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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

DDI #320-82
15 January 1982

National Intelligence Officers

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

VIA : Chairman, National Intelligence Council

FROM :
Acting NIO for General Purpose Forces

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SUBJECT : Prospects for 1982 - NIO/GPF

The attached point paper highlights key developments expected or possible in Soviet-Warsaw Pact general purpose forces over the next year and key issues in this arena with which the intelligence and policy communities will have to grapple. We can elaborate on any of these that interest you.

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SOVIET GENERAL PURPOSE FORCES IN 1982

Expected Major Trends in the Forces

- Continued force restructuring and improved command & control and surveillance & targetting.
- Little real change (either growth or reduction) in force size.
- Little impact from arms negotiations.
- Increase in forces committed to Afghanistan; continued attempts to expand access to foreign naval and air bases.
- Continued modernization of weapons and support systems.

-- Ground Forces

- New tank (potential for technological "surprise") and several modifications of existing tanks.
- Continued deployment of SS-21 and some SS-23 in Eastern Europe (implications for INF).
- Formation of several new active ground force divisions, principally along the Sino-Soviet border.
- Large increases in Soviet artillery--much of it self-propelled.

-- Air Forces

- Deployment of new close air support aircraft and continued testing of two new fighters.
- Testing of new intercontinental bomber (implications for US air defense and B-1 programs).

-- Naval Forces

- Soviet CVA program development (ships and aircraft) and deployment of new cruiser and possible new attack submarine (implications for US naval programs)

Potential Issues

- Force Readiness: an IIM on ground force readiness will challenge traditional assumptions with significant implications for US/NATO warning assumptions.

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SOVIET GENERAL PURPOSE FORCES IN 1982 (Cont.)

- Naval Policy: an NIE will project the development of the Soviet Navy and its roles and missions into the 1990s with implications for the development of US/NATO naval forces.
 - Economic Decline: the perennial question of the degree to which a declining Soviet (and East European) economy can support continued growth in military programs; given the economic prospects for 1982, the question takes on added import.
 - NSWP Reliability: an IIM will attempt to speculate on Soviet perceptions of the reliability of their East European allies given the events in Poland, Romanian intransigence, East European economic decline, and other factors; a subjective issue, possibly contentious, but offering opportunities for US policy initiative.
 - Chemical Warfare: mounting evidence of Soviet and/or surrogate use of lethal mycotoxins in Afghanistan and Southeast Asia presents a serious challenge to the US and NATO who currently have neither a chemical defense capability against nor retaliatory capability with such weapons.
 - Exercise Activity: we expect the Soviets and their allies to engage in more exercises focusing on conflict on the periphery of the USSR (SW Asia, Middle East), global-scale contingencies, with increased emphasis on land-air-sea operations and more sophisticated command and control.
 - Tank Programs: several unilateral and community efforts will focus on a dynamic Soviet tank program. There is a new modern tank (T-80?), there are at least two modified versions of older tanks incorporating new technology (T-64M and T-72M) and there may be a program to substantially upgrade the T-55 which, despite its age, constitutes the bulk of the Soviet tank inventory. 25X1
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- Modernization and Future Forces: completion of an 18-month interagency project offers the potential for substantial changes in community assessments of current and future ground forces. Despite aggressive modernization programs, the force is not nearly so modern as normally perceived and is not likely to change radically in character for at least well into the 1980s. The findings of this CIA-DIA-Army project will be published this summer and almost certainly will stir controversy.
 - NATO: likelihood of increasing disparity between US and European perceptions of Soviet-Warsaw Pact threat and NATO response (implications for MBFR, INF, NATO force modernization).

PERSPECTIVES ON INTERNATIONAL DEVELOPMENTS IN 1982Central America

Compared with one year ago, the extreme left in Central America is stronger while terrorism and guerrilla warfare have had a major role in undermining all the economies of the region. At the same time, the threatened governments and their supporting coalitions have maintained workable cohesion in the face of the growing pressures both because of their expectation that the new US administration would help prevent communist success and because of internal political developments and opportunities such as the return to constitutional government in Honduras, the scheduling of elections for El Salvador (March 1982), Guatemala (March 1982), and Costa Rica (February 1982).

