



**Director of
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*Tuesday
20 March 1984*

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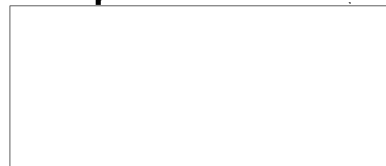
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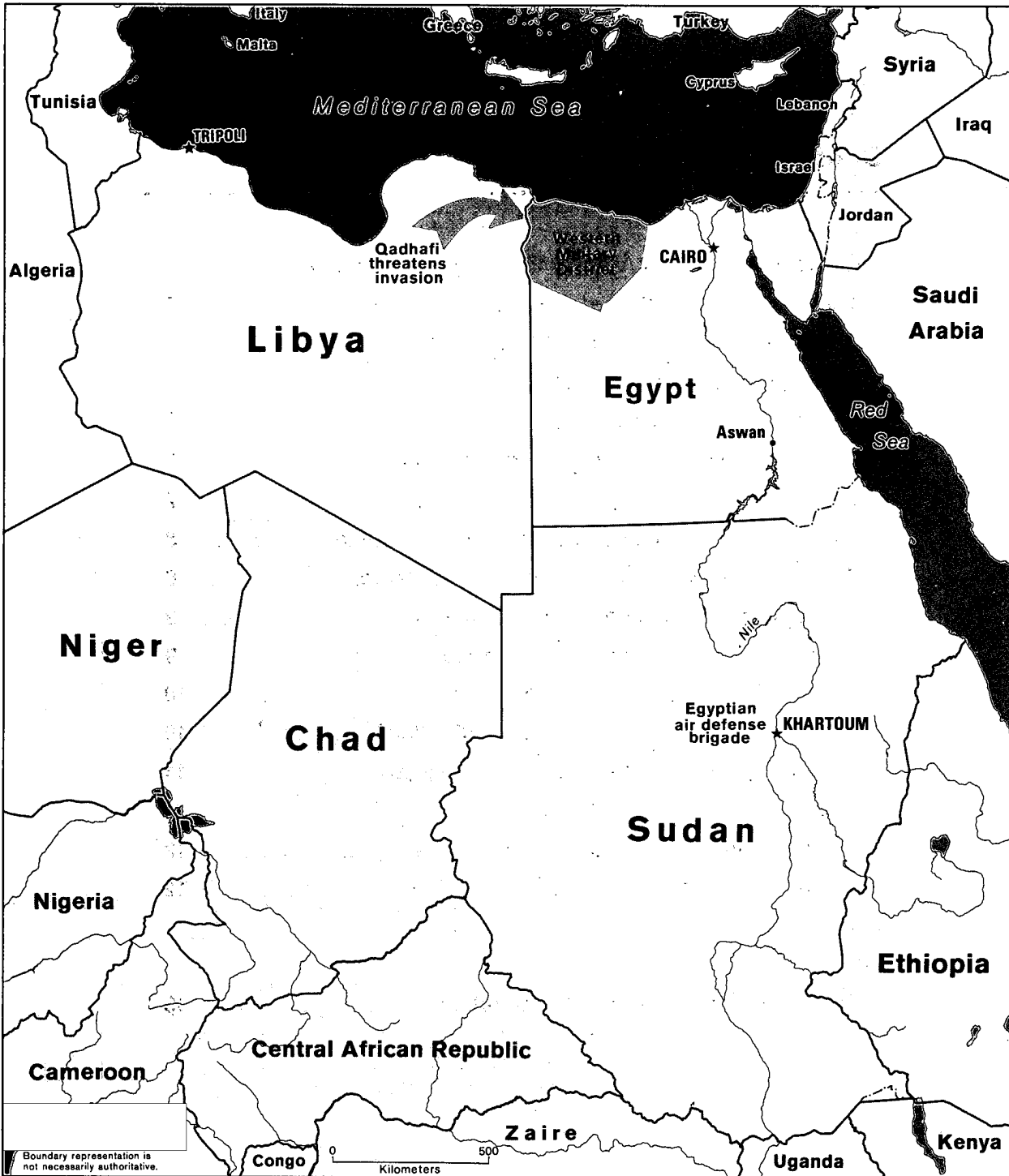
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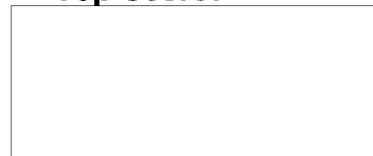
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EGYPT-SUDAN-LIBYA: Military Preparations Continue

Cairo has begun deploying air defense forces to Sudan while preparing to meet a threatened Libyan "march" into Egypt. 


