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Central Intelligence Agency



Washington, D. C. 20505

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6 October 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.

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

[Redacted Signature]

John J. Bird

Attachment  
Bi-Weekly Warning Review

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NIO/W  
6 October 1987

NEAR EAST/SOUTH ASIA

IRAN/GULF ARAB STATES/US: Collision Course

The likelihood has increased that Tehran will raise the stakes by attacking US or Gulf Arab interests as it feels increasingly isolated internationally and the US Navy has sunk an Iranian Navy landing craft conducting minelaying operations. An Iranian Revolutionary Guard commander has called publicly for an attack on a US Navy frigate

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[redacted] Revolutionary Guards Navy had contingency plans to attack a US ship with 100 small boats. In addition, the Iranians continue to plan attacks on oil and harbor facilities of Gulf Cooperative Council states and have moved boats to Khark Island--a staging area.

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[redacted] The probability of a US combatant being involved in hostilities in the region is higher than ever before.

IRAN/LIBYA: More Naval Threats

Iranian Revolutionary Guard naval forces in Lebanon may present a new kind of threat to US and allied maritime interests in the Mediterranean Sea

[redacted] a mine off southern Lebanon alleged to be similar to those used recently in the Persian Gulf while Lebanese found three others; a Revolutionary Guard commander claimed at about the same time that his contingent already had laid [redacted] near Tyre. In addition, Libya may try to lay mines off the Suez Canal. In all cases, the mine laying is likely to be covert. It may be difficult to prove responsibility. We cannot count on catching mine layers red-handed again.

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AFGHANISTAN/PAKISTAN/USSR: Soviet Pressure

Soviet diplomatic initiatives, violations of Pakistani ground and airspace, and possibly financial inducements are maintaining pressure on President Zia to stop providing aid to the Afghan resistance and to reach an accommodation with Moscow. Some cross border attacks on Afghans in Pakistan continue, and harassment attacks against Pakistani civilian targets are contributing to wearing down Pakistani domestic support of the war.. In an effort that will boost pressure further, Moscow proposed a shorter timetable for Soviet withdrawal from Afghanistan during recent talks in Geneva.

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INDIA/CHINA: Risk of Confrontation

Chinese initiatives since mid-July to defuse the border issue--and New Delhi's conciliatory actions--have helped ease tensions along the Sino-Indian border; there also have been some troop withdrawals from the border. However, the Indian Army Chief of Staff seems to be spoiling for a fight. A breakdown in talks scheduled in Beijing for 16-18 November could result in new confrontations. In addition, the current turmoil in Tibet could complicate the strategies of both countries.

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 also triggered Indian reassessment of its nuclear weapons options that will further fuel tensions in the subcontinent.

INDIA/SRI LANKA: Indian Invasion?

India's intervention in Sri Lanka seems to reflect Rajiv Gandhi's adoption of a doctrine formulated by his mother asserting an Indian right and responsibility to protect ethnic Indians anywhere. India has committed most of an infantry division plus police forces to northern and eastern Sri Lanka in recent weeks to help enforce a peace agreement concerning the Tamil (ethnic Indian) insurgency and has put another on alert for deployment. In addition to introducing a force that could dominate 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. The instability in Fiji between the native Fijians and the ethnic Indians may soon be another case for Indian intervention using the Navy to "protect" ethnic Indians.

IRAN/IRAQ: Internal Developments

Political stakes in the war are high. The potential for sudden collapse of either government is out of proportion to actual or likely military results. Domestic military and civilian opposition to Iraqi President Husayn continues. Meanwhile, in Iran, Ayatollah Khomeini's death could lead to major instability within the post-Khomeini government.

LIBYA/CHAD: Chemical Warfare

Colonel Qadhafi is embarked on a program to acquire an offensive chemical warfare capability and has had some success. Libya probably has received limited quantities of chemical bombs and artillery shells from Iran and will complete, by late this year, a chemical agent production plant. We should be

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prepared for additional use of chemical agents already in stockpile in Libya against Chad in the near future. Military forces in southern Libya have received chemical treatment kits.

