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28 January 1982

Director's Briefing for Breakfast Meeting with Secretary
of Defense Weinberger on 29 January

SUBJECT: Soviet-LDC Military Aid and Activities, 1981

In 1981

1. Moscow continued to pursue its aggressive military aid policies in the Third World arena, adding at least \$5-6 billion (Sales) in new weapons commitments (exclusive of Cuba) to its already huge backlog:

- Syria, \$3 billion
- Ethiopia, \$1.7 billion
- India, \$300 million
- Nicaragua, \$100 million

The swelled Soviet order books guarantee the continuance through the early 1980s of the record, or near-record pace of Soviet arms deliveries that we have seen for the last several years. In 1980 Soviet sales reached about \$14 billion -- double the 1979 level. Soviet military equipment sales in ¹⁹⁸⁰ ~~that year~~ were double US equipment sales to Third World countries. (no figure yet for 1981)

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25X1

2. In addition to its growing arms transfers to LDCs, the USSR also continued to introduce more advanced (and much more costly) military hardware to its premier customers in 1981 -- including sales of some weapons systems still not available to East European armed forces inventories, such as the SA-8 missile air defense system to Jordan, Libya, and Syria.

Delivery Highlights

3. Nearly 200 Soviet merchant ships carrying arms for Third World customers passed through the Bosphorus last year. Despite the early-year embargo on shipments to Iraq and Iran, preliminary estimates indicate that deliveries remained at, or near, peak levels of \$6-7 billion (See Chart 1).

(deliveries)

Cuba: A Special Case

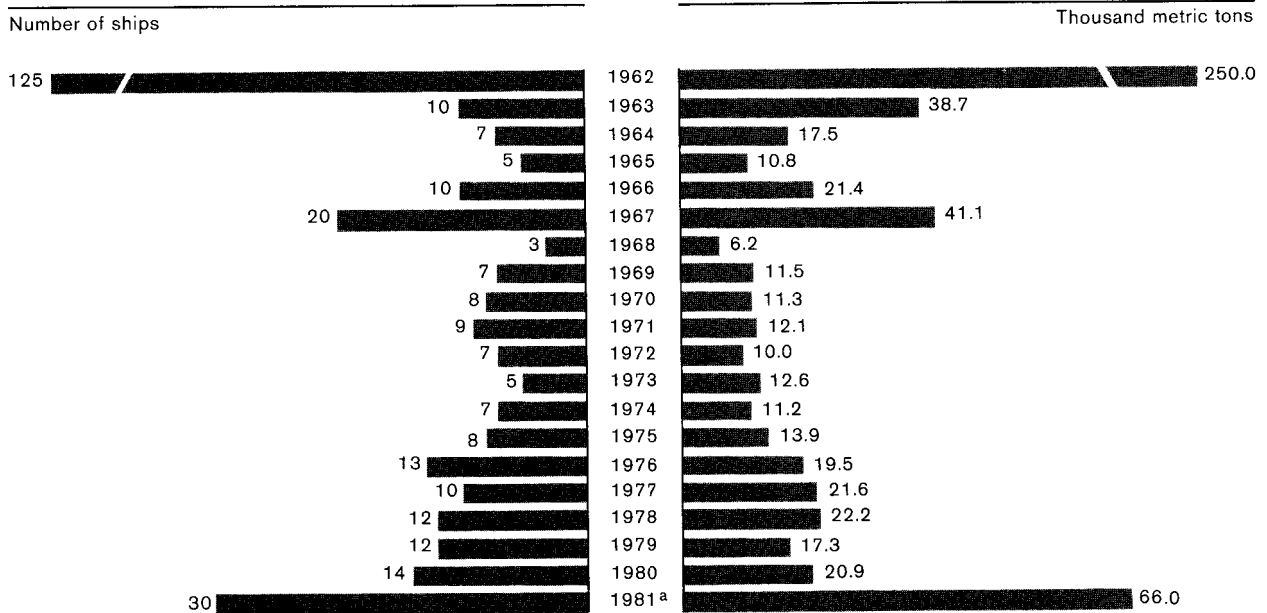
4. Soviet military deliveries to Cuba in 1981 reached their highest level since the 1962 Cuban missile crisis, largely under a new commitment made last February when a high level Soviet military delegation visited the island. About 30 Soviet merchant arms carriers discharged some 66,000 tons of military equipment at Cuban ports, a sharp increase over the annual average of 15,000 tons observed during the past decade (See Chart 2). The accelerated pace of deliveries, coupled with the inclusion of