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The initial contingent of a 2,000-man air defense brigade arrived in Khartoum yesterday aboard US aircraft. Defense Minister Abu Ghazala told the US defense attache in Cairo that he expects the brigade to become operational within 30 days and to remain for about eight months to train the Sudanese. The unit will be equipped with light anti-aircraft guns and SA-2 and SA-7 missiles. 



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President Mubarak told US officials on Sunday that he is taking seriously Libyan leader Qadhafi's threat "to impose unity" by sending up to 30,000 Libyans into Egypt on 28 March, British Evacuation Day. Mubarak said Egyptian forces would block any incursions by land or sea and that passengers aboard Libyan aircraft entering Egyptian airspace would be detained. 


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Abu Ghazala expressed concern that the march could be a diversion for Libyan attacks against either Sudan or Egypt. He requested that US AWACS aircraft be deployed to cover both the Egyptian-Libyan border and the airspace over northern Sudan. The Defense Minister also said that there are no plans to send more reinforcements to the Western Military District, but that fighter aircraft and an air defense unit will be sent to Aswan. 


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Qadhafi, in a speech on Saturday, said his earlier statement on Egypt had been misunderstood and that he would not sponsor a mass march  some air and ground forces in eastern Libya have assumed defensive positions. 

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Comment: The deployment of the brigade is mainly a political gesture by Cairo to demonstrate support for Nimeiri. The brigade's SA-2s, which have been in Egypt for more than a dozen years, are largely obsolete and were scheduled to be phased out this year. 

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Qadhafi's original call for a march probably was intended to embarrass Mubarak—unrealistically—and to put pressure on him to take a tougher approach in Egypt's dealings with Israel. His decision to back away from the march may reflect fear that it could provide Egypt, Sudan, and the US with a pretext to retaliate for Libya's airstrike against Sudan. 

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IRAQ: Concern About Chemical Warfare Publicity

Baghdad is worried that recent publicity about Iraqi use of chemical warfare could provoke Iranian or Israeli attacks on Iraqi facilities. [Redacted]

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Iraqi officials have denied publicly that a phosphate plant in western Iraq is producing chemical weapons and warned that Iraq will respond to Iranian or Israeli attacks on the facility. [Redacted]

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[Redacted] during the last year the Iraqis have constructed at least three SA-3 air defense missiles sites and deployed 33 antiaircraft guns around a large bunker near the plant. Earlier this month the US Interests Section in Baghdad said there have been reports that the Iraqis are extracting uranium from phosphates at the plant. [Redacted]

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Comment: The fertilizer plant does not appear to be involved in producing chemical weapons, most of which are produced at a facility 75 kilometers north of Baghdad. The bunker could be used to store uranium produced at the phosphate plant. [Redacted]

