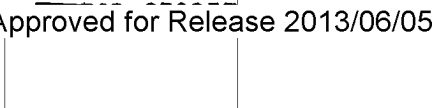


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NIC 04548-87
3 November 1987

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

FROM: John J. Bird
National Intelligence Officer for Warning

SUBJECT: Bi-Weekly Warning Support

1. Attached is my bi-weekly warning review list which is intended to keep true warning issues in sight during periods when current events do not necessarily require continual reporting. The effort is a joint one, taking into account the views of other NIOs as well as Intelligence Community perceptions developed during regular warning meetings.

2. I would be pleased to provide you with amplification of any item.


John J. Bird

Attachment
Bi-Weekly Warning Review



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NIO/W
3 November 1987

NEAR EAST/SOUTH ASIA

IRAN/GULF ARAB STATES/US: Collision Course

Iranian attacks against US naval vessels in the Gulf or eastern Mediterranean and on American personnel elsewhere are likely. President Khomeini has declared that Iran will take "decisive retaliatory action." An Iranian Revolutionary Guard commander has called for an attack on a US Navy frigate [redacted]

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[redacted] the Revolutionary Guards Navy has contingency plans to attack a US ship with 100 small boats. Pressures in Tehran for retaliation will also build as the Iraqi anti-shipping campaign squeezes the oil flow. In addition, the Iranians continue to plan attacks on oil and harbor facilities of Gulf Cooperation Council states and are reinforcing their own islands, apparently against possible US attack. Iran's strategy evidently aims at influencing US congressional and public opinion in a way that will oblige the Administration--on the Lebanon precedent--to withdraw US forces from the Gulf. This strategy was summarized by Prime Minister Mousavi, when he warned on 6 September that the US should withdraw "rather than go any farther down into the quagmire it has created for itself." Mousavi predicted that, "However long the US may linger in the Gulf, it will eventually pull out and let the (Gulf) states bear the consequences of their hostility toward Iran." New Saudi assertiveness is likely to accelerate escalation following any Iranian attacks against the Saudis. As hostilities in the Gulf escalate, the Gulf Arabs will become more demanding of US support.

IRAN/LIBYA: More Naval Threats

Iranian Revolutionary Guard naval forces in Lebanon may present a special kind of threat to US and allied maritime interests in the Mediterranean Sea

[redacted] encountered a mine off southern Lebanon alleged to be similar to those used recently in the Persian Gulf while Lebanese found three others; [redacted] claimed at about the same time that his contingent already had laid [redacted] near Tyre. In addition, Libya may try to lay mines off the Suez Canal. In all cases, the minelaying is likely to be covert. It may be difficult to prove responsibility, because we cannot count on catching those minelayers red-handed.

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AFGHANISTAN/PAKISTAN/USSR: Soviet Pressure

Soviet diplomatic initiatives, violations of Pakistani ground and airspace, and possibly financial inducements are maintaining pressure on President Zia to stop providing aid to the Afghan resistance and to reach an accommodation with Moscow. Some cross border attacks on Afghans in Pakistan continue, and harassment attacks against Pakistani civilian targets are contributing to wearing down Pakistani domestic support of the war. In an effort that will boost pressure further, Moscow proposed a shorter timetable for Soviet withdrawal from Afghanistan during talks last month in Geneva.

INDIA/CHINA: Risk of Confrontation

Chinese initiatives since mid-July to defuse the border issue--and New Delhi's conciliatory actions--have helped ease tensions along the Sino-Indian border; there also have been some troop withdrawals from the border. However, a breakdown in talks scheduled for 16-18 November could result in new confrontations despite the impending onset of winter weather. In addition, the possibility of more turmoil in Tibet could complicate the strategies of both countries.

INDIA/PAKISTAN: Continued Uncertainty and Nuclear Weapons

[redacted] of a decision to do so. The Pakistani nuclear program enjoys widespread domestic support, and external pressures against the nuclear program are not likely to dissuade Pakistan from maintenance of the nuclear option. This has also triggered Indian reassessment of its nuclear weapons options that will further fuel tensions in the subcontinent.

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INDIA/SRI LANKA: Indian Imperialism?

India's intervention in Sri Lanka seems to reflect Rajiv Gandhi's adoption of a doctrine--formulated by his mother and reaffirmed recently in writing--asserting an Indian right and responsibility to protect ethnic Indians anywhere, even when they resist protection. India committed most of an infantry division plus police forces to northern and eastern Sri Lanka to help enforce a peace agreement concerning the Tamil (ethnic Indian) insurgency before the outbreak of fighting with Tamil militants. New Delhi continues to increase its troop strength, which now numbers over 20,000. In addition to introducing a force that could dominate the whole Sri Lankan Army, the Indians have obtained Colombo's agreement to restructure the Sri Lankan state and to a virtual Indian veto of national security policy in Sri Lanka. It is not yet clear how far Gandhi intends to go in establishing dominance over Sri Lanka, but Tamil resistance to the Indian invasion, dozens of fatalities, and the recent escape of hundreds of Tamil fighters from India's cordon around Jaffna will complicate plans to withdraw and make a long stay more likely.