**Major Soviet Military Shipments to Third World
1 January 1981 to Present**

Algeria	70-80 fighters, including MIG-25s, MIG-23s, MIG-21s, and SU-20s 50 tanks, including T-72s 190 other armored vehicles 100+ artillery pieces, SA-9 SAMs	
Libya	40+ fighters, including MIG-25s, MIG-23s, and MIG-21s IL-76 transports (1 squadron) 20 helicopters [including some for antisubmarine warfare] 1 submarine 1 missile boat T-62 and T-72 tanks APCs New early warning radars SA-8, SA-6, SA-2, and SA-3 SAMs	<i>\$990m*</i>
Iraq	MIG-25, MIG-23, MIG-21, and SU-20/22 fighters IL-76 transports MI-8 and KA-25 helicopters TU-22 bombers T-62 and T-72 tanks (several hundred) Field artillery pieces (several hundred) Self-propelled artillery	
Syria	SU-20/22 fighters Self-propelled artillery IL-76 transports MI-8 and MI-24 helicopters T-72 tanks (several hundred) SA-8 SAMs	<i>\$1.76*</i>
South Yemen	MIG-21 and SU-20/22 fighters MI-24 helicopters SCUD missile launchers Armored vehicles SAMs	
Afghanistan	SU-20/22 fighters MI-8 and MI-24 helicopters AN-26 transports	
India	MIG-25 and MIG-23 fighters T-72 tanks SA-3 SAMs MI-8 helicopters	<i>\$595m*</i>
Nicaragua	MI-8 helicopters AN-2 transports Military vehicles (500)	
Cuba	MIG-23 (12 or more) and MIG-21 fighters SA-6 SAMs Self-propelled artillery Tanks and APCs Improved radar New naval craft, including one frigate, two minesweepers, and guided-missile attack boats (En route: 2 to 4 missile attack boats, probably MI-24 helicopters)	<i>\$500m*</i>

** Preliminary totals for 1981 based on DIA data.*

USSR: Seaborne Military Deliveries to Cuba



^a January-November

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more advanced hardware systems has substantially upgraded Cuba's air, ground, and naval capabilities. Shipments during the year included:

- At least one additional squadron of MiG-23 ground attack fighters, and more MiG-21s;
- Cuba's first mobile SAM missile system (SA-6);
- initial deliveries of self-propelled artillery, newer tanks and APCs, and improved radar; and
- a host of new naval craft, including the first Koni-class frigate, two minesweepers and additional guided missile attack boats (OSA-II).

In addition, we feel confident that large quantities of ammunition, small arms, spares and support equipment were also offloaded and added to Cuban stockpiles.

5. Soviet shipments to Cuba, since their peak last summer, have dropped to normal levels. As of 28 January, two -- and possibly four -- additional Soviet OSA-II missile boats are enroute, and the Cuban Air Force may be preparing to receive its first shipment of MI-24 Hind gunship helicopters.

25X1

6. We believe Moscow's primary motivation has been to deter a US move against Cuba and to meet Castro's concerns about US

SECRET

5

25X1

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intentions. In addition, a combination of other factors accounts for the surge.

- The start of a new five-year upgrading and replacement cycle for the Cuban military; similar increases were noted in 1967 and 1976.
- Soviet provision of materiel support to Nicaragua, both by using Cuba as a transshipment point and by providing offsets for direct Cuban military aid.

The increased military deliveries also would improve the effectiveness of Cuban forces operating overseas. In Angola, for example, Cubans trained to operate the mobile SA-6 would provide a valuable complement to other less accurate systems currently defending against South African air incursions.

7. Moscow's decision to accelerate equipment deliveries *through last Summer* probably was made in late 1980 or early last year, motivated primarily by concern about Cuba's defenses and a desire to strengthen the Sandinista regime in Nicaragua.

Soviet Military Assistance to the Third World in Perspective

8. The USSR has sold or given away some \$50 billion worth of military assistance since the mid-1970s, about four times the amount Moscow committed altogether during previous two decades. Capitalizing on the new-found oil wealth in the Persian Gulf and North Africa, the USSR moved swiftly to accommodate ambitious rearmament plans drawn up following the 1973 War. Three-quarters of total Soviet arms commitments made since then have gone to Middle East/North African customers. The presence of Soviet

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military personnel in the Third World has increased in tandem with the rise in equipment transfers. More than 15,000 Soviet military advisors and technicians were stationed in non-Communist LDCs in 1981, a 95 percent increase from 1975 (See Chart 3).

A Political Tool

9. Arms sales are Moscow's most direct and valuable instrument to gain influence in the Third World.

-- Capitalizing on regional and local conflicts, it has been willing to supply modern weapons to most LDCs on short notice.

-- Most Western suppliers are unable to match Moscow's fast delivery schedules and in some cases have hesitated to supply certain LDCs with advanced weapons.

10. Moscow hardened payment terms in the mid-1970s, with the rise in Arab wealth, but the Kremlin still bends its policy where it sees a political payoff.

