

~~SECRET~~

OUTGOING

SECRET  
PRIORITY

FRP: .2. . . . .  
STAFF

b3

[REDACTED]

b3

b3

PAGE 001  
TOT: 200600Z APR 88

b3

SECRET NOFORN NOCTRACT  
STAFF 200600Z  
TO: [REDACTED] EUROPEAN BRIEF.

WN TELE

[REDACTED]

b3

b3

[REDACTED]

SUBJECT: EUROPEAN BRIEF [REDACTED] FOR 20 APRIL 1988.

b3

FROM: DDI/O/CPAS.

CONTENTS

1. PERSIAN GULF: SITUATION REPORT
2. PANAMA: SITUATION REPORT
3. DENMARK: NEW ELECTIONS SET
4. USSR-US: INFORMATION TALKS
5. THAILAND: VISITING FOREIGN MINISTER UNDER FIRE AT HOME
6. [REDACTED]
7. IN BRIEF

b1, b3

1. PERSIAN GULF: SITUATION REPORT

IRANIAN RESPONSES

MORE SUBDUED

IRANIAN ACTIONS YESTERDAY WERE LESS CONFRONTATIONAL AND MORE

~~SECRET~~

Approved for Release  
Date JUN 1999

1 6 2 3

274

~~SECRET~~

b3

PAGE 002  
TOT: 200600Z APR 88

b3

DEFENSIVE. [REDACTED] IRANIAN SPEEDBOATS ATTACKED ANOTHER TANKER YESTERDAY--THE THIRD MERCHANT SHIP ASSOCIATED WITH THE UAE HIT SINCE MONDAY.

THE COMMANDER OF IRAN'S NAVY ADMITTED PUBLICLY YESTERDAY THAT AN IRANIAN MISSILE PATROL BOAT WAS SUNK, TWO FRIGATES DAMAGED, 15 SAILORS KILLED, AND AN UNSPECIFIED NUMBER INJURED ON MONDAY.

THE [REDACTED] COMMANDER OF THE REVOLUTIONARY GUARD NAVY DID NOT REPORT ANY LOSSES. BOTH THREATENED FURTHER ACTION AGAINST US FORCES.

[REDACTED] IRAN'S FEW AGGRESSIVE ACTIONS YESTERDAY WERE DIRECTED AT COMMERCIAL TARGETS AND UNDOUBTEDLY WERE IN RESPONSE TO ITS LOSSES ON MONDAY. FOR NOW, IRAN MAY TRY TO SHOW THAT IT HAS NOT BEEN COWED BY CONTINUING TO ATTACK VULNERABLE MERCHANT SHIPS AND OIL PLATFORMS IN THE SOUTHERN GULF. TEHRAN MAY KEEP LOOKING FOR OPPORTUNITIES TO STRIKE AT THE FEW PLATFORMS OPERATED PRIMARILY BY US OILWORKERS. IRANIAN MILITARY FORCES WILL DEFEND THEMSELVES BUT ARE LESS LIKELY FOR NOW TO SEEK A CONFRONTATION WITH US FORCES.

[REDACTED]

IRANIAN POLITICAL REACTION

IRANIAN LEADERS ARE CALLING THE US ATTACK ON IRANIAN INTERESTS IN THE GULF AND IRAQ'S ASSAULT ON AL FAW A COORDINATED EFFORT TO SAVE BAGHDAD FROM DEFEAT AND DESTROY THE ISLAMIC REPUBLIC. TEHRAN CLAIMS US HELICOPTERS PARTICIPATED IN THE IRAQI ATTACK AND ACCUSES KUWAIT OF ALLOWING IRAQ TO USE BUBIYAN ISLAND AS A STAGING AREA. ASSEMBLY SPEAKER RAFSANJANI SUGGESTED YESTERDAY THAT THE SOVIETS MAY HAVE PARTICIPATED IN THE CONSPIRACY BY REITERATING THEY GAVE IRAQ THE MISSILES USED AGAINST IRANIAN CITIES.