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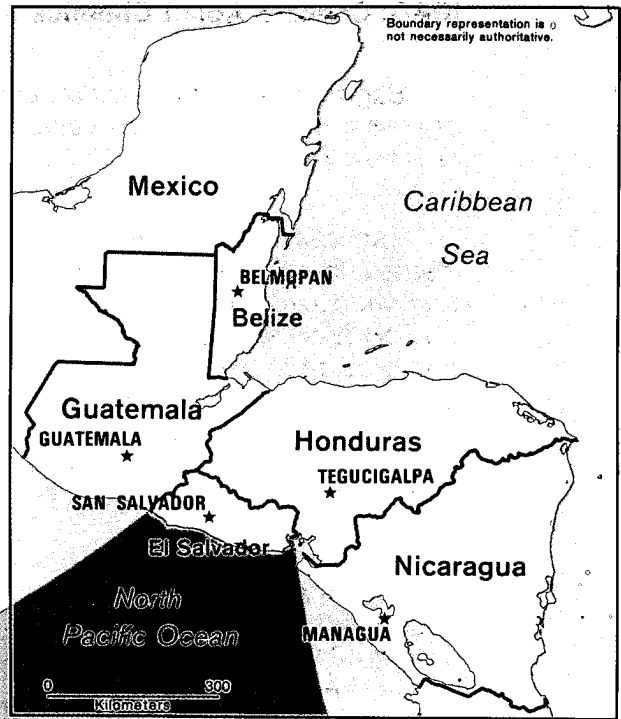
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EL SALVADOR: New Insurgent Attacks

Sporadic guerrilla attacks during the last few days have failed to disrupt the Army's momentum in the northeast. [Redacted]

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Following their attack on Suchitoto on Friday, the insurgents brought the 3rd Brigade headquarters at San Miguel under small arms and mortar fire. The US defense attache reports the garrison's defenses were not penetrated, however, and only two of its members were wounded. Military spokesmen estimate the attacking force consisted of 50 to 60 guerrillas, but the number of casualties they suffered is not known. [Redacted]

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Joaquin Villalobos, who commands one of the two largest guerrilla factions, issued a statement in conjunction with the attacks rejecting any cease-fire during the election period. He said the insurgents would intensify the war before, during, and after the presidential election next Sunday. [Redacted]

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Army troops, meanwhile, have crossed the Torola River in an attempt to enter a large insurgent base area. [Redacted]

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[Redacted]

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Comment: The raid on San Miguel probably was a diversion to ease pressure on guerrilla forces in the northeast. The statement by Villalobos almost certainly presages increased guerrilla military activity during the last few days of the election campaign. Such an increase, especially in the east, would be likely to reduce voter turnout. [Redacted]

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NICARAGUA: Electoral Law Approved

The opposition's boycott of the Council of State's discussion of the electoral law has enabled the Sandinistas to move rapidly to approve the remaining articles. [Redacted]

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The US Embassy reports the regime made some concessions on issues that had provoked heated objections from non-Sandinista parties. The revised article on media access provides for all parties to share 15 minutes per day on Nicaragua's two television stations and 30 minutes per week on state-controlled radio. A new voting formula will make it easier for small parties to win assembly seats, and a party will need to win only one seat to retain legal standing. [Redacted]

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The Sandinistas overrode opposition objections to allowing the military to vote. On the other hand, they will require that military officials, including the Ministers of Defense and Interior, resign if they run for office. The law provides that the state will give each party or alliance \$150,000 if it runs a presidential candidate and \$5,000 for each assembly candidate. [Redacted]

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In addition, the Sandinistas have allowed the opposition to have three of eight seats on a body that will oversee party activities. An electoral council, with broad authority to supervise the elections, will be named soon by the Supreme Court. Meanwhile, the President of the Independent Liberal Party has resigned from his position as Labor Minister to devote full time to the party's election activities. [Redacted]

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Comment: The small concessions being made by the Sandinistas are intended to give the appearance of flexibility. The Council of State now will debate a media law, and the Sandinistas soon may announce relaxation of the state of emergency. [Redacted]

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The Labor Minister has been expected to resign, because the Independent Liberals decided to run their own candidates in the elections in November. He says the party will not join the opposition coalition. [Redacted]

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The opposition views the extremely limited opportunity for media access as more evidence of the Sandinistas' intention to dominate the election. It fears that the law's financial provisions will penalize them if they forge an election alliance. Nevertheless, the requirement to retain legal standing will make the opposition think hard before boycotting the election. [Redacted]

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NATO: Dissension on MBFR

The Allies are debating the new initiative the US wants to present at the current MBFR talks, and a public display of disunity is possible.

