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

National Intelligence Council

NIC #7580-83 21 October 1983

MEMORANDUM FOR: Director of Central Intelligence

FROM

Assistant National Intelligence Officer for USSR-EE

SUBJECT

: Monthly Warning Assessment - USSR-EE

#### 1. INF Watch

## A. <u>Discussion</u>.

The Soviets seem perplexed about the tactics to follow as their efforts to block US deployments seem increasingly futile but they remain admantly unwilling to countenance even a limited US deployment through an agreement. A month ago most analysts felt it probable that the Soviets would soon attempt some major diplomatic ploy, most likely combining some interruption of the talks with a new reduction offer. Instead, the Soviets have now signalled that negotiations can continue at least until US deployments begin and passed up two major opportunities to make a new offer (the Warsaw Pact Foreign Ministers meeting and the Gensher-Gromyko talks). Consequently analysts are now split about evenly between those who feel the USSR will not make any new offer and those who believe there is still a better than ever chance that the Soviets will unveil some new proposal between now and the FRG Bundestag debate on 21 November. Those who posit Soviet passivity also tend to believe that Soviet military countermeasures to NATO deployments will consist mainly of publicizing long-planned force modernization programs. The Soviets, however, are continuing to make threatening

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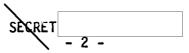
statements, with Soviet military leaders now chiming in but not adding much precision to earlier Soviet admonitions. The most explicit statement to date was made by General Chervov in an interview with a West German magazine when he identified short-range tactical missile modernization as one Soviet response (read the Frog modernization program which started some time ago), reiterated the threat to the US by saying the Soviets would deploy missiles with a ten-minute flight time to the US, but ruled out Cuba as a deployment site.

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## 2. Romania:

## A. Prospects for the Winter

The general calm throughout the country may be deceptive as the regime has not been able to come up with a viable energy strategy, is apparently implementing a differentiated wage policy whose net effect may be decreases in take-home pay for most Romanians, and has apparently reaped a crop diminished by drought. These three negative developments will probably combine to decrease creature comforts and increase dissatisfaction, whose form and extent will be influenced by the severity of the winter. Overall, Romania is likely to see more isolated demonstrations and strikes of the sort which plagued the country last year. Although security forces should be able to contain them, their occurence will cast further doubt on the leadership qualities of Ceaucescu and may lead to renewed, and possibly more pronounced, expressions of anti-Ceaucescu sentiment within the politico-military-security apparatus.



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# 3. Soviet Naval Diplomacy in the Indian Ocean

#### A. Discussion.

Since early this year the Soviets have moved to improve their access to facilities in the PDRY, Ethiopia, and the Seychelles:

- -- In the PDRY, according to one report they have sought to acquire an air and naval base for sole Soviet usage; even if that report is overdrawn, they have at the very least tried to improve their access to PDRY facilities.
- -- In Ethiopia, they either have or are in the process of adding some 70 technicians to their permanent contingent in the Dahlaks and may be seeking to obtain Ethiopian acquiescence to a further build-up.
- -- In the Seychelles, they are consolidating their ties with President Rene. The most significant military development is the initial Soviet usage of the island for refueling stops by military transport aircraft, a privilege which they may seek to expand into the right to stage reconnaissance flights, most likely by IL-38s.

The short-term military significance of all these moves is limited, particularly since Soviet naval operations in the Indian Ocean are continuing to decline from the peak they reach in 1980. Over the longer term, however, they reflect the Soviet determination to strengthen their regional military posture.

The most significant issue to watch over the next six months or so is the evolution of the Soviet relationship with Rene. Analysts were unanimous in the judgment that the Soviets are striving to make Rene increasingly dependent on them; but opinions were divided on how successful they have been, with some analysts arguing that Rene was manipulating them and thereby improving his leverage with the West.

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