaders to strengthen their demands for an early return to constitutional rule with no preconditions, and it may deepen the military regime's resolve to secure an agreement that will protect the military's interests following the installation of an elected government. Further public disorders could prompt a coup by hard-line military elements who wish to cancel the restoration of civilian rule.

25X1

Attachments:

NIO/AF

NIO/LA

NIO/WE

NIO/NESA

NIO/NARC

NIO/EA

NIO/USSR-EE

NIO/NP

Upon Removal of Attachments Regrade as SECRET