[Redacted]

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The revised US proposal, which would require prior agreement on existing numbers of combat and combat support troops, still lacks West German support. Bonn wants to defer the requirement for agreement on data until after initial Soviet and US troop reductions, as the Warsaw Pact proposal provides. [Redacted]

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The latest proposal from the East also offers on-site inspection to verify reductions. Bonn cites this concession as justification for deferring the contentious dispute over data. [Redacted]

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Intensive discussions among US, British, and West German officials have failed to bring Bonn into line behind the new US proposal. The West Germans argue that it amounts to no significant change of position and that Moscow will reject it out of hand. They say this will strengthen the public's belief that the West is stonewalling. [Redacted]

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Comment: The government of Chancellor Kohl has been seeking support for its views among the other Allies. The Dutch, Norwegians, and possibly the Italians are among those who may agree that more flexibility is needed. [Redacted]

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Some Allies are upset at their exclusion from the talks among the US, the UK, and West Germany on MBFR policy. They would welcome Alliance-wide negotiations on a new approach. [Redacted]

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UK: Increased Opposition to Miners' Strike

The coal miners' strike, which is in its second week, is another test of Prime Minister Thatcher's efforts to curb militant unions. 


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The leadership of the National Union of Mineworkers ordered the walkout after the government decided to close 20 unproductive mines, costing some 20,000 jobs. The strike has idled most of the UK's 174 coal mines, but press reports state that support for the strike among the miners is sporadic and halfhearted. Workers at some large coalfields recently voted to reject the strike call and continue to work. 


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The government has obtained a court injunction forbidding strikers from picketing anywhere except at their own workplaces, but union president Scargill has said the "flying pickets" would do their work until all mines are closed. There already has been some violence between strikers and miners who want to work, and the union faces large fines if it defies the injunction. 


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Comment: Thatcher is likely to prevail because the rank and file is split over the strike. Scargill's bargaining position also is weakened by the large surpluses of coal in the UK. In addition, he has alienated some miners by failing to call a nationwide strike vote. 

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The Trades Union Congress, which represents all of the UK's unions, has thus far stayed out of the dispute. The Congress still is smarting from its defeat earlier this month, when Thatcher banned union membership at the government's signals communication facility. 

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If opposition to the strike increases in the Mineworkers Union, the Congress is likely to be more reluctant to support Scargill. Without some evidence that other unions endorse their efforts, the miners may have to call off the strike soon. 

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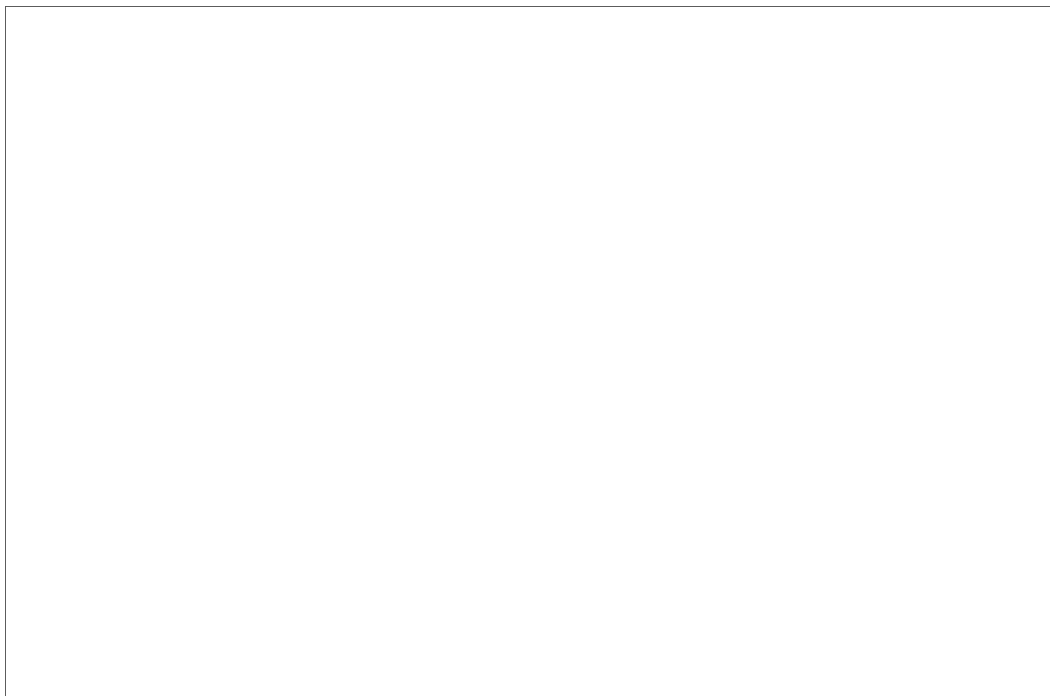
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TURKEY-IRAN-IRAQ: Possible Shift Toward Tehran

