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

NIC 07219-84/1
28 December 1984

National Intelligence Council

MEMORANDUM FOR: See Distribution

FROM: Graham E. Fuller
National Intelligence Officer for NESA

SUBJECT: Warning and Forecast Report for Near East and South Asia

1. Attached is my report to the DCI based on our meeting held 20 December 1984. If there are any significant amendments or additions you would wish to make, please let me know.

2. Next month's warning meeting will be held on 24 January 1985 at 1015 in room 7E62, CIA Headquarters. Please have your clearances passed and call [redacted] with names of the attendees by noon 23 January 1985.

3. I also encourage you to phone in suggestions for the agenda and proposals to make opening presentations. It would be helpful to have your comments for the next meeting by Monday, 14 January 1985.

Graham E. Fuller
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Attachment

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

VIA: National Intelligence Officer for Warning

FROM: Graham E. Fuller
National Intelligence Officer for NESAs

SUBJECT: Warning and Forecast Report for Near East and South Asia

1. Sri Lanka

Current Situation: The current disorders in Sri Lanka are the worst since the communal bloodbath in July 1983. The Tamil insurgency in the northern and eastern part of the island has resulted in de facto partition. The insurgents have large stockpiles of weapons and are becoming more effective fighters. The military is contributing to the problem because of its inability to control discipline in the ranks, especially to prevent revenge killings by government troops. Government talks with moderate Tamils continue but without signs of progress. Moderate Tamils--now on the defensive within their community--might reassert themselves against extremists, but only if the government were to accede to a unified autonomous Tamil region, including particularly Tamil control over law and order and control of disbursement of federal funds spent in Tamil areas.

DIA did not agree that there was de facto partition in the north. DIA argued that the Army has not been fully committed to the struggle with the insurgents. Army reserves have not been called up and--for reasons that are difficult to understand--the government and Army appear apathetic about regaining control of the security situation in the north.

Involvement of Powers Outside South Asia: There is some outside support for the insurgents, particularly from radical Muslims, but it is symbolic and not crucial to the success of the insurgency. We have

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evidence of insurgent contacts with the PLO over the last 2-3 years [redacted]

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[redacted] Iran has increased its support--mostly financial--for the insurgents since Israel opened an Interests Section in the US Embassy in Colombo. The USSR has offered some rhetorical support to the insurgents but there is little evidence of more concrete assistance. Moscow's priority in South Asia is India; Sri Lanka is a sideshow. Interestingly, the insurgents have not claimed Soviet support but have claimed assistance from East Germany, Czechoslovakia, and other Eastern European countries.

Warning Notes

The failure of President Jayewardene's recent proposal to create limited regional autonomy in Tamil areas is likely to trigger symbolic terrorists acts by the insurgents. There is an increased possibility that US facilities or personnel would be the targets of Tamil terrorism, particularly because of Iranian involvement with the insurgents.

View from New Delhi: India is profoundly disquieted over developments in Sri Lanka. India has a general fear of internal problems in neighboring countries that might spill over into India. New Delhi is following a two-track policy of providing humanitarian aid to the victims of the civil strife, while simultaneously tolerating the activities and training of Tamil Tigers insurgents in southern India. New Delhi is asserting its right to intervene if events threaten Indian security. The Israeli connection and rumors of US desires for bases on the island have further stirred Indian concerns. New Delhi's policy toward the insurgents is complicated by sympathy in Tamil Nadu for the insurgency. New Delhi is uncomfortable with the publicity about the insurgent training in Tamil Nadu and there is some question about whether India can control the Tamil Tigers.

New Delhi sees the following problems with a Tamil separatist state in Sri Lanka:

- large numbers of Tamil refugees would want to enter India;
- the new state would request aid from New Delhi; and
- Tamil separatist agitation in Tamil Nadu might revive.

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In the eyes of the Tamil community, the US has become identified with the central government and is an increasingly attractive target for terrorism. The intelligence community should be alert to signs of internalization of the civil strife.

