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The Director of Central Intelligence

Washington, D.C. 20505

National Intelligence Council

NIC No. 02652-86/1 30 May 1986

MEMORANDUM FOR: See Distribution

FROM:

George Kolt

National Intelligence Officer for Europe

SUBJECT:

May Forecast and Warning Report

1. Attached is my report to the DCI based on our warning meeting held on 21 May 1986.

2. Next month's warning meeting will be held on Wednesday, 18 June 1986 at 1015 in room 7-E-62, CIA Headquarters. Please telephone attendance plans to our office and have clearances certified by COB 16 June 1986.

3. I also encourage you to phone in suggestions for the agenda and names of volunteers to make opening presentations. It would be helpful to have your comments for the next meeting by Monday, 9 June 1986.

George Kolt

Attachment:

a/s

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National Intelligence Council

NIC NO. 02652-86 30 May 1986.

MEMORANDUM FOR:

Director of Central Intellgence

Deputy Director of Central Intelligence

FROM:

George Kolt

National Intelligence Officer for Europe

SUBJECT:

May Warning and Forecast Report

Full Discussion Items

Turkey-Greece-Cyprus: Hardening Positions Α.

Discussion. A combination of circumstances have sharpened long-standing Greek-Turkish disputes and this situation is likely to continue through fall.

The Turkish press is alleging the US has secretly agreed to support Athens on the Limnos issue in return for Greek concessions on US bases. In part because of this, Turkey has recently shown heightened sensitivity on Limnos's role in NATO contingency plans. Ozal also has taken a sharper polemical tone because of Greece's renewed efforts to block improvement in Turkey's status with the EC. Media speculation that Ozal is "burning his olive branch" toward Papandreou also may aim at helping the Premier's party in by-elections this fall.

Papandreou meanwhile has made a demarche to NATO ambassadors on Turkey's "provocations" and staked out a tough line on Cyprus talks. He is expected to adhere to such tactics as PASOK prepares for municipal elections this fall.

Warning Note. The tougher line of the Turks will further complicate the stalled DECA negotiations and likely extend them to the end of the year when base talks with Greece will begin creating a difficult situation for the US. In addition, the ever present risk of an unintentional escalation to violence will grow with the hostile

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| B. The Security Issues Agenda | | |
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| l. <u>Discussion</u> . For the rest of this year numerous major developmentsincluding the expected US-Soviet summit, and new rounds problems for the Heat and CSCEwill create difficult scending to the Heat and CSCEwill create difficult scending. | | |
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| of talks on MBFR, CDE and CSCEwill create difficult coordination | | |
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The key problems will be to keep Gorbachev from using any differences and heightened expectations about the summit to drive wedges, to isolate US-West European trade disputes from the Basket II (economic) discussions at the CSCE review conference, and to manage the Western response to Gorbachev's conventional force reduction in the INF talks and privately nurse fears that the US might undercut hard-won deployment victories in talks with the USSR on the "zero-option". Allied reaction to the congressional debate on binary is also likely to spur new pressure for "chemical free-zones" in some European capitals.

2. Warning Note. With elections pending in the FRG in January and increasingly possible in the UK sometime next year, beleaguered pro-US governments will be shaping their reactions to events with at least one eye on the polls. This means a higher risk of hyperbole, misunderstandings and spillover of differences, even on unrelated

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| II. <u>Monitoring Items</u> | |
| A. Chancellor Kohl's Status. | |
| 1. Discussion. Despite the dropping of one investigation against Chancellor Kohl, the Lower Saxony elections in June look bad for the CDU and the FDP might not make the 5 per cent hurdleposing the risk of an important symbolic setback prior to national elections in January. In the event of a CDU defeat on 15 June, the CDU would have to decide by July whether to let Kohl lead the ticket in January. | 25 X 1 |
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| B. Spain's National Elections | |
| l. Discussion. Parliamentary elections on June 22 are likely to return Premier Gonzalez's party to power with another absolute but slightly smaller majority. One wild card is whether abstentions will increase across the board. So far all voters seem to lack enthusiasm for elections so soon after the NATO referendum and the abstention effect may be neutral. The right is expected to do poorlyin effect his radical left in line. | 2EV4 |
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C. Additional Topic -- Ceausescu's Trip to the USSR

1. <u>Discussion</u>. The main reason for President Ceausescu's one day visit to the USSR on 16 May was apparently to sign several long term economic agreements. But the joint statement also included a strange new promise of "comradely support" as the basis for bilateral relations. Analysts remain skeptical that the Romanian leader

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George Kolt

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