The US Embassy in Ankara reports some signs that Turkey is strengthening its relations with Tehran in anticipation of an Iraqi defeat. The indications include the recent trip of the Turkish Foreign Minister to Tehran, the prospective visit there of Prime Minister Ozal, press stories about Ankara's reluctance to promote a cease-fire with the Iranians, and rumored arms sales to Iran. [Redacted]

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Comment: The emergence of Iran as Turkey's principal trading partner and Tehran's call to Turkey and Pakistan to revive the Regional Cooperation for Development organization could cause Ankara to give even more attention to Iran. The Ozal government will move cautiously, however, because Iraq is Turkey's third-largest trading partner and its second-leading supplier of oil after Iran. Moreover, Ankara would have to consider that a pro-Iran policy could jeopardize any prospects for economic aid from Saudi Arabia. [Redacted]

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PAKISTAN-INDIA: Concern About Coup Plot

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[Redacted] The US Embassy reports that an official in the Foreign Ministry promised last week to give a Western journalist detailed evidence about the plot so that he could publicize India's involvement. The official said that 26 Punjabi military officers up to the rank of lieutenant colonel are in custody and that another 350 people, including one or two generals, have been interrogated. [Redacted]

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Comment: The government previously had played down the incident. The decision to publicize it may have been prompted by concern that recent Indian and Western press accounts were raising doubts about the stability of the government. It also probably reflects a decision to increase pressure on New Delhi to end its involvement with anti-Zia groups. [Redacted]

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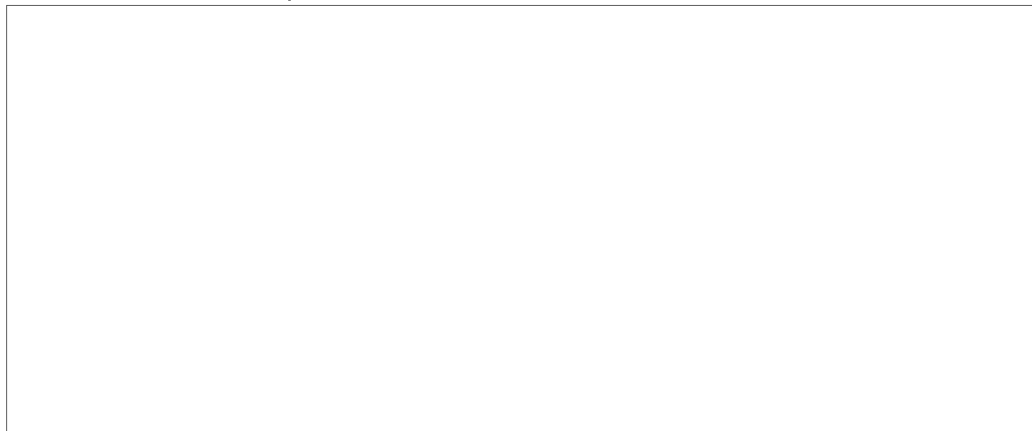
FRANCE-CHAD: More Support for Habre

Guy Penne, President Mitterrand's adviser on African affairs, told US officials last week that France is providing Chadian President Habre with vehicles to improve the mobility of his forces. Penne also said that Paris will provide air cover and logistic support for N'Djamena's operations against Libyan-backed rebel infiltration from the north and that French troops may be ordered to take a more active role in blocking infiltration. US defense attache reporting confirms that the French are planning to give more support to Habre. There are as yet no indications, however, that the French are willing to use their troops against dissidents in the south, where there are no Libyan forces. 