2. Syria

Responses to Recent Moderate Arab Moves: Despite the sharp challenge to Syria by recent moves among the Arab moderates, there has been little overt Syrian response so far:

- The resumption of Iraqi-US diplomatic ties--although unwelcome--did not come as a surprise to Damascus. The US is a useful card for Syria to play in its dealings with the USSR, and US-Syrian relations are not likely to be affected by US-Iraqi relations.
- In reaction to increased Jordanian-PLO-Egyptian ties, Assad has so far limited his response to several "deniable" terrorist attacks aimed at Jordan and the PLO. Assad is waiting to see if the new links will bear fruit or wither.

Assad is feeling threatened but is biding his time because he has few options at the moment. A Damascus-based rump PLO does not appear viable, nor does the revival of a confrontation states alliance. Syrian ties with Libya are of limited usefulness to Assad because of mutual distrust and Qadhafi's lack of reliability. Ties with Iran are better and more useful, with Damascus serving as a conduit for arms to Tehran and Iran providing bargain-priced oil.

Warning Notes

We are entering an especially dangerous period with Syria. Assad appears to have few options but terrorism to influence regional players. If a moderate Arab alliance becomes more viable and especially if Jordan--perhaps in conjunction with the PLO or other moderate Arabs--moves toward negotiations with Israel, Assad will probably step up the use of terrorism and assassination and would consider military threats against Jordan.

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3. Libya: Qadhafi's Next Moves

Malta: Qadhafi has everything to gain and little to lose from the recently announced Libyan-Malta military and economic treaty. Libya in particular will gain access to Maltese ports. It is not clear whether Qadhafi's goal is to attempt to control the sea lanes in the central Mediterranean, or (more likely) this is just one more of his many moves to increase his diplomatic ties and to isolate the US in opposition to his regime.

Chad: Qadhafi will gain de facto control of the country down to the 16th parallel if the French do not stop him. Given recent French policy, it appears few care about Libya's involvement in Chad except for Qadhafi's neighbors and the US.

Egypt: The latest flare up in tensions appears to be dying down. In the short term the Libyans are unlikely to attempt overt or covert actions against Egypt, but over the longer term Qadhafi is likely to revert to covert attacks against opposition figures in Egypt.

Tunisia: With Bourguiba's health failing, Qadhafi will continue to look for means to build influence and he can be expected to take advantage of the turmoil when Bourguiba leaves the scene. Without Bourguiba, the Tunisians will be more susceptible to Libyan pressure and more vulnerable to Qadhafi's blandishments. Qadhafi may resurrect his previous proposals for union of the two countries. Algeria will provide the key counterweight to Libyan pressure on Tunisia.

4. Morocco

Morocco's financial and social problems are getting worse. They do not appear threatening to King Hassan's regime in the short term, but there is always the potential for urban violence. If large scale violence should break out, security forces in the cities would be hard pressed and could be overwhelmed because most of the Army's troops are in the Sahara.

The Union with Libya. There was a difference of views between DDI/NESA analysts and the NIO/NESA on the implications of the Moroccan-Libyan union for King Hassan. DDI/NESA analysts believe that the union is not an entirely negative development for King Hassan. More Moroccans--up to 1,000 a month--are going to Libya for work, Moroccan firms have won some contracts in Libya, and there has been a small amount of aid from Tripoli. Politically, there is some rhetorical agreement between the two countries on Middle East issues but Morocco continues quiet talks with Israel. Hassan is not going to admit--at least so soon--that the union is failing and he still hopes to get Qadhafi to decrease--if not end--his support for the Polisario. Increased Saudi oil aid since announcement of the union was mentioned as a possible sign of Riyadh's approval of Hassan's efforts to moderate Qadhafi's behavior.

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Hassan is extending the berm closer than previously thought to Algeria, which is seen as a sign that he will not back down in his effort to consolidate control of the Western Sahara. Both Morocco and Algeria state that they want to talk, but there appears to be little prospect for meaningful negotiations. In sum, the union appears to have put the Polisario ahead politically but Morocco ahead militarily.

NIO/NESA believes the fallout from the union has been almost entirely negative for Morocco [redacted]

[redacted] The union is already going sour, the Algerians are a more serious military backer of the Polisario than Libya, and Moroccan economic expectations of the benefits from the union are too high. The union hurts Hassan more than it helps him. The negative implications of the union bear watching, particularly should Hassan try to push the US to choose between Morocco or Algeria.

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