

The Director of Central Intelligence  
Washington, D.C. 20505

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National Intelligence Council

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

FROM: Charles E. Allen  
National Intelligence Officer for Warning

SUBJECT: Highlights of Monthly Warning Reports for August 1988

Herewith are summaries of key warning issues compiled by the NIO for Warning from the monthly Intelligence Community meetings conducted by the NIOs in August. The judgments expressed are those of the Community unless otherwise noted. The NIOs' complete reports are attached.

#### USSR/Afghanistan

The Soviet withdrawal is about half complete. We anticipate a lull in the rate of withdrawals between now and the end of October, then the beginning of another large exodus of Soviets. We anticipate continuing heavy use of air power in Afghanistan and selectively against targets in Pakistan. Thus far, the Soviets have withdrawn only about 10 percent of their fixed-wing air assets from Pakistan.

#### Pakistan

There is a better than even chance that post-Zia Pakistan will remain relatively stable over the next several months; elections scheduled for mid-November are likely to be held as planned and Pakistani foreign policy will not change in any substantial way.

o There is general agreement that none of the major leadership groups could benefit from fomenting problems or stopping the elections. Ambitious individuals or religious, regional, or political fanatics, however, might gain from causing turmoil.

o Analysts have little information on the cause of the crash and cannot rule out either accident or sabotage.

#### Iran/Iraq/USSR

The ceasefire continues to hold with minor skirmishes on both sides. Neither country is likely to break the ceasefire in the short term.

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- o The National Intelligence Officer for Near East and South Asia notes that Iraq's worst nightmare--Iran being in the position to stall indefinitely during negotiations--appears to be coming true.
- o Iraq eventually will reach the point where it will begin to consider breaking the ceasefire. The ceasefire presents both problems and opportunities for Moscow.
- o The main benefit, from Moscow's point of view, is that the ceasefire will lead to a drawdown in the Western naval presence in the region.

#### Nicaragua

The Sandinistas will continue to push the insurgents into Honduras and consolidate their control over the countryside. Continued food shortages in Honduras will further complicate the efforts of the rebel leadership to hold their force together even in the near-term.

- o The Sandinista buildup in the north continues as regime troops work to push the insurgents into Honduras and dismantle the Resistance infrastructure.
- o Despite the increasing concentration of Resistance combatants in Honduras, analysts see little likelihood of a cross-border incursion in the near-term.

#### Chile

A narrow victory by either side will increase the likelihood of post-election violence. A narrow Pinochet win would almost certainly embolden the far left to launch terrorist acts in an effort to unseat him.

- o Most analysts believe that a narrow regime defeat would prompt a take-over attempt by Pinochet.
- o A minority opine that, rather than stage a coup, Pinochet--pressured by military officers--would adhere to the Constitution and call for direct elections within a year.

  
Charles E. Allen

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