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Comment: Penne said little about France's negotiations with Libya on arranging a mutual withdrawal of troops. The lack of progress in these talks and French suspicions that Libya was involved in the recent bombing of a French civilian plane in N'Djamena may have persuaded Paris to increase the pressure on Tripoli by allowing Habre more leeway. Stronger support by France and Libya for each of their clients could cause intensified fighting among the Chadian factions. 

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WEST GERMANY: Results of Election in Bavaria

Early press reports state the Social Democrats scored gains in the municipal elections in Bavaria on Sunday. Franz Josef Strauss's Christian Social Union suffered a setback in the mayoral contest in Munich, where the party's incumbent was outpolled by the Social Democratic challenger. Neither candidate received a majority, however, and a runoff election will be held in two weeks.



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Comment: Although the Christian Social Union continues to dominate Bavarian politics, the election should serve as a warning of grassroots dissatisfaction with the party's leadership. During the campaign, the Social Democrats—traditionally weak in Bavaria—stressed economic and ecological issues over international security issues. Their gains probably will strengthen party moderates in other parts of West Germany who want to continue this strategy for coming state and municipal elections.



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YUGOSLAVIA: Debate on IMF Credit

The Federal Assembly is expected to approve a proposed \$380 million credit with the IMF today. The IMF program, which the government accepted on 1 March after heated debate, provides for lifting a price freeze on 1 May, raising interest rates to the level of inflation in gradual stages, and devaluing the dinar. Yugoslavia's acceptance of these terms will qualify it for financial assistance from Western banks and governments.



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Comment: Even though party and state leaders have endorsed the program, the government still faces strong regional opposition because of its other efforts to reform the economy. Regional critics, especially those who fear recentralization, oppose Belgrade's proposals to curtail investment credits for selected unprofitable enterprises, to restrict government budgets at the federal and local levels, and to encourage greater foreign investment. Last fall opposition in the Assembly forced Belgrade to back down on several austerity measures.



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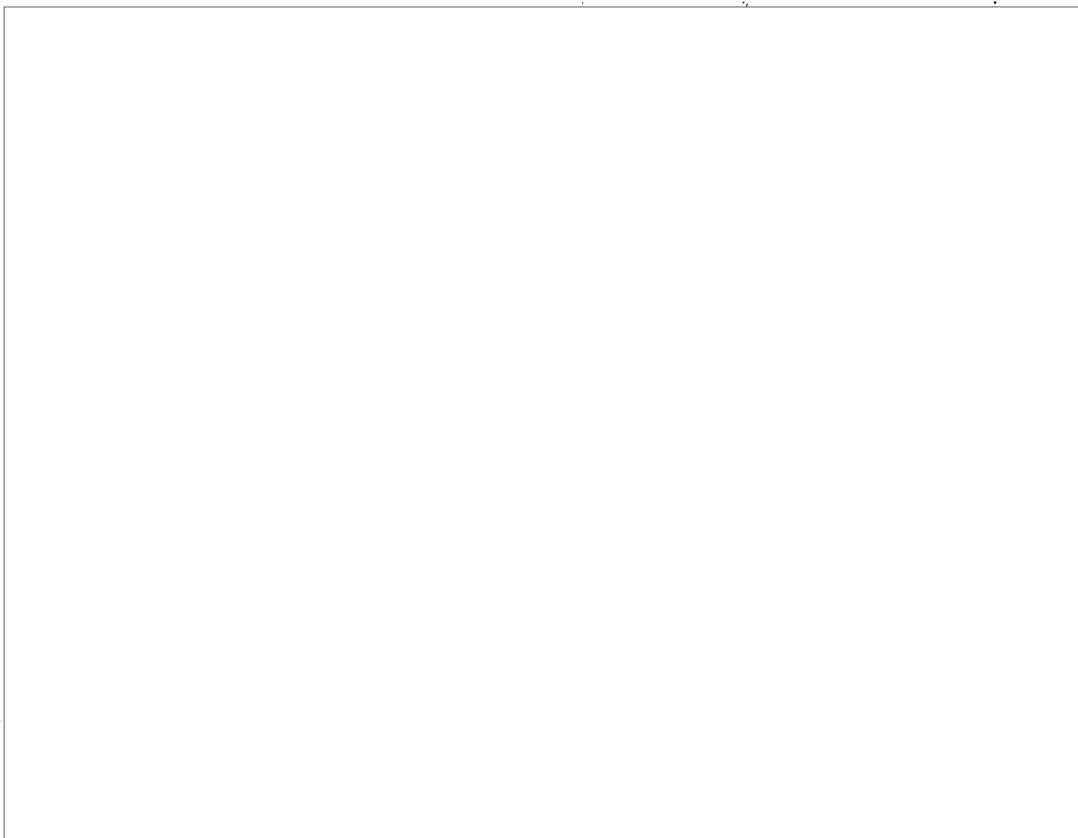
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SAUDI ARABIA: Minister Criticizes King

