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WESTERN EUROPE AND CANADA: Recent Developments on Sanctions Against Libya

Summary

Canada and Italy have given strong rhetorical support to US actions and have announced limited efforts to curb economic relations with Libya. The other West European countries have been less forthcoming, and all countries continue to balk at adopting broad economic sanctions. Some leaders, such as Prime Minister Thatcher, have spoken out forcefully in public against them. The European Community countries probably will hold a special foreign ministers' meeting on 21 January to discuss the US request for sanctions and ways to strengthen cooperation in combatting terrorism.

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This memorandum was prepared by the West European Division of the Office of European Analysis. Questions and comments should be delivered to the Chief, West European Division, on

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Canada

On 10 January Ottawa implemented limited anti-Libyan economic measures and offered unexpectedly strong rhetorical support for US efforts.

- Mulroney's government cancelled the export insurance offered to Canadian firms trading with Libya, and banned the export of some oil and gas equipment--reputed to have had a value of \$10 million in 1985--to Libya.
- Ottawa also advised its citizens resident in Libya to consider the wisdom of remaining under present circumstances.
- Mulroney probably overruled his foreign policy bureaucrats--and some Cabinet ministers as well--to break with postwar Canadian precedent and support sanctions without first learning whether Ottawa's European allies were going to follow suit. Although Mulroney has consistently condemned terrorism, he almost certainly is also trying to build some credit with Washington in the hope of finding it more accommodating on bilateral issues--such as acid rain and Arctic sovereignty--when he meets with President Reagan in March.
- The Canadian press is about evenly split between supporting the US and alleging that Washington is alienating its European allies and driving Tripoli and the other Arab states closer together. [redacted]

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West Germany

The Kohl government has responded positively to suggestions for increased cooperation in counterterrorism and has asked businessmen not to take over US contracts in Libya. Bonn, however, has given no indication that it will drop its opposition to broad economic sanctions.

- Government officials have publicly announced that West German firms should not step in to replace US firms in Libya. During a conversation with the US Ambassador on Thursday, Foreign Minister Genscher agreed to ask for an EC statement to this effect.
- Government officials continue to use the EC to field US requests for further action in their area, and US officials in Bonn report that the West Germans are likely to let those EC countries with larger interests

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in Libya--such as Italy--take the lead. Bonn probably would acquiesce in an EC consensus on measures aimed at Libya.

- In numerous public statements over the last few days, and in Genscher's talks with the ambassador, the Kohl government has expressed its interest in expanding cooperation to fight terrorism. Suggestions range from inter-ministerial meetings to enhanced aviation security. Numerous officials also have called for increased protection of US and Israeli interests in the FRG. The SPD's Mideast expert Hans-Juergen Wischnewski advocated this in a TV interview, for example.
- On Thursday, Chancellor Kohl publicly stated his government's opposition to broad sanctions and noted that the US "would just have to accept" Bonn's rationale.
- Press reaction on US sanctions has been varied. Some papers applaud the US approach for its moderation, and some criticize the West German and other European governments for failing to join. Others continue to point to the need to resolve the Palestinian questions to remove the underlying cause of Mideast terrorism. All portray Qadhafi in extremely negative terms. Many have also pointed to the lack of Alliance solidarity on the issue of sanctions.

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### France

France has reacted coolly to the US call for sanctions against Libya. In conversations with US diplomats French officials have not ruled out economic measures against Tripoli, but they have been careful to promise nothing. Paris has said little publicly on the issue.

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first, French deliberations are focusing on short-term French interests, especially in Chad. Second, the French continue to worry that isolating Qadhafi could unite the Arab world behind him while driving Libya into the hands of the Soviets.

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- France has not recently announced any measures to limit economic relations with Libya. French officials point out that they have been winding down their economic ties with Tripoli, especially since the Libyan invasion of Chad in 1983. Although Paris has not ruled out economic measures against Tripoli, officials have publicly questioned the utility of sanctions in this instance. When asked on television last week whether he favors the

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sanctions against Libya, Prime Minister Fabius responded, "I am mainly in favor of efficient measures. If it is a matter of having inefficient sanctions, then this is of no interest."