KURDS/TURKEY/IRAQ/IRAN: Kurdish Rebellion

Kurdish separatist activity is increasing in southeastern Turkey, drawing Ankara closer to border conflict. In May, Iran conducted a raid inside Turkey following two Turkish raids against Kurdish targets in Iran. [redacted]

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[redacted] Kurdish camps located in Iran and states that Iranian irregulars recently captured while infiltrating intended to attack Iraq's pipeline through Turkey. Tehran's continued support of the Kurds is seriously straining Turkish-Iranian relations. A recent 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.

SYRIA: Internal Struggle

President Assad's poor health could leave him incapacitated at any time. In the absence of a named successor, with new pressures in Lebanon, and with an ever-deteriorating economic situation, any successor could become overwhelmed with key issues, leading to governmental instability and sudden change.

TUNISIA: Increasing Instability

President Bourguiba's campaign to suppress all political opposition is escalating with harsh crackdowns on Islamic fundamentalists, including seven death sentences for convicted bombers of a hotel and a life sentence for a popular fundamentalist leader. Islamic Jihad has promised retaliation if executions are carried out. The regime's efforts are increasing discontent and ensuring uncertainty and confusion when the succession crisis comes. The Libyan threat almost certainly will increase in the post-Bourguiba period, and Algeria too seems poised to influence the succession struggle.

WESTERN EUROPE

WEST GERMANY: Pressures on Defense Policy

Chancellor Kohl's decision to scrap the Pershing IAs marked a turning point in Bonn's security policy. The Christian Democrats have decided that they will be champions of arms control--an increasingly popular stance among many segments of the German population--and will not concede that ground to either the Free Democrats or the Social Democrats. The government may also be debating how to improve conventional capabilities as Soviet and US nuclear weapons are withdrawn. Public statements indicating that nuclear weapons hold the only key to defense, according to some influential Bundestag members, are working against efforts to improve conventional defenses. Meanwhile, working against such efforts, the Soviets continue their "peace

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offensive" in West Germany. In addition, the Soviets, by allowing the recent much desired visit by East German leader Honecker to the Federal Republic, are hoping to demonstrate a lowered threat to West Germans.

GREECE/TURKEY/CYPRUS: More Tension

Another crisis may be brewing. Frequent reports of Greek troop redeployments, new tensions over Cyprus, and ongoing issues such as rights to the Aegean seabed, militarization of islands, and differences over air and sea navigation rights point to heightened tensions. Whether the Greek actions are for domestic consumption or to affect US/Aegean relations is not clear, but the effect is to heighten tensions with the Turks. Both countries may move toward confrontation because they believe the US will act to prevent war.

EAST ASIA

SOUTH KOREA/NORTH KOREA: Rocky Road to December

Agreement by the major parties on a new draft constitution sets the stage for a presidential election late this year, but hardliners on both sides continue to oppose the pact. The radicals are likely to instigate street demonstrations. Additional, perhaps greater, unrest could result from labor strife. There appears to be general popular belief that a major breakdown in order could occur before December. A collapse of public order could yet result in the imposition of martial law.

Disorder would encourage North Korea to attempt actively to capitalize on anti-government riots and mount some sabotage operations. Moreover, the Chinese evidently want the US to know that North Korea intends to disrupt the Seoul Olympics.

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PHILIPPINES: Troubles for Aquino

President Aquino's support is weakening. A recent rally in Manila drew a scant 3,000 people, for example, and both civilian and military opposition is growing. Meanwhile, the communist New People's Army is stepping up attacks on bridges, possibly signaling a shift in tactics toward sustained attacks on economic targets. Continued guerrilla successes, aided by divisions within the military, will accelerate political polarization and encourage opponents of Aquino to increase their efforts to organize a broad coalition that can force her from office.

leader Colonel Honasan has stated publicly that he will lead another coup within a week and a half.

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LATIN AMERICA

BRAZIL/ARGENTINA: Tougher Stances on Debt

Brazil and Argentina may soon be taking significantly tougher stands on repayment of their international debt, threatening more confrontations and, ultimately, the solvency of major US banks. The recent mid-term election defeat of Argentine President Alfonsin's party by the Peronists will increase pressure on him to adopt a harder line on repayments. Brasilia continues to insist on "alternative" approaches to the debt problem--all of which probably will be costly to the banks. Continuing balance of payments problems in both countries make early resolutions unlikely. The chances of declarations of debt moratorium are increasing.

