

The Director of Central Intelligence

Washington, D.C. 20505

National Intelligence Council

NIC 05210-87  
31 December 1987

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

FROM: John J. Bird  
National Intelligence Officer for Warning

SUBJECT: Bi-Weekly Warning Support

1. Attached is my bi-weekly warning review list which is intended to keep true warning issues in sight during periods when current events do not necessarily require continual reporting. The effort is a joint one, taking into account the views of other NIOs as well as Intelligence Community perceptions developed during regular warning meetings.

2. I would be pleased to provide you with amplification of any item.



John J. Bird

Attachment  
Bi-Weekly Warning Review

[Redacted]

CL BY SIGNER  
DECL OADR

25X1

~~TOP SECRET~~

[Redacted]

25X1

NIO/W  
31 December 1987

## LATIN AMERICA

### PANAMA: Noriega Fighting Back

The Noriega regime, under pressure from a declining economy and unusually strong allegations of corruption, appears to be preparing to curtail Panama's military relationship with the US and challenge longstanding US base rights. This strategy may lead to a unilateral abrogation of the 1977 Canal Treaties and demands for immediate transfer of the canal to full Panamanian sovereignty. The most striking indication of such intent was the 24 November National Assembly resolution calling for the government to suspend visas for US military personnel and begin negotiations for the removal of the US Southern Command. The resolution followed a series of media provocations this fall including forgery of a State Department letter purporting to assure a US Senator that troops would remain in Panama after the year 2000 and allegations that the US planned to overthrow the Panamanian government.

### HAITI: Critical Mass?

The rescheduled 17 January election is unlikely to assure either order or General Namphy's promised transition to genuinely democratic government by February. The ruling council is adopting an increasingly threatening posture toward centrist candidates and is criticizing the Catholic Church directly and the US indirectly. Efforts by Namphy to manipulate the election have resulted in an increasingly volatile situation that could erupt into violent upheaval requiring the evacuation of several thousand American citizens. An ominous alternative is that Duvalierist activists continue plotting for a coup in the near future.

### CHILE: Crawling toward Democracy

General Pinochet's determination to stay in power may precipitate a new crisis this coming year. Although his popularity has risen sharply and a recent poll indicated that 37 percent of the populace would vote in the 1988 plebiscite to keep him in power, he cannot count on winning a free election despite the initial disarray of the soon-to-be-legalized opposition. To boost his chances, Pinochet is pressing the reluctant junta to move the plebiscite from September to July, when fewer, more supportive, voters are likely to be registered. However, he could dangerously alienate the generals--particularly those opposed to him now who want a return to democracy--by pushing too hard for an early election. A July vote also would threaten the legitimacy of the plebiscite and increase political polarization, reinforcing the spiral of extremist violence.

TOP SECRET

25X1

## EASTERN EUROPE

ROMANIA: Impending Crisis

President Ceausescu's personality cult, managerial incompetence, repression, and yet more severe living conditions point to a crisis, possibly by late winter when consumer supplies are lowest. The regime recently stiffened austerity measures that in recent years have led to thousands of malnutrition and exposure-related deaths, and laid off still more workers whose entire livelihoods--including housing and meals--are linked to their jobs. The measures have sparked new unrest. In the worst incident, in Brasov on 15 November, up to 10,000 workers and sympathizers sacked the local Party headquarters and city hall, and called for Ceausescu's ouster. This time, security forces' (Securitate) responses were muted and the crowd dispersed on its own. The regime may be able to defuse individual troubles and get through the winter, but major endemic problems and hatred of Ceausescu make more, possibly violent unrest beyond control of the Securitate all but inevitable. The threat of imminent upheaval also could galvanize disaffected government, security, and party officials to overthrow the ailing, 69-year old Ceausescu. Depending on the scale and type of crisis, Moscow may find opportunity or need for military intervention.