- France has indicated that any actions it does take are likely to be channeled through the EC. French officials told US diplomats last week, however, that while Paris may support an EC statement condemning terrorism, it will not accept one singling out Libya.
- In discussions with US officials, the French have stressed that they need specific proof of Libyan involvement in the Rome and Vienna airport attacks. French officials agree privately that Libya supports international terrorism, but maintain that they see no specific threat to French interests and cannot act before a "smoking gun" is found. [redacted]

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#### United Kingdom

London continues to oppose implementing broad economic sanctions because it fears they will jeopardize the Middle East peace process. The British also are concerned that support for US actions would undermine the UK's ability to avoid similar sanctions against South Africa. In a press conference on Friday Prime Minister Thatcher said that:

- The UK "unequivocally" ruled out adoption of sanctions against Libya.
- Direct military retaliation against Libya for the Rome and Vienna incidents could not be considered a "viable diplomatic weapon."
- London intends to consult with the US and other European nations on terrorism, and is especially interested in devising collective means of halting arms sales to Libya. (According to the London Sunday Times, British Foreign Secretary Howe will press the EC to adopt some of the measures taken by the United Kingdom in 1984 in response to Libyan terrorism--these measures included a ban on arms sales, strict limitations on Libyan travel in the United Kingdom, and denial of export credits.) [redacted]

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Italy

Of the West European countries, Italy has provided the strongest rhetorical support for US actions and, on 9 January, announced a number of economic and other measures intended to reduce ties with Libya. Nonetheless, a great deal of disagreement exists within the Craxi coalition over Italy's Middle East policy and particularly over US actions against Libya. Intra-Cabinet wrangling probably will limit Craxi's ability to implement these measures. Meanwhile, the Cabinet has partially offset its relatively tough stance against Libya by pointedly announcing "confirmation" that NATO bases in Italy can only be used for NATO purposes.

- The Italians have announced an across-the-board ban on arms sales to strengthen a 1981 embargo that blocked new sales of "dangerous" military equipment but permitted the completion of existing contracts and new contracts for non-lethal weapons. Prime Minister Craxi reiterated on 10 January that the new ban will set stricter criteria for spare-parts sales and disallow some existing contracts.

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- Craxi also said that Italy would order state-owned firms not to undercut the US by providing replacement services to Libya and would apply pressure on private companies to comply as well. Most of the Italian companies in a position to fill in behind departing Americans are state-owned.
- In addition, Craxi indicated that his government will advise Italian firms and personnel to gradually withdraw from Libya. Rome anticipates that Italy can turn to other Middle Eastern countries to make up the lost market and, therefore, is concerned that action against Qadhafi not antagonize more moderate Arab leaders, or unite the Arab world behind Libya.
- The government also will enforce its immigration laws and criteria for issuing visas more strictly, and act promptly to repatriate illegal Arab immigrants. Craxi is considering legislation to suspend temporarily the right of travellers from Morocco and Tunisia to enter Italy without visas.

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Spain

The Spanish media continue to give substantial attention to the imposition of US sanctions, but Madrid has offered little direct support for US policy.

- A key Foreign Ministry official hinted on Friday to a US official that Spain would go along with the general line the EC adopts on the sanctions.
- Foreign Ministry officials will meet on Monday to consider the measures Washington has suggested. [redacted]

Netherlands

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The Hague is particularly anxious to switch public attention from US-Western European differences over the Libyan sanctions to multilateral efforts to combat terrorism. Prime Minister Lubbers and other Dutch officials are indicating that they will use the Netherlands' current EC presidency to promote an EC consensus at least rhetorically supportive of the US anti-terrorist efforts.

- Lubbers stated publicly on Friday that his government will not participate in broad economic sanctions against Libya.
- According to recent US Embassy reporting, Lubbers believes that the US sanctions will prove counterproductive by rallying moderate Arab nations to Tripoli's defense.
- The Hague cancelled a high-level official visit to Libya scheduled for February during which a bilateral economic cooperation accord was to be signed. [redacted]

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Switzerland

The Swiss government has indicated to US Embassy officials that it could take part in an economic boycott only if called for by an international organization, such as the UN. Nonetheless, they claimed that some unspecified unilateral measures might be taken if Libyan complicity in recent terrorist incidents could be proven. [redacted]

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Belgium

Brussels is keeping a low profile in the sanctions issue, offering little official public commentary. Prime Minister Martens's government appears anxious to develop an EC consensus on sanctions as soon as possible.