At present with a prudent, active and comprehensive US-led effort in the region, success would be possible against the extreme left without the commitment of US forces to prolonged ground combat. However, the efforts to date are too little and too fragmented. Under the assumption that the current pattern of US action continues in 1982, the following are my judgments about probable results.

Nicaragua

With Cuban, other Soviet Bloc, and radical Arab help, the Marxist-Leninist Directorate will continue its main policies which include: rapid and thorough efforts to eliminate any armed threat to the regime; continued full support for the revolutionary left in the rest of the region (including Honduras and Costa Rica), continued military buildup for internal repression, and to provide a shield for the export of subversion; and, the use of propaganda to maintain Western political and economic support from many democratic-socialist governments and parties. This last implies that some moderate internal groups (parties, trade unions, church) will be walled off from political power rather than crushed completely at this stage because the regime will continue to feel strong enough to eliminate them whenever necessary and will want the propaganda and deception benefits of their continued existence.

El Salvador

There is more than a 60% chance for an extreme left victory this year or early 1983--perhaps temporarily disguised behind a negotiated settlement which establishes a "new army" including the guerrillas and a "coalition government". The revolutionary left has enough armed strength to continue the destruction of the economy and launch coordinated attacks involving hundreds of fighters. That in combination with their international propaganda apparatus will be used to: prevent or discredit the March 1982 elections, dramatically increase the costs of US military and economic support, and, create a sense of momentum and ultimate inevitability of their victory.

These factors would then be combined with the current apparent lack of US congressional and public support for additional military help for El Salvador, well-dramatized acts or allegations of "government" or "rightist" brutalities

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and the congressionally-mandated preconditions for aid to El Salvador (signed into law on 29 December 1981) to bring about either a congressionally-required cutoff of military aid or a fatal delay while a highly emotional debate is carried on in the US (China, 1945-48 was an example of the process). In plain terms, this political-paramilitary war could well be lost either in the field through attrition and guerrilla success or in the US through a lack of effective support or a combination of both.

Guatemala

On 18 December 1981 CIA/DDI doubled the estimated guerrilla strength from about 2,200 to about 4,400. External communist support continues, and the terrorists of both the extreme left and extreme right are killing or intimidating all moderates, politicizing the formerly uninvolved Indinans, and destroying the economy.

The Guatemalan government is, in fact, politically weaker than that in El Salvador because it is far more linked to extreme rightist violence against non-communist moderates. It is also much more internationally isolated because the transnational groups supporting the Salvadoran Government (the Latin democracies, free trade unions, and Christian Democratic parties) do not and will not support a continuation of the current Guatemalan reaction to the extreme left terrorism.

Barring a major positive change in the Guatemalan government or a guerrilla defeat in El Salvador (which would require substantial US initiatives not now visible), the prospect is for a continuation of present negative trends. If the extreme left wins in El Salvador (however initially disguised), the same is likely to occur in Guatemala within a year, perhaps sooner, due to the collapse of morale and the ending of positive expectations about US power and will.

Honduras

Cuban/Nicaraguan objectives are to neutralize Honduras in the guerrilla conflicts through a combination of subversion, promises (being left alone), and threats. These last will include more support for the armed left inside Honduras to distract the government along with short-term Nicaraguan military attacks which will be denied.

If events in the region continue as at present, by the end of 1982 Honduras will probably be neutral at best and perhaps on the way to "Lebanonization" with extreme left guerrillas in effect controlling sectors of interest to them.

Costa Rica

Strong democratic traditions will probably preserve the current political system through the end of this year despite the severe stresses brought on by economic problems and the impending Cuban-sponsored subversion. Evidence in hand shows clearly that both Cuba and Nicaragua have begun actions to build an

extreme left political front and armed units which at the least could be used to harass and distract the Costa Rican regime and which might cause a political breakdown in 1983.