TEHRAN HAS WARNED THAT THE US "ENTRY" INTO THE WAR ON IRAQ'S SIDE WILL BRING AN IRANIAN RESPONSE THAT "WILL SEVER THE ROOTS OF THE US EXISTENCE IN THE REGION." IRANIAN LEADERS HAVE URGED A NATIONWIDE MOBILIZATION TO CONTINUE THE WAR AND THWART IRAN'S MANY ENEMIES.

[REDACTED] IRANIAN LEADERS ARE ON THE DEFENSIVE AND PROBABLY HOPE THAT PORTRAYING IRAN'S RECENT SETBACKS AS A US-LED CONSPIRACY WILL HELP FOCUS POPULAR ANGER AWAY FROM THE CLERICAL REGIME. THE APPEARANCE OF COORDINATION BETWEEN EXTERNAL ENEMIES IS LIKELY TO STRENGTHEN HARDLINERS IN TEHRAN WHO WILL ARGUE THAT IRAN MUST ULTIMATELY RESPOND AGGRESSIVELY IN THE FACE OF SETBACKS OR RISK BEING PERCEIVED AS WEAK AND VULNERABLE.

~~SECRET~~

1 6 2 4

OUTGOING MESSAGE

OUTGOING MESSAGE

OUTGOING MESSAGE

~~SECRET~~

PAGE 003  
TOT: 200600Z APR 88

OUTGOING MESSAGE

MORE WEST EUROPEAN REACTIONS

THE WEST EUROPEANS CONTINUE TO CRITICIZE IRAN'S RENEWED MINING OF THE PERSIAN GULF BUT ARE DIVIDED OVER THE EXTENT OF SUPPORT FOR THE US RESPONSE. THE WESTERN EUROPEAN UNION YESTERDAY CALLED FOR AN IMMEDIATE END TO ALL MINING AND OTHER ACTS AGAINST INTERNATIONAL SHIPPING, WITHOUT MENTIONING IRAN, AND NOTED SUCH MINING PROVOKES SELF-DEFENSE MEASURES.

THE DUTCH WANTED TO CONDEMN THE MINING WITHOUT MENTIONING THE US, WHILE THE FRENCH PREFERRED A WEAKER LINE. IN SEPARATE STATEMENTS, THE ITALIANS SAID THE IRAN HAD INVITED US RETALIATION, SPAIN CONDEMNED THE MINING, AND NORWAY CALLED FOR A UN PRESENCE IN THE GULF.

DUTCH, FRENCH, AND ITALIAN NAVAL FORCES HAVE REPORTED FINDING AT LEAST SEVEN MORE MINES THIS WEEK IN THE GULF.

THE BELGIANS, DUTCH, WILL MEET IN THE HAGUE MONDAY TO DISCUSS COMBINING THEIR OPERATIONS IN THE GULF.

UNLIKE THE STATEMENTS OF SUPPORT FROM BELGIUM, AND DENMARK ON MONDAY, THE MUTED SUPPORT FOR US ACTION PROBABLY REFLECTS A FEAR THAT THE ESCALATION OF FIGHTING WILL DRAG THE WEST EUROPEANS INTO THE CONFLICT EVEN FURTHER. HAVING FAILED TO TAKE AN OFFICIAL POSITION ON THE US RESPONSE TO IRAN'S MINELAYING LAST OCTOBER, THE FRENCH ARE NOT LIKELY TO ISSUE A STATEMENT ON THE INCIDENTS OF MONDAY.

LACK OF MINELAYING ACTIVITY WAS ONE REASON BELGIUM HAD FOR PULLING OUT OF THE GULF. THE COALITION GOVERNMENT NOW BEING FORMED IN BRUSSELS WILL MAKE THE FINAL DECISION. THE NEW GOVERNMENT MAY INCLUDE MEMBERS OF THE FLEMISH SOCIAL DEMOCRATIC PARTY, WHICH HAS OPPOSED THE DEPLOYMENT TO THE GULF.