A major Saudi newspaper recently published a poem by Health Minister Gosaibi that contained veiled criticism of King Fahd for being out of touch with society and for making unwise decisions. [Redacted]

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[Redacted]

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Media coverage of Gosaibi's activities has subsided since the poem was published, and many Saudis reportedly are afraid to associate with him. [Redacted]

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Comment: Public criticism of the King by a government official—especially a commoner—is unprecedented. Moreover, Gosaibi had been one of Fahd's strongest supporters because he believed the King would take steps to loosen social and religious constraints and implement political reforms. Instead, Fahd has catered to religious conservatives and has continued to delay reforms, causing disillusionment among many educated Saudis. Fahd will take action to punish Gosaibi, but the King is unlikely to dismiss him because of his popularity with many Saudis and his connection to a prominent merchant family. [Redacted]

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Western European Union Members



The Western European Union was established in 1954 when the United Kingdom, France, and the three Benelux states revised the Brussels Treaty of 1948 to include Italy and West Germany. The revised treaty prohibits West Germany from manufacturing nuclear, chemical, or biological weapons and certain types of missiles. It also limits the size of the West German Army and its stockpiles of major weapons and ammunition. Although the primary function of the WEU is defense policy and equipment procurement among its members, it has done little in these areas.

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Special Analysis

WESTERN EUROPE: Defense Cooperation

The West European Allies are increasingly interested in coordinating their defense policies, in order to gain greater influence in NATO and to encourage joint production of arms and equipment. France is trying to build on this interest by updating its proposal to revitalize the Western European Union. At France's suggestion, the Foreign Ministers of the seven members of the WEU will discuss this on 24 May at a meeting of the organization's council. West Germany and Italy, and, to a lesser extent, Belgium and Luxembourg have responded positively, but the UK and the Netherlands are skeptical. All members, however, appear willing to have their Defense Ministers meet in Rome next October to mark the 30th anniversary of the WEU's creation. Such meetings on a frequent basis could provide the forum for greater coordination of European views within the Alliance.



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Paris sees a number of benefits in a revitalized WEU. It is authorized by treaty to address European defense matters in cooperation with NATO, and it has neither the US as a member nor the supranational structure of the EC. Moreover, its membership is limited to the six original EC members and the UK, thereby making it the exclusive club France traditionally has favored for defense cooperation.