BRAZIL: Military Plotting

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[Redacted] The next few months will be critical as Congress debates the constitution. Increasing economic problems could lead to broad-based opposition, providing a pretext for military intervention.

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CHILE: Intransigence

General Pinochet appears more determined than ever to maneuver to remain in power beyond 1989. Having prepared plans for carrying out a major reshuffle of the army to force his critics into early retirement, Pinochet now seems determined to run as a civilian with junta backing. Pinochet's actions to maintain control may precipitate a new crisis of confidence over his leadership within the rank-and-file armed forces and middle class, fueling momentum for decisive change before 1989.

HAITI: Descent Into Anarchy

The situation continues to deteriorate rapidly. Street violence and acts of anti-Americanism will continue to endanger the safety of US citizens. Radical Catholic priests and communists are increasingly involved in anti-government activities. In addition, former President Duvalier continues to plot a military coup. Economic problems--plus harsh military reactions--increase the likelihood of a governmental crisis before the presidential elections scheduled to be held in November. Even General Namphy seems to yearn for a return to strongman rule.

PANAMA: Stalemate

Anti-government protests are tapering off, but the opposition could yet unify and force Noriega's resignation. General Noriega under siege would increase his demagogic campaign against the US, crack down roughly on the

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opposition and, if necessary, install a military junta. As the crisis evolves, there will be an ever increasing risk that Noriega will target more sensitive US interests in Panama for subversion.

#### SUB-SAHARAN AFRICA

##### ANGOLA: Prospects for Cuban Clash with South Africa

The risk of direct South African-Cuban clashes is high, as South Africa intervenes to stop the Angolans' measured offensive against UNITA positions in southeastern Angola. A Cuban aircraft may already have attacked a South African plane. Should the South Africans attack Cuban strongholds, Cuban

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retaliatory airstrikes against South African air bases in Namibia, thus increasing the chances for escalation and reducing prospects for a Cuban withdrawal.

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##### SOUTH AFRICA: Confrontation

Conservative electoral gains and deep divisions within the Afrikaner community have revealed increased domestic polarization that has further undermined the influence of moderate blacks and whites who seek compromise. Pretoria's gambit to co-opt South African blacks with a new constitution that allows for urban black participation in government--but which does not recognize the concept of one man, one vote--will not provide political power to blacks or satisfy their demands for full political representation. In extending the emergency decree to a quasi-permanent condition and stifling legitimate dissent, the government has demonstrated that its authority can be perpetuated only by force. Externally, until Pretoria's increasingly coercive measures against Frontline States subside, there will be greater opportunities for both West and East to capitalize on the Frontline States' heightened senses of vulnerability.

#### SOVIET UNION/EASTERN EUROPE

##### EASTERN EUROPE: Under Pressure

To various degrees, the regimes are under increasing pressures:

- Growing economic and political problems, coupled with Gorbachev's glasnost campaign and Soviet trade demands, have had unsettling effects on the aging East European leaderships. Prospective succession dilemmas, particularly in Hungary and Czechoslovakia, are adding to the potential for instability. In Hungary, strikes and demonstrations may grow as the impact of recent economic austerity measures are felt this fall. Even the normally docile legislature appears restive over austerity proposals.

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- Pressures are especially great in Romania, where continuing debt problems and economic mismanagement have exacerbated already abject living conditions. Poor nutrition and worsening sanitary conditions are contributing to new outbreaks of diseases like cholera. Popular discontent may reach its peak in late winter, when consumer goods supplies are lowest. Elements in the security services are disaffected. Should they decide to move against the ailing Ceausescu, we may have little additional warning. Moscow would seek to draw Bucharest back to the fold.

YUGOSLAVIA: More Financial Troubles

Belgrade has worsening payments problems and little prospect that it can solve them any time soon. After failing to make scheduled payments twice since June, the Yugoslavs face new rounds of rescheduling negotiations with both banks and Western governments late this month and in November. The banks, especially, are likely to be cool to requests for new lending in light of other debtors' problems and Yugoslavs' insistence earlier this year that they had no financial troubles. With export prospects poor, Yugoslavia probably will have financing gaps of \$1 billion or more annually for the rest of the decade.