## EAST ASIA

PHILIPPINES: Stumbling Along...Dangerously

The Communist New People's Army

[redacted] associated with nationwide local elections on 18 January already is responsible for nearly 40 deaths. President Aquino's political authority continues to be tenuous, despite her December approval to increase military pay and the capture of coup leader, Colonel Honasan. Moreover, both Communist and non-Communist politicians have criticized US policy and alleged American violations of Philippine sovereignty. This, plus the October killings of three US servicemen by Communists have serious implications for the United States and the Aquino government. Continued guerrilla successes amid other domestic turmoil will encourage various political and military factions to force Aquino from office. It is difficult to exaggerate the danger of Americans becoming targets of radical factions--there are some 120,000 Americans scattered throughout the Philippines.

25X1

25X1

TOP SECRET

25X1

## NEAR EAST/SOUTH ASIA

IRAN/GULF ARAB STATES/US: Freedom of Navigation

The recent upsurge in Iraqi airstrikes against Iranian shipping and Iranian reprisals against foreign tankers will increase the chances of incidents involving US naval vessels. Iran has increased its antishipping attacks over the past year and now appears to be concentrating on Saudi-associated shipping. This month, 13 out of 17 tankers attacked were trading with Saudi Arabia. Iran's strategy evidently is aimed at driving a wedge between the US and countries supporting the protection program. Already, Saudi Arabia has called into question the value of the US and allied combatants standing by while the Iranians attack neutral shipping. If the United States were to extend naval protection to non-US flagged shipping, Tehran probably would view such an action as additional US support for the Iraqi war effort and consequently would confront the United States more aggressively. In addition, the threat of an Iraqi accidental attack on US combatants and merchant ships continues.

SYRIA/USSR: A Soviet Base?

Syria's possible agreement to allow construction of a Soviet-controlled naval base at Tartus would give the Soviets their only actual base in the Mediterranean, reducing the need to transit the Bosphorus for repairs and replenishment, and potentially increasing the Soviet challenge to NATO's Turkish flank. Syria's decision, in return for \$500 million in debt forgiveness, a submarine, and coastal defense vessels, reflects the severity of Damascus' economic woes and could be a harbinger of new Soviet bases in Syria of greater military significance. The Syrians have resisted requests for bases in the past, but are behind in payments for arms and may have felt they have little choice now if they wish to continue to receive advanced Soviet military hardware. Chronic Syrian economic troubles and the oil price-related financial problems of their key Arab benefactors like Saudi Arabia, and more adroit Soviet bargaining under Gorbachev, may give Moscow still more leverage in the future.

INDIA/PAKISTAN: Continued Uncertainty and Nuclear Weapons

Islamabad probably has the capability to produce a nuclear device within a few days to a few weeks of a decision to do so. The Pakistani nuclear program enjoys widespread domestic support, and external pressures against the nuclear program are not likely to dissuade Pakistan from maintenance of the nuclear option. This has triggered problems with US aid for Pakistan and could lead the Pakistanis to a more independent course. It also has prompted Indian reassessment of its nuclear weapons options that will further fuel tensions in the subcontinent.

TOP SECRET

25X1

TOP SECRET

INDIA/SRI LANKA: Indian Imperialism?

India's intervention in Sri Lanka seems to reflect Rajiv Gandhi's adoption of a doctrine--formulated by his mother and reaffirmed recently in writing--asserting an Indian right and responsibility to protect ethnic Indians anywhere, even when they resist protection. India committed most of an infantry division plus police forces to northern and eastern Sri Lanka to help enforce a peace agreement concerning the Tamil (ethnic Indian) insurgency before the outbreak of fighting with Tamil militants. New Delhi continues to increase its troop strength, which is approaching 40,000. In addition to introducing a force larger than the whole Sri Lankan Army, the Indians have obtained Colombo's agreement to restructure the Sri Lankan state and to a virtual Indian veto of national security policy in Sri Lanka. It is not yet clear how far Gandhi intends to go in establishing dominance over Sri Lanka, but active guerrilla warfare by Tamil fighters against the Indians and India's 1400 combat casualties will complicate plans to withdraw and make a long stay more likely. The Indians themselves already are talking of a three-year presence; this could presage an extended period of warfare and turmoil.

