

Central Intelligence Agency  
Washington, D.C. 20505

DCI/DDCI Executive Staff

20 April 1988

NOTE FOR: DCI

Per your request, attached are the talking points provided [redacted] for the PRG meeting on Monday, 18 April, as well as Jim's memo for the record of the 18 April PRG meeting. Also attached are more recent talking points that Jim used at his HPSCI current intelligence briefings on 19 April.

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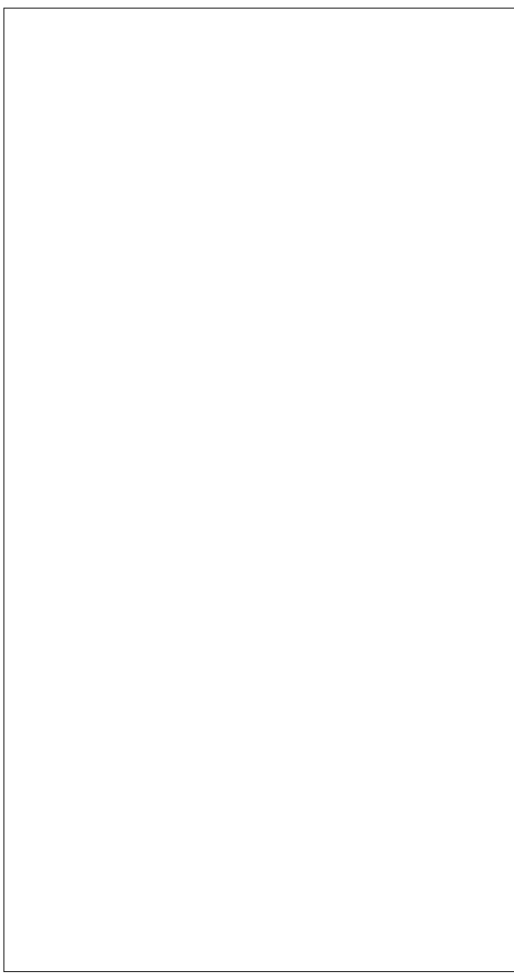
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*WAW*  
*4/20*

**DIRECTOR OF CENTRAL INTELLIGENCE**  
**TO**  
**OFFICIAL INDICATED BELOW**

STAT



*See me in  
CIA talking  
Coyens and/or  
Feltman upon  
in our past.*

- See Me**
- Note and return**
- For your recommendation**
- Prepare reply and return for my signature**
- Respond over your signature**
- What are the facts?**
- Please handle**
- Hold**

**Remarks:** \_\_\_\_\_  
\_\_\_\_\_  
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19 April 1988

## MEMORANDUM FOR THE RECORD

SUBJECT: PRG Meeting on the Persian Gulf, 18 April 1988

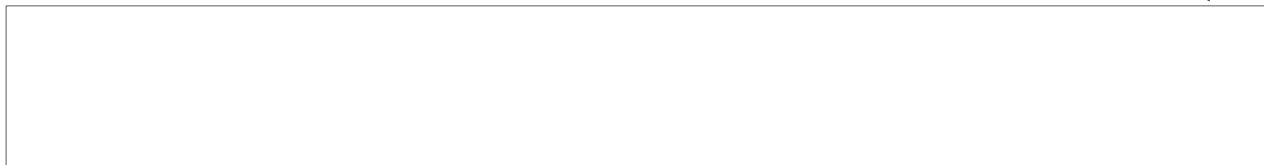
1. The PRG assembled at 2:00 p.m. Monday to assess the results of the day's military operations in the Persian Gulf. Admiral Jonathan Howe briefed on the day's events and the damage inflicted on Iranian naval units. Howe stressed that conclusive evidence as to whether or not SILKWORM missiles had been fired was lacking. He also reported the apparent loss of one US Navy helicopter in the southern Gulf.

2. I briefed the group on CIA's thinking regarding likely Iranian reaction once the immediate naval confrontation in the Gulf had ended. I pointed out that prior to Monday's events Iran seemed to be preparing to embark on a more aggressive course. A general rise in anti-US rhetoric inside Iran, terrorist attacks against Saudi facilities since March, the decision to resume mining in the Gulf itself, all suggested that the leadership in Tehran is now less inclined or able to resist pressures from hard line elements who are demanding a more belligerent approach to adjusting the status quo in Iran's favor. Monday's setback in the Gulf likely will only increase the frustration level in Tehran. I pointed out that this frustration will be compounded by the successful Iraqi offensive over the weekend which forced Iranian forces completely off the Al Faw peninsula to the Iranian side of the Shatt Al-Arab. The US and our Gulf state allies should be braced for a series of retaliatory Iranian steps such as SILKWORM firings against Kuwaiti oil facilities, other acts of sabotage against Saudi and Gulf state targets, and naval action against unescorted shipping in the Gulf. We also should be prepared for a new round of Iranian terrorist activities. In this regard I reminded the PRG that Iran does possess contingency plans for actions against US individuals and facilities in Europe and the Gulf.