SOVIET CRITICISM

OUTGOING MESSAGE

OUTGOING MESSAGE

~~SECRET~~

1 6 2 5

~~SECRET~~

PAGE 004  
TOT: 200600Z APR 88

A PRAVDA COMMENTARY YESTERDAY CONDEMNED US ACTIONS IN THE GULF AS ACTS OF PIRACY AND REVENGE UNBECFITTING A GREAT POWER. THE COMMENTARY SAID THE ACTION WAS PART OF A BROADER STRATEGY TO SECURE WESTERN INFLUENCE IN THE OIL-RICH REGION AND SHOWED DISREGARD FOR FREEDOM OF NAVIGATION IN THE GULF. PRAVDA LINKED THE TIMING OF THE US MOVES TO THE ASSASSINATION OF PLO OFFICIAL ABU JIHAD, HINTING THAT WASHINGTON AND TEL AVIV ACT IN UNISON IN THE MIDDLE EAST. IN THE MEANTIME,

ON THAT THE US RESPONSE, COUPLED WITH THE INCREASED FIGHTING BETWEEN TEHRAN AND BAGHDAD, HAS ELIMINATED ANY PROSPECT FOR ENFORCING THE UN CEASE-FIRE RESOLUTION ON THE IRAN-IRAQ WAR.

MOSCOW IS READY TO USE THE NEWEST EVENTS IN THE GULF AS A FURTHER EXCUSE FOR DELAYING THE SIGNING OF AN ENFORCEMENT RESOLUTION.

2. PANAMA: SITUATION REPORT

BANKING DEVELOPMENTS

AFTER THE BANKS OPENED MONDAY TO ACCEPT DEPOSITS, CUSTOMERS WERE ALLOWED TO WRITE CHECKS BUT NOT FOR CASH, AND THE REGIME ANNOUNCED THAT PUBLIC UTILITIES WILL BEGIN ACCEPTING SUCH CHECKS.

THE ANNOUNCEMENT THAT PUBLIC UTILITIES WILL ACCEPT CHECKS DRAWN ON LOCAL BANKS IS PROBABLY ANOTHER ATTEMPT TO LEND AN APPEARANCE OF NORMALCY TO THE FINANCIAL SYSTEM. SOON CLOSE AGAIN IF THE REGIME CANNOT FIND A BANK TO PERFORM CHECK-CLEARING OPERATIONS. THE BANKS PLAN TO CLEAR CHECKS ON A BANK-BY-BANK BASIS, BUT THIS IS CUMBERSOME. FOR DOMESTIC BANKS TO FUNCTION NORMALLY, THE REGIME NEEDS TO FIND A BANK TRUSTED BY ALL BANKS-- ALMOST CERTAINLY A FOREIGN BANK TO CLEAR TRANSACTIONS FOR THE WHOLE SYSTEM.

SETTLEMENT FEELERS

~~SECRET~~

1 6 2 6

OUTGOING MESSAGE  
OUTGOING MESSAGE  
OUTGOING MESSAGE

b3

b3

b3

b1, b3

b1, b3

b3

b3

b3

b3

b3

b1

~~SECRET~~

PAGE 005  
TOT: 200600Z APR 88

b3  
b3  
[REDACTED] NORIEGA PROBABLY BELIEVES HE CAN GAIN VALUABLE INFORMATION AND GAUGE HIS OPTIONS MOST EFFECTIVELY BY KEEPING LINES OF COMMUNICATION TO THE OPPOSITION OPEN [REDACTED] HE IS NOT LIKELY TO MAKE MAJOR CONCESSIONS AS LONG AS HE THINKS HE CAN WEATHER THE CRISIS. [REDACTED] b3

3. DENMARK: NEW ELECTIONS SET

PRIME MINISTER SCHLUETER WILL TRY TO MAKE THE ELECTION ON TO MAY A REFERENDUM ON DENMARK'S NATO MEMBERSHIP, WHICH HE SAYS IS THREATENED BY THE PARLIAMENTARY RESOLUTION TIGHTENING GOVERNMENT POLICY ON SHIP VISITS. [REDACTED] b3

b3  
[REDACTED] SCHLUETER APPARENTLY CALLED THE ELECTION BECAUSE OF THE STRONG NEGATIVE REACTIONS TO THE RESOLUTION FROM THE NATO ALLIES AND THE UNWILLINGNESS OF THE OPPOSITION SOCIAL DEMOCRATS TO AMEND IT. THE GOVERNING PARTIES WILL PORTRAY THE SHIP-VISIT ISSUE AS THE LATEST IN A SERIES OF SOCIAL DEMOCRATIC-SPONSORED RESOLUTIONS THAT HAVE WEAKENED DENMARK'S RELIABILITY AS A NATO ALLY. [REDACTED] b3