IRAN/IRAQ: Developments on the Ground

A high level of activity in Iranian rear areas, new mobilizations, and the massing of troops and supplies suggest that Iran will launch a large-scale offensive against Iraq soon. The Iraqi military recall of reservists born in 1945--and placing reservists born in 1943 and 1944 on standby status--indicate Iraq is becoming increasingly hard-pressed to replace casualties. Extensive Iranian use of chemical weapons would exacerbate Iraq's problem, particularly if Iran achieves surprise with its conventional attack. No matter the military outcome of a new offensive, the potential for sudden collapse of either government is out of proportion to actual or likely military results. Latent civilian and military opposition to Iraqi President Husayn, combined with lack of success on the battlefield, popular weariness with heavy casualties, and no end to the war in sight, could with the right catalyst produce a sudden governmental change. Meanwhile, in Iran, the possibly imminent death of the popular Ayatollah Khomeini could lead to major instability within any successor government given massive, continuing battle casualties and the deprivation of the populace.

LIBYA/CHAD: Chemical Warfare

Colonel Qadhafi is embarked on a program to acquire an offensive chemical warfare capability and has had some success. Libya may recently have received additional chemical bombs and artillery shells from Iran. [redacted] We should be prepared for additional use of chemical agents already in stockpile in Libya against Chad. [redacted]

25X1  
25X1

25X1  
25X1

TOP SECRET [redacted]

25X1

IRAN/IRAQ: Chemical/Biological Weapons

Iranian chemical warfare capabilities are growing, and Tehran recently has demonstrated a willingness to use chemical munitions on the battlefield. Prime Minister Musavi stated publicly on 27 December that an in-country capability is being established for manufacturing various chemical weapons and openly declared a willingness to use them if necessary. Although Iraq is the most likely target, Iran may also decide to attack US interests ashore or afloat. US Naval vessels would be hard to attack, but could quickly be contaminated by CW agents traveling through ship ventilation systems. [redacted]

25X1

25X1

[redacted] This suggests that Iraq may be willing, for the first time in the history of warfare, to use biological weapons on the battlefield.

KURDS/TURKEY/IRAQ/IRAN: Kurdish Rebellion

Kurdish separatist activity is continuing in southeastern Turkey, drawing Ankara closer to border conflict. In November Turkish authorities seized [redacted] Iranian irregulars who claimed they strayed into Turkey en route to northern Iraq to assist Kurdish compatriots. Earlier, Iran conducted a raid during May inside Turkey following two Turkish raids against Kurdish targets in Iran.

25X1

[redacted] identified [redacted] Kurdish camps located in Iran, and this summer the Turks captured [redacted] Iranian irregulars who were infiltrating to attack Iraq's pipeline through Turkey. Tehran's continued support of the Kurds is seriously straining Turkish-Iranian relations. These developments, plus a September Kurdish attack in Istanbul--the first in a major city since 1980--could boost pressures on Prime Minister Ozal to launch more preemptive strikes against Kurdish camps in Iran.

25X1

25X1

WESTERN EUROPE

GREECE/TURKEY/CYPRUS: Continuing Tension

Another crisis may be brewing despite warm public comments that could presage a Greek/Turkish summit to discuss differences. Allegedly with Greek government encouragement, the Greek Cypriots have received 30 French AMX-30 tanks for their National Guard and may soon buy 30 more. The buildup in offensive weapons could become a red flag goading the Turks to react. The Greeks also appear to be reorienting military forces more to oppose Turkey than to defend against a possible Warsaw Pact attack. The NIO/Warning believes that, given the background of contentious issues between the Greek and Turkish governments such as rights to the Aegean seabed and militarization of the islands, direct confrontation is possible. Rumors of future joint Greek-Bulgarian military exercises will heighten tensions further.

## AFRICA

ANGOLA/CUBA/SOUTH AFRICA: Cuban Reinforcement

Cuba is increasing the risk of clashes with South African forces in southern Angola. Armor elements of a premier division [ ] deploying 25X1 from Cuba, and some Cuban reinforcements have moved southward from northern Angola. [ ] 25X1

25X1

NIGER: Government in Transition

New President Ali Saibou's position is insecure and he may be a transitional leader. The Nigerien armed forces are divided and many officers believe that Saibou lacks ability; senior officers are jockeying for position while younger ones want someone from junior ranks. Popular support also appears thin. Protracted instability could make the country especially vulnerable to Libyan meddling and territorial predation.