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THE DIRECTOR OF
CENTRAL INTELLIGENCE

National Intelligence Council

18 February 1982

NOTE FOR: See Distribution

FROM :

[Redacted]

SUBJECT : Warning Assessment: USSR-EE

1. Attached is the assessment prepared following the monthly Community warning meeting held on 16 February 1982. Comments would be most welcome. [Redacted]

2. The next warning meeting will be held on Tuesday, 16 March, at 1400 hours in Room 7E62, CIA Headquarters. I solicit suggestions regarding any topics or contingencies you feel we may be overlooking, and request that such recommendations be forwarded to me by COB Tuesday, 2 March. [Redacted]

[Redacted]

Attachment
DDI #1391-82

[Redacted]

[Redacted]

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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

DDI #1391-82
18 February 1982

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

VIA : National Intelligence Officer for Warning

FROM : [Redacted] 25X1
Acting National Intelligence Officer for USSR-EE

SUBJECT : Monthly Warning Assessment - USSR/Eastern Europe
(Meeting held 16 February 1982)

1. The Effect of Polish Events on Hungary. Kadar's main goal during the entire Polish crisis has been to shield Hungary from it, primarily to prevent any calls for orthodoxy in all of Eastern Europe from jeopardizing Hungarian economic reforms and relatively tolerant domestic political course. Since 13 December, Hungary has attempted to stay out of the limelight by publicly arguing that it should not be considered a model for the rest of Eastern Europe, but privately (and possibly at Soviet instigation) sending high-level emissaries to Warsaw with advice for Jaruzelski. On the economic front, although Hungary has suffered from Poland's inability to deliver promised goods and lately from the Moscow-imposed obligation to provide aid, its greatest current concern is to retain its credit-worthiness in the West. In 1982, it will probably need to borrow an additional net sum of some \$500 million or cut back on imports and measurably slow down its rate of growth. To obtain the credits needed, it has conducted high-level negotiations with Western banks and begun investigating the possibility of Arab loans. In domestic politics there is no sign of popular unrest or of any challenge to Kadar. He has carefully groomed a follow-on political generation which seems committed to continuing his political line, provided Hungary is able to maintain its relative freedom of action in setting domestic policies.

2. Soviet-Iranian Relations. Despite the recently announced increase in Soviet-Iranian trade, rumors of military sales and speculation about a friendship pact, there is no hard evidence so far of a significant improvement in relations. As far as covert Soviet internal security assistance to the regime and simultaneous increase in Soviet support to anti-regime ethnic groups, DIA argued that there might be more here than meets the eye. Although some reports are probably sensationalist, DIA suggested that they should not be dismissed simply because they do not fit into our preconceived notions of Soviet and Iranian policies.

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3. Soviet-Cuban Military Developments. Soviet military deliveries in 1981 are second only to those of 1962 in tonnage and amount to about \$500 million dollars (out of a total of \$2.7 billion dollars since the establishment of the Soviet-Cuban military relationship). Particularly significant equipment being provided to the Cubans for the first time are self-propelled howitzers, Fan Song E (which extend the range of SA-2s by about 12 miles), and SA-6s (the first mobile surface-to-air missile systems in Cuba. So far, 1982 deliveries have continued at the same pace and include MIG-23s. Although these extensive deliveries can be explained in terms of needed replacements for obsolescent equipment and of materiel needed by Castro to defend Cuba without active Soviet involvement, they must also be seen in the context of Cuban activities in Central America and in Africa as well as of other possible purposes which are not yet readily apparent.

4. Soviet Moves in Southern Africa. CIA noted that information obtained since the production of the IIM on Namibia strongly supports the thesis that the Soviets are trying to torpedo the Namibian negotiations; further they are acting to prevent any Angolan group (particularly dos Santos) from developing ties to the West. These actions may be the Soviet answer to perceived US efforts to diminish the Soviet role in the Third World.

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