SCHLUETER'S EFFORTS TO FOCUS THE ELECTION ON NATO MEMBERSHIP MAY OVERCOME PRELIMINARY PROJECTIONS OF A LOW VOTER TURNOUT--WHICH TRADITIONALLY HAS BENEFITED THE WELL-ORGANIZED SOCIAL DEMOCRATS. POLLS HAVE CONSISTENTLY SHOWN THAT A MAJORITY OF DANES SUPPORT DENMARK'S NATO MEMBERSHIP. IN ADDITION, THE NON-SOCIALISTS WILL BE ABLE TO STRESS THEIR HANDLING OF THE ECONOMY, INCLUDING TOUGH POLICIES THAT LAST YEAR CONTRIBUTED TO A 40-PERCENT DECLINE IN THE CURRENT ACCOUNT DEFICIT, WHICH MOST DANES HAVE LONG REGARDED AS THE COUNTRY'S CHIEF ECONOMIC PROBLEM. [REDACTED] b3

THE SOCIAL DEMOCRATS ARE LIKELY TO TRUMPET THEIR OWN SUPPORT FOR NATO MEMBERSHIP AND CONDUCT A NATIONALISTIC CAMPAIGN CASTING THE SHIP-VISIT ISSUES AS A US-DENMARK DISPUTE. THEY WILL ATTACK THE GOVERNMENT'S PERCEIVED WEAKNESSES ON SOME ECONOMIC ISSUE, SUCH AS UNEMPLOYMENT. AND THEY WILL TRY TO DEFLECT EFFORTS BY NONSOCIALISTS TO EXPLOIT THE APPARENTLY WEAKENED POSITION OF SOCIAL DEMOCRATIC CHAIRMAN AUKEN, WHO HAS BEEN FAULTED FOR HIS HANDLING OF THE SHIP-VISIT ISSUE EVEN WITHIN HIS OWN PARTY. [REDACTED] b3

IF THE NONSOCIALISTS WIN A CLEAR VICTORY, THE SHIP-VISIT ISSUE MAY REMAIN UNRESOLVED BECAUSE THE GOVERNMENT IS UNLIKELY TO CAPTURE A CLEAR MAJORITY. THE RADICAL LIBERALS MAY, HOWEVER, BE WILLING TO REVERSE THEIR VOTE FOR THE SOCIAL DEMOCRATIC RESOLUTION THAT PASSED LAST THURSDAY AND SUPPORT A REFORMULATED POLICY. NONETHELESS, ANOTHER NONSOCIALIST GOVERNMENT WOULD CONTINUE TO RELY ON THE SOCIAL DEMOCRATS IN FORMULATING OVERALL DEFENSE POLICY. [REDACTED] b3

4. USSR-US: INFORMATION TALKS

TALKS OPENING TODAY IN WASHINGTON BETWEEN SOVIET AND US OFFICIALS ARE LIKELY TO INVOLVE HEATED EXCHANGES ABOUT SOVIET DISINFORMATION PRACTICES. THE SOVIETS ARE SENDING A 17-MEMBER DELEGATION TO THE THREE-DAY TALKS TO DISCUSS WAYS TO IMPROVE BILATERAL COOPERATION, INCLUDING THE PRINT AND ELECTRONIC MEDIA. THE HEAD OF THE SOVIET DELEGATION, VALENTIN FALIN, IS CHAIRMAN OF THE

~~SECRET~~

1 6 2 7

C  
L  
T  
C  
C  
I  
N  
G  
M  
E  
S  
S  
A  
G  
E

~~SECRET~~

PAGE 006  
TOT: 200600Z APR 88

NOVOSTI PRESS AGENCY. GENERAL SECRETARY GORBACHEV PERSONALLY ENCOURAGED SUCH A MEETING AT THE SUMMIT LAST DECEMBER.