3. The assessment that we may now be faced with a more dangerous and predictable Iran was unanimously shared by all.



Acting Deputy Director for Intelligence



ADDI's Talking Points for HPSET

19 April 1988

Update on the Situation in the Persian Gulf

There were no additional military exchanges between US and Iranian forces last night, and the Persian Gulf remains relatively quiet.

- Iranian gunboats, however, attacked a UAE-flag tanker, the Ton Fal V, in the southern Gulf around 1330Z (0530 EDT), according to press reports. There is no further information on the extent of damages or casualties.
- Iranian forces in the northern Gulf are on high alert and have been ordered to confront any US threat.
- We have no information to confirm press reports that Iran fired several Silkworm missiles at US warships in the Strait of Hormuz during yesterday's engagement. At least two US combatants detected radar emissions possibly associated with Silkworm firing positions near the western Strait, but there were no reported missile launches.

*Naval contact plus m be over -*

We believe the Iranian response to the US attacks means we can expect Tehran to employ more aggressively its conventional military and terrorist assets against its opponents.

- While the threat to US forces in the Gulf has undoubtedly increased, we are not ready to say that Tehran will now continue without pause to initiate direct, conventional attacks on US military targets.
- We believe what we have seen over the past few hours represents Iran's response to an immediate situation in which its forces were under attack by the United States. Iranian leaders probably felt Iran would be humiliated and lose all credibility if it reacted with restraint, as it did last year when the US captured the Iran Ajr and attacked the Rostam oil platform.
- Once the current exchanges die down, we believe Iran probably will be more cautious about initiating direct attacks on US military targets, such as launching a Silkworm missile against a US naval ship.

TOP SECRET

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-- Iran now is left with no doubt that such attacks would bring even more massive US retaliation, probably including strikes against important Iranian military installations. Iran will think twice about risking such damage to its overall military capabilities, especially now that it is facing a more confident and aggressive Iraq.

-- The close proximity of US and Iranian forces, however, and the heightened tensions between them increases the chances of unintended clashes that could quickly escalate. [redacted]

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In any case, we believe Iran will respond to today's events with terrorist strikes against US targets.

-- Iranian intelligence officers world-wide have in recent months engaged in extensive surveillance of potential US targets. [redacted]

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-- Iranian leaders probably will conclude that terrorism by Iranian surrogates is the best method of delivering a blow against the United States while limiting the prospects of even more massive US retaliation. [redacted]

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Iranian revenge also is likely to be directed against US allies in the Gulf and to take the form of increased terrorist and conventional military strikes on selected targets in the Gulf Arab states. Iran's options include:

-- Increased attacks on non-escorted shipping in the Gulf with small boats, aircraft, and naval combatants--provided any of the latter are left.

-- Launching Silkworm missiles against Kuwaiti oil economic facilities.

-- Small boat attacks on Kuwaiti and Saudi offshore oil facilities.

-- Sabotage of Kuwaiti oil facilities by pro-Iranian dissidents.

-- Terrorist bombings of Saudi and Kuwaiti facilities world-wide, such as the bombing yesterday of the Saudia Airlines office in Frankfurt--the seventh such attack on a Saudi target abroad since March. [redacted]

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#### Iraq's Offensive on the Al Faw Peninsula

Iraq says its offensive to recapture Iranian-held territory on the Al Faw peninsula is continuing and that Iraqi forces have retaken the disused port city of Al Faw. Iran claims Iraqi

forces used chemical weapons and press reports indicate that fighting continues.

-- [redacted] Iraqi forces had advanced some eight or nine miles (13-14 kilometers) east along the southern flank of the Iranian salient. [redacted]

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-- The attack indicates that Baghdad is more confident of its military position on the ground and--in conjunction with its missile war--has decided to retake the initiative to press Tehran to negotiate on ending the war.

-- Iran claims that Kuwait allowed Iraqi troops to stage from Bubiyan Island and that US helicopters assisted the Iraqis.

-- Tehran almost certainly will believe that US and Iraqi actions have been coordinated, possibly strengthening its desire to retaliate against the US. [redacted]

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