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The Director of Central Intelligence

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National Intelligence Council

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

VIA: National Intelligence Officer for Warning

FROM: Graham E. Fuller
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SUBJECT: Forecasting and Warning Meeting Report,
19 July 1984

1. Iran-Iraq. Although Iran continues to maintain a state of preparedness for another assault against Iraq, there are continuing indications of delay based on political decisions from Tehran. Iran's military preparations include a readiness to cross the Shatt Al-Arab. Given the nature of Iraqi defenses, however, and the extensive flooding in the area, any Iranian attack would be likely to incur very high casualties.

Discussions in Tehran probably hinge more on how and when to launch an attack rather than whether an attack should be made.

The air war in the Gulf continues with Iraqi attacks on Iranian shipping and Iranian measured responses.

Despite numerous reports of forthcoming diplomatic activity to end the war, no significant steps have been taken and we doubt that mediation will bring results. Iran may wish to use mediation offers as a means to entice the Gulf states into pressuring Iraq to stop the air war.

Iran has at least three options:

- Maintain the war in a twilight zone of no peace, no war.
- Seek a negotiated settlement in which the fall of Saddam Husayn would be the key goal.

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- Launch an attack against Iraq and escalate the conflict in the Gulf.

Iran has been sobered by numerous recent events such as the Saudi shootdown of an Iranian plane, the lack of success in Iran's land war, Iran's failure to generate meaningful terrorism inside Iraq, and Iraq's near conclusion of a new pipeline agreement.

It is important to remember that Iran has many long-range goals in its struggle for dominance in the Gulf that will continue to exist even should the war wind down.

The Community recognized that the situation is quite fluid at the moment and we have little clear indication of Iran's probable course of action.

2. Tunisia. The bread riots in Tunisia in January vented a considerable amount of public dissatisfaction but the underlying causes of dissatisfaction remain. Unemployment is high, worker remittances from abroad are diminishing, tourism is dropping, the budget is distributing largesse unequally through the country, and corruption remains high. Bourguiba's ruling party, once the symbol of nationalism and independence, is now a symbol of corruption, cronyism, and stagnation. The rifts between the haves and the have-nots is growing.

Bourguiba himself, so long part of the solution of Tunisia's problems, is now more the source of such problems. He is increasingly senile, out of touch with the present situation and is blocking efforts at major reform. He is still in charge for better or for worse and because of his stature, is unlikely to be removed. There is no one of sufficient standing in Tunisia to fill his shoes.

The government is devoting more time to finding scapegoats for Tunisia's problems than to finding solutions. A recent pact between the labor unions and the government may help to contain labor strikes in the near term. The situation still remains potentially explosive, and student demonstrations this fall--especially if badly handled by security forces--could unleash further major unrest. At the moment there is no specific immediate issue which could serve to spark trouble in the months ahead.

The major actor in any disorders would be Islamic fundamentalists. Libya's influence on domestic politics is decidedly limited. The military--once a reliable instrument in quelling disorder--cannot be counted on to serve the regime in this capacity indefinitely.

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3. PLO. The recent Aden agreement signed between the PFLP, DFLP, and Arafat marks a significant step in tightening the PLO's hold on Arafat's activities. The emphasis is now on collective leadership, lack of communication with Egypt, and discouragement of peace talks with Jordan. Despite these strictures, Arafat is still likely to exercise some personal independence of action. He has survived recent struggles and still maintains leadership. All indications are that Arafat still wishes to avoid a major split in the PLO at all costs.

Arafat's differences with Syria are harder to bridge. President Assad has recently met with senior Arafat lieutenants but will not be willing to meet Arafat until they are certain he will restrict his activities in accord with recent agreements. Syria likewise has had limited success in winning acceptance of the Syrian controlled rebels among Arab states.

In any case the prospects for Arafat providing King Hussein with any meaningful mandate for negotiation with Israel is extremely unlikely.

The PLO continues to infiltrate into Beirut. Current figures suggest some 2,000 Palestinian fighters in the Beirut area. This time, however, there is far greater suspicion and concern for PLO activities among most Lebanese factions than ever before. Syria likewise does not wish to see the PLO run uncontrolled.

If the PLO refuses to enter negotiations with Israel, with or without Hussein, it will need some other viable policy. Since the military option is increasingly unrealistic, a return to terrorism is a distinct possibility. PLO politics are likely to remain loose, however, and each of the various factions will probably continue to pursue their own goals while avoiding a formal break in the organization.



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