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INDIA/FIJI: More Imperialism?

The instability in Fiji between the native Fijians and the ethnic Indians could become another case for Indian intervention using the Navy or even troops transported by air to "protect" ethnic Indians. Any decision to act probably will be affected by Indian progress, or lack thereof, in Sri Lanka.

IRAN/IRAQ: Developments on the Ground

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against Iraq in the near future. The Iraqi military recall of reservists born in 1945--and placing reservists born in 1943 and 1944 on standby status--indicate Iraq is becoming increasingly hard-pressed to replace casualties. No matter the military outcome of a new offensive, the potential for sudden collapse of either government is out of proportion to actual or likely military results. Iraqi President Husayn still faces latent domestic military and civilian opposition and is vulnerable to assassination. Meanwhile in Iran, Ayatollah Khomeini's death could lead to major instability within any successor government.

LIBYA/CHAD: Chemical Warfare

Colonel Qadhafi is embarked on a program to acquire an offensive chemical warfare capability and has had some success. Libya probably has received limited quantities of chemical bombs and artillery shells from Iran and will [redacted] We should be prepared for additional use of chemical agents already in stockpile in Libya against Chad. [redacted]

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25X1KURDS/TURKEY/IRAQ/IRAN: Kurdish Rebellion

Kurdish separatist activity is continuing in southeastern Turkey, drawing Ankara closer to border conflict. In May, Iran conducted a raid inside Turkey following two Turkish raids against Kurdish targets in Iran. [redacted]

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[redacted] Kurdish camps located in Iran and states that [redacted] Iranian irregulars captured while infiltrating intended to attack Iraq's pipeline through Turkey. Tehran's continued support of the Kurds is seriously straining Turkish-Iranian relations. A recent Kurdish attack in Istanbul--the first in a major city since 1980--could boost pressures on Prime Minister Ozal to launch more preemptive strikes against Kurdish camps in Iran.

SYRIA: Internal Struggle

President Assad's poor health could leave him incapacitated at any time. In the absence of a named successor, with new pressures in Lebanon, and with an ever-deteriorating economic situation, any successor could become overwhelmed with key issues, leading to governmental instability and sudden change.

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TUNISIA: Increasing Instability

Ailing President Bourguiba's appointment of former Interior Minister and regime strongman Ben Ali as Prime Minister probably is a sign that the succession process has begun. Ben Ali's appointment probably is designed to provide stable government while the political process produces a longer-term successor. Although two Islamic fundamentalists were hanged last month, the moderate sentences given most of the 700 other defendants probably are intended to limit tension after the past months of heightened internal unrest and tightened security. Nevertheless, Islamic fundamentalists have promised retaliation for executions. In addition, the Libyan threat almost certainly will increase in the post-Bourguiba period, and Algeria too seems poised to influence the succession struggle.

SOVIET UNION/EASTERN EUROPEYUGOSLAVIA: More Financial Troubles

Belgrade has worsening payments problems and little prospect that it can solve them any time soon. After failing to make scheduled payments twice since June, the Yugoslavs face new rounds of rescheduling negotiations with both banks and Western governments this month. The banks, especially, are likely to be cool to requests for new lending in light of other debtors' problems and the Yugoslavs' insistence earlier this year that they had no financial troubles. With export prospects poor, Yugoslavia probably will have financing gaps of \$1 billion or more annually for the rest of the decade.

YUGOSLAVIA: Other Troubles

Endemic Yugoslav problems are deepening. The likelihood of widespread violence in Kosovo is greater now than at any time since the 1981 riots as Serbs have mounted frequent demonstrations against the Albanian majority in Kosovo. Yugoslav Army troops already have been harassed; such incidents may spark an escalating cycle of reprisal and reaction that could overwhelm local security forces. Problems are exacerbated by the fragmented Serbian leadership in Belgrade, which has become blatantly Serbian chauvinist--a trend that could accelerate centrifugal forces throughout the federation. Meanwhile, the federal government is weakening and regional economic disparities are growing.

EASTERN EUROPE: Under Pressure

To various degrees, the regimes are under increasing pressures:

- Growing economic and political problems, coupled with Gorbachev's glasnost campaign and Soviet trade demands, have had unsettling effects on the aging East European leaderships. Prospective succession dilemmas, particularly in Hungary and Czechoslovakia, are adding to the potential for instability.