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-- The US Embassy in Brussels reported Saturday that a Belgian Cabinet minister had assured it that the government will prevent a scheduled private-sector Belgium-Luxemburg trade delegation from visiting Libya this month.

-- Belgian media coverage of the US sanctions is focusing primarily on what it terms an "escalating" US-Western European confrontation over the issue, rather than on the recent terrorist incidents in Rome and Vienna.

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Austria

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The Sinowatz government has so far rejected a call for economic sanctions and remains divided over its response both to terrorism and the Libyan connection.

-- Interior Minister Blecha appears to be ambivalent regarding a forceful response to Mideastern terrorists and has claimed that the terrorists involved in the Vienna airport attack did not come from Libya, but were trained in Lebanon and Syria.

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[Redacted] the People's Bureau in Vienna. Some press reports note that [Redacted] reducing the size of the staff-- remains a possibility, but others point out that the Libyans could simply reassign those people to the various UN agencies in the city.

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Turkey

The Turks have indicated that they do not want to get involved in any actions directed specifically against Libya.

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-- Prime Minister Ozal met with President Evren on 10 January and told the press afterward that Turkey would have to view President Reagan's request for sanctions against Libya in the light of its own good relations with Tripoli, that Turkey did not export "strategic

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goods" and therefore was not directly concerned by the call for sanctions, and that Turkey had "no way" of knowing of Libyan involvement in terrorism.

- An MFA official told our charge on 10 January that "if" Libya were involved in the Rome and Vienna incidents, Turkey would be very concerned, but made it clear that Turkey's economic investment in Libya was a major consideration for Ankara.
- President Evren was scheduled to discuss the President's letter with senior military and security officials represented in the National Security Board this weekend, but has not yet made any public comment. [redacted]

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### Greece

Athens has publicly reiterated its decision not to join the US in economic sanctions against Libya. It has, however, refrained from criticizing the US for imposing sanctions--except to register concern about rising tensions in the Mediterranean and to repeat its position that the US bases in Greece must not be used for military actions against Qadhafi. Greece has been generally supportive on efforts to counter terrorism.

- The Greeks have strongly condemned terrorism. They have significantly reinforced security measures at Athens airport and around selected US facilities and officials. [redacted]

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- At the request of the US, the government has spoken to the Syrians about Abu Nidal operations in Damascus. They have not been willing, however, to confront Libya publicly or privately by accusing Tripoli of sponsoring terrorism.

- The Greeks have said they would support a high-level US-West European meeting to discuss ways of combatting terrorism. They have been reluctant, however, to press their EC partners on the issue--preferring instead to follow the West European lead. [redacted]

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### Portugal

Portugal has publicly indicated that it opposes economic sanctions against Libya but is trying to play down differences

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with Washington. Lisbon has not completely foreclosed the use of its military facilities in the event of any US military action against Libya.

- The foreign ministry released a statement on 8 January condemning terrorism, but indirectly opposed military action. It expressed support for "territorial integrity" and a "just and internationally acceptable" solution to the Palestinian question, and voiced serious reservations about the efficacy of economic sanctions.
- Foreign Minister Pires de Miranda reiterated Portugal's position in a meeting with US Ambassador Shakespeare on 9 January. He agreed that something needs to be done but said that Portugal is too small and vulnerable to act independently of other Europeans. He also said that Portugal would go along with the EC consensus.
- Clarifying an earlier government statement ruling out US use of its Portuguese facilities in operations against Libya, Pires de Miranda said Lisbon's message is that it wants to be consulted in advance of any action involving the bases. [redacted]

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#### Scandinavia

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The Scandinavian countries have so far been relatively unaffected by Mideast, or Libyan, related terrorism, and this leads them to view recent developments with some detachment.

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[redacted] the conclusion of the US Embassy in Finland that Helinski is unlikely to join any international sanctions against Libya, especially if they are perceived as US-backed. Only if a strong international consensus develops would the Finns consider adopting punitive measures. [redacted]

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