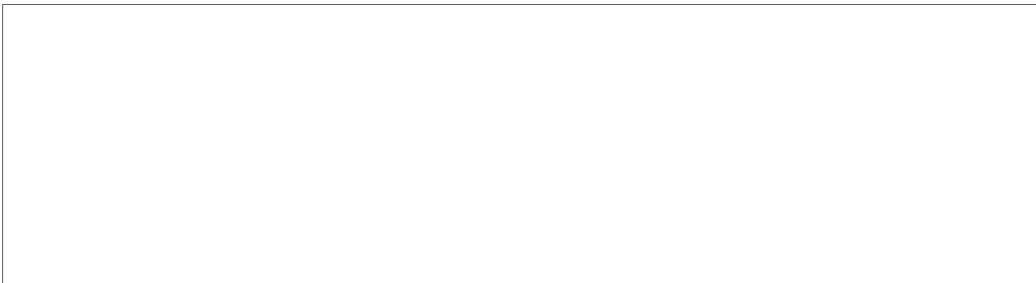


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France's most recent campaign reflects a growing domestic consensus that its security interests dictate European cooperation on defense strategy and weapons production. French officials are concerned about what they view as increasing neutralism in West Germany. According to Italian officials, the Mitterrand government hopes to use the WEU to improve its ties with West Germany and encourage production agreements designed to benefit French firms.



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West German and British Responses

West German Chancellor Kohl sees expanded European cooperation in the defense sector as one way to help repair the damage done by the INF debate to the longstanding consensus in West Germany on security issues. The government and the opposition Social Democrats both believe that European cooperation on security issues should be improved, in order to increase Western Europe's weight in the Alliance. Kohl's declared aim is to complement and strengthen NATO, and not to weaken it. [Redacted]

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The Kohl government also wants to expand its arms cooperation programs with its European partners to offset what it views as a disappointing record of US procurement of West German weapons and equipment. In addition, Bonn hopes that increased cooperation with Paris will draw French military forces close to NATO and foster a dialogue on French nuclear plans and policies. [Redacted]

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Moreover, the removal of remaining restrictions on West German conventional forces—Bonn's precondition for support of the French plans—would be politically beneficial to Kohl. It would enable him to placate domestic opponents of his security policy by pointing to West Germany's acceptance as an equal by its European partners. [Redacted]

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British officials are suspicious of French motives, but they say the UK wants to avoid criticism and will agree to at least consider any proposals advanced. The British traditionally have opposed formalizing West European defense cooperation, and they believe the WEU is an unnecessary financial burden. [Redacted]

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London strongly wants the US to be more forthcoming on defense cooperation, and it is upset over controls on the transfer of US civilian and military technology. Nevertheless, the UK is reluctant to jeopardize its extensive and unique defense ties with the US. [Redacted]

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Other Reactions

Rome has been doing much of the legwork for Paris on the WEU project, primarily because it fears exclusion from the deliberations of the larger countries and wants to have equal status with the more important Allies. Italy also believes greater West European cooperation on defense production and procurement could help alter its unfavorable armaments balance with the US. [Redacted]

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The Netherlands, Belgium, and Luxembourg traditionally have favored European cooperation plans. The Dutch are wary of the WEU scheme, however, and they have repeatedly expressed their reservations about it. [Redacted]

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[Redacted]

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Belgian officials claim that the government is divided on the future of the WEU, but Foreign Minister Tindemans is enthusiastic. He believes that the organization could be linked to the EC after being expanded to include those current and future members of the community who wanted to join. [Redacted]

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Outlook

West Europeans will continue to investigate ways to increase their defense cooperation. The use of the WEU toward this objective, however, is complicated by the wariness of the UK and the Netherlands, by the differences among WEU members on how to proceed, and by the concern about how the US would react. [Redacted]

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Nevertheless, WEU members are likely to lift remaining treaty restrictions on West Germany—except for the prohibition on chemical, nuclear, and biological weapons. They also may pledge to use the existing WEU structure to strengthen arms cooperation and to seek other tasks for the Agency for Control of Armaments. [Redacted]

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The meeting of Defense Ministers in October is likely to be held, and it could lead to periodic, informal meetings of defense ministers. This political impetus, however, would then need to be translated into joint policies and programs. [Redacted]

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The machinery for accomplishing this does not now exist in the WEU. It will not be established until all members first agree that such a move is desirable and then determine how to proceed. [Redacted]

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