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- Pressures are especially great in Romania, where continuing debt problems and economic mismanagement have exacerbated already abject living conditions. Poor nutrition and worsening sanitary conditions are contributing to new outbreaks of diseases like cholera. Popular discontent may reach its peak in late winter, when consumer goods supplies are lowest. Even elements in the security services are disaffected.

A wild card is popular reaction to Gorbachev's political reforms. He appeals both to younger party functionaries and apolitical persons seeking greater personal freedoms. Over the long haul, the unintended erosion of party unity and popular demands are destabilizing and could lead to system-shaking unrest.

WESTERN EUROPE

GREECE/TURKEY/CYPRUS: More Tension

Another crisis may be brewing. Frequent reports of Greek troop redeployments, new tensions over Cyprus, and ongoing issues such as rights to the Aegean seabed, militarization of islands, and differences over air and sea navigation rights point to heightened tensions. Whether the Greek actions are for domestic consumption or to affect US/Aegean relations is not clear, but the effect is to heighten tensions with the Turks. Both countries may move toward confrontation because they believe the US will act to prevent war.

EAST ASIA

PHILIPPINES: Attacks on Americans

The attacks on US personnel near Clark Air Base last week may signal a major escalation in the New People's Army's declared intent to "intensify the revolutionary war."

[redacted] may foreshadow more frequent and widespread attacks on US personnel and facilities throughout the islands. Whatever the intent of the Communists, US personnel are already targets of increasingly strident anti-American moves by several sectors of the Philippine political spectrum.

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PHILIPPINES: Who's Next?

President Aquino's support continues to weaken. Meanwhile, the communist New People's Army is stepping up attacks on bridges, possibly signaling a shift in tactics toward sustained attacks on economic targets. Continued guerrilla successes, aided by splits within the military, will accelerate political polarization and encourage opponents of Aquino to increase their efforts to organize a broad coalition that can force her from office, possibly by the end of the year. Aquino's efforts to impose censorship on the news media, unsatisfactory leadership within the military, continued

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decline of the economy and threats to impose martial law--all amidst rumors of a coup-- will critically damage Aquino's democratic credentials and may bring about her early downfall. At present, the more likely beneficiaries are the communist New People's Army and other insurgent movements.

LATIN AMERICA

BRAZIL/ARGENTINA: Tougher Stances on Debt

Brazil and Argentina may soon be taking significantly tougher stands on repayment of their international debt, threatening more confrontations and, ultimately, the solvency of major US banks. The recent mid-term election defeat of Argentine President Alfonsin's party by the Peronists will increase pressure on him to adopt a harder line on repayments; he recently closed the nation's banks to prepare for domestic bank reform. Brasilia continues to insist on "alternative" approaches to the debt problem--all of which probably will be costly to the banks. Continuing balance of payments problems in both countries make early resolutions unlikely. The chances of a debt moratorium are increasing even though Brazil's efforts to organize a debtors' cartel are likely to fail.

CHILE: Intransigence

General Pinochet appears more determined than ever to maneuver to remain in power beyond 1989. Having prepared plans for carrying out a major reshuffle of the army to force his critics into early retirement, Pinochet now seems determined to run as a civilian with junta backing. Pinochet's actions to maintain control may precipitate a new crisis of confidence over his leadership within the rank-and-file armed forces and middle class, fueling momentum for decisive change before 1989.

HAITI: Grim Prospects

The transition to civilian rule remains on track, but the election itself is likely to be inconclusive. A decision by the electoral commission to ban former Duvalierists is likely to lead to rightist violence while assaults on leftist candidates probably will provoke retaliation by leftists. Military plotting will persist and intensify as the elections approach. Any winner will face massive economic, social, and political problems. Street violence and acts of anti-Americanism will continue to endanger the safety of US citizens--officials and tourists alike.

PANAMA: Noriega Strikes Back

As anti-government protests taper off and he consolidates his position, General Noriega is increasing his demagogic campaign against the US and is cracking down roughly on the opposition. As the crisis evolves, there will be an ever increasing risk that Noriega will target more sensitive US interests in Panama. Deliberate harassment of US citizens, including Embassy officers, is increasing.

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SOUTHERN AFRICA

SOUTH AFRICA: Confrontation

Conservative electoral gains and deep divisions within the Afrikaner community have revealed increased domestic polarization that has further undermined the influence of moderate blacks and whites who seek compromise. In extending the emergency decree to a quasi-permanent condition and stifling legitimate dissent, the government has evidently demonstrated that its authority can be perpetuated only by force. Externally, until Pretoria's increasingly coercive measures against Frontline States subside, there will be greater opportunities for both West and East to capitalize on the Frontline States' heightened senses of vulnerability.

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