OUTGOING MESSAGE

5. THAILAND: VISITING FOREIGN MINISTER UNDER FIRE AT HOME

THAI FOREIGN MINISTER SIDDHI'S VISIT TO WASHINGTON BEGINNING TOMORROW COMES WHEN HE IS UNDER INCREASING PRESSURE IN BANGKOK. SIDDHI--WHO HAS DOMINATED THAI FOREIGN AFFAIRS FOR EIGHT YEARS--WILL BE SINGLED OUT FOR ESPECIALLY SHARP CRITICISM DURING THE COMING DEBATE OVER A NO-CONFIDENCE MOTION AGAINST THE ENTIRE CABINET.

OUTGOING MESSAGE

SIDDHI RETAINS PRIME MINISTER PREM'S STEADFAST SUPPORT AND PROBABLY WILL NOT STEP DOWN, DESPITE GROWING OPPOSITION IN THE LEGISLATURE. HIS CRITICS, HOWEVER, MAY FORCE SIDDHI TO ASSUME A LOWER PROFILE ON FOREIGN POLICY ISSUES WITH DOMESTIC REPERCUSSIONS, SUCH AS THE COPYRIGHT ISSUE, IN ORDER TO DEFLECT CHARGES HE IS NOT LOOKING OUT FOR THAI INTERESTS.

SIDDHI'S AGENDA IN WASHINGTON

X--THE FOREIGN MINISTER IS LIKELY TO EXPRESS HIS APPRECIATION THAT WASHINGTON POSTPONED A DECISION ON GSP UNTIL THE END OF THIS YEAR AND MAY OFFER REASSURANCES THAT THE CONTROVERSIAL COPYRIGHT AMENDMENT PROBABLY WILL PASS DURING THE SPRING LEGISLATIVE SESSION.

X--HOWEVER, HE MAY URGE THAT BANGKOK BE ALLOWED MORE TIME TO ENACT OTHER MEASURES SOUGHT BY WASHINGTON--ESPECIALLY PROTECTION OF PHARMACEUTICAL PATENTS--THAT FACE SUBSTANTIAL PUBLIC OPPOSITION.

OUTGOING MESSAGE

SECRET

1 6 2 8

~~SECRET~~

PAGE 007  
TOT: 200600Z APR 88

6. [REDACTED]

AMERICAS

X--GRENADE EXPLOSION AT US-COSTA RICAN CULTURAL CENTER IN SAN JOSE INJURED FIVE, INCLUDING TWO US CITIZENS . . . SIMILAR TO BOMBING OF US CONSULATE TWO YEARS AGO BY RADICALS PROTESTING US AIRSTRIKE AGAINST LIBYA. [REDACTED]

EUROPE

X--COURT'S 13-YEAR SENTENCE FOR ABBAS HAMMADI STIFFER THAN EXPECTED . . . SHOW OF JUDICIARY'S INDEPENDENCE MAY HURT EFFORT TO FREE LAST HOSTAGE . . . HIZBALLAH MAY ATTACK WEST GERMAN INTERESTS TO DISCOURAGE SIMILAR TREATMENT OF BROTHER MOHAMMED. [REDACTED]

X--TURKISH CYPRIOTS LAST WEEK BEGAN STAMPING TOURIST PASSPORTS OF TRAVELERS FROM SOUTH . . . SOUTH RESPONDED BY LETTING ONLY DIPLOMATS THROUGH CHECKPOINT . . . TURKISH CYPRIOTS EVIDENTLY SEEKING TO SHOW INDEPENDENCE, UNDERMINE GREEK-TURKISH RAPPROCHEMENT. X [REDACTED]

MIDDLE EAST

~~SECRET~~

C  
L  
I  
C  
I  
N  
G  
M  
E  
S  
S  
A  
G  
E

b3

b3

b1, b3

b1  
b3

b3

b1  
b3

b3

b3

b1, b3  
b3