The clear Cuban/Nicaraguan purpose is to prevent the newly-elected Costa Rican government from cleaning up their networks within the country and to deter Costa Rica from any active help to anti-Sandinista movements or the threatened regional governments. Social Democrat Luis Alberto Monge will probably be elected and take office in May 1982. He would try to resist this pressure for neutrality and might succeed unless and until the extreme left won in El Salvador.

Belize/Panama

Both governments are fragile and ripe for political subversion leading to a "Grenada-type" takeover. My sense is that the groundwork will be established in 1982 with the threat more visible in 1983. Cuba and its partners will probably not move too actively on these targets until El Salvador is won.

Mexico

The continued and growing strength of the extreme left will persuade President Lopez Portillo he has been correct to pursue a dual strategy of maintaining normal relations with the Central American governments while providing political and tangible support to the revolutionary left. His last year in office will most likely witness Lopez Portillo trying to vindicate his three years of self-deception by becoming more active on behalf of a "negotiated" victory for the extreme left in El Salvador and perhaps even Guatemala.

That, in turn, will add to other normal bilateral problems (immigration, fishing) and be used by the left wing of the governing party as the basis for stirring up anti-US feelings beyond the political and opinion-making elites which currently hold those views. This would then make it more difficult for the new president to cooperate with the US in Central America after his inauguration in December 1982.

At the same time, the communist and radical left may well be using its increased help for the guerrillas in Central America as a means for expanding and strengthening the public and clandestine organizations and skills needed to obtain more power in Mexico after Central America is communist.

Other Latin American Countries--In Brief:

Colombia

More than 600 guerrillas now are active; defeating them will require more US help which might be given. If not, the guerrilla threat will grow but not endanger the government this year.

Brazil

Failure to carry through on reasonably fair elections this year (emergency law of 11 January 1982) could well lead to major strikes and clashes between the government and a labor-church-party-student coalition which has been looking

forward to liberalization. Heightened social-political conflict, in turn, could severely limit foreign investment, foreign bank loans, or loan renewals. This, in turn, would cause severe economic retrenchment and additional social protest which could unleash government repression.

This downward political-economic spiral could radicalize much of the democratic opposition, end the liberalization-process, and lead to a major crisis in 1983-4. However, there is still time to avoid this possibility.

Venezuela

The Christian Democratic government of Venezuela has been a major partner of the US on behalf of moderate groups in the Caribbean region. Therefore, the evidence indicates that Cuba is encouraging efforts by extreme leftist groups to increase terrorism in Venezuela and use the territorial dispute with Guyana as another source of pressure.

A Few Concerns Outside Latin America:

Recognizing that I am not informed about the CIA-derived information on these countries, I nevertheless wanted to share a few of my concerns outside Latin America.

Western Europe-US

Repression in Poland should have brought about a reaffirmation of Europe-US solidarity but did not. Therefore I continue to see three issues leading to wider gaps between the US and the social democratic governments and parties of Europe, especially France, Greece, Germany: 1) the correct actions required to contain the USSR; 2) Middle Eastern strategy--PLO or Camp David; 3) the revolutionary left in Central America.



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Middle East

North Yemen represents a Soviet breakthrough in political-paramilitary warfare: its partners help the groups trying to overthrow the government while Moscow provides military help to that same government and thereby establishes a probably deadly grip to be disguised by "unification" and pseudo power sharing between the South and North.

Iran

The North Yemen ploy is being attempted by Moscow--the ethnic and extreme left guerrillas are helped by Soviet partners, the communist party infiltrates the government while pretending sympathy for the clergy and the USSR now has offered Khomeini military and intelligence help to deal with these threats.

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Pakistan/Afghanistan

My sense is that Moscow will use any and all military means to crush the Afghan resistance in 1982. That may also include the use of private direct and indirect military (Afghan and/or Indian forces) and guerrilla war threats (Baluchi separatism) in order to persuade Pakistan to terminate its support for the Afghan resistance.

Destabilization forces including Libya, South Yemen, Ethiopia (Aden Treaty), Syria, various Palestinian terrorist groups will probably receive even more Soviet Bloc support for action against an array of targets including Egypt, Sudan, Turkey, Oman, Persian Gulf oil mini-states.

[Redacted Signature]

National Intelligence Officer
for Latin America

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