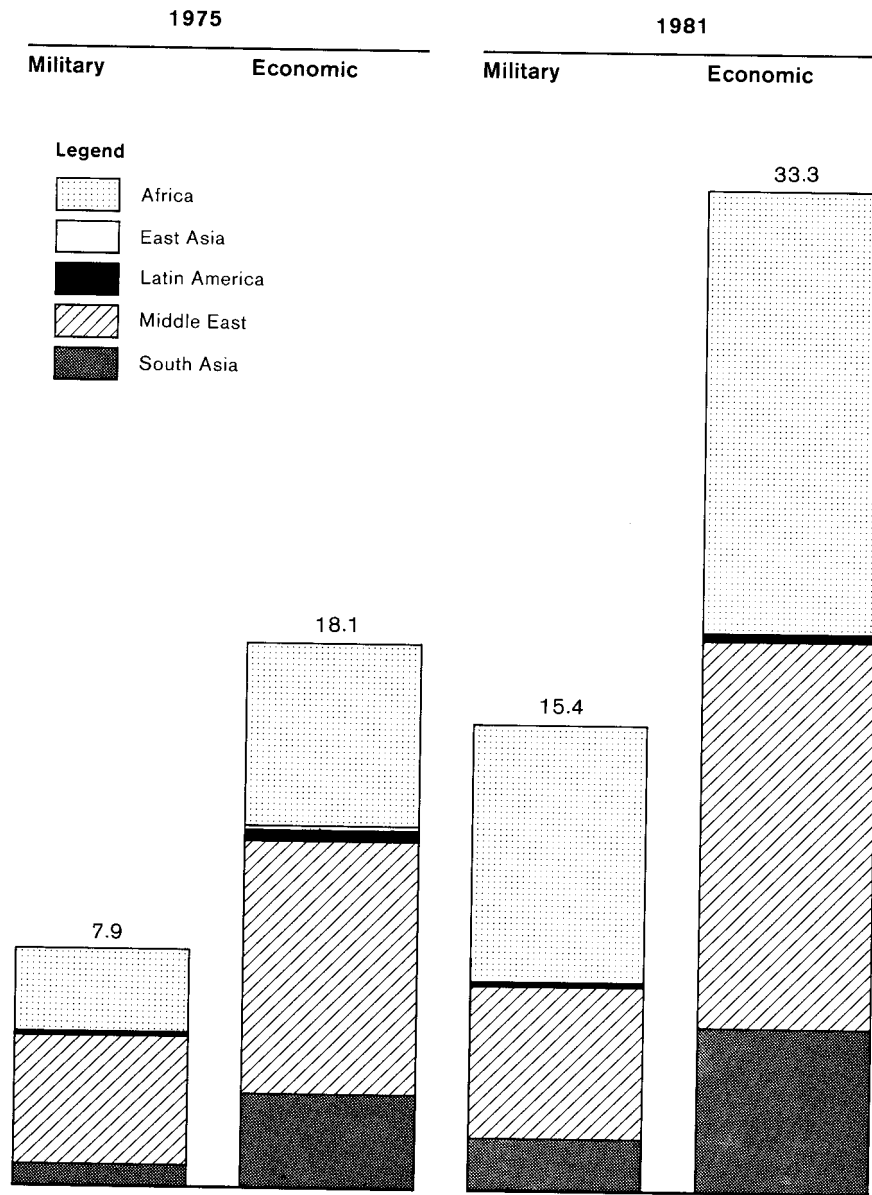
-- Deals with Ethiopia and India are prime examples of recent Soviet concessions on arms sales.

-- Oil-rich Arab buyers are willing to pay the steep prices Moscow charges for its sophisticated arms.

11. Over four-fifths of Moscow's military sales have gone to Libya, Iraq, Syria, India, and Algeria. Ethiopia, Iran, South Yemen, and Afghanistan have also been major recipients since the mid-1970s. The remainder is spread over almost 50 Third World countries, including Angola, Peru, and Tanzania.

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Soviet Presence in Non-Communist LDCs Thousand Persons



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The Arms Mix

12. Before 1970, the USSR was basically a supplier of outmoded, reconditioned equipment. The equipment, however, was simpler, more rugged, and easier to maintain than Western materiel and proved adequate for most LDC requirements. Since 1970, Moscow has opened much of its modern arsenal to the LDCs. MiG-25 jet fighters have gone to Algeria, Libya, and Syria; SA-8 surface-to-air missile systems (this month) to Libya and Syria; T-72 tanks to Algeria, India, Iraq, Libya, and Syria. The more sophisticated, higher capability weaponry requires extensive Soviet training and services, prompting ^{the dramatic} ~~100 percent~~ increase since the mid-1970s in ^{Soviet} advisory personnel. ~~to 15,500 in 30 LDCs in~~

13. The Soviet equipment has been outclassed by US hardware in confrontations in the Middle East. The LDCs, however, generally respect the operational qualities and performance of Soviet equipment (especially for ground and air defense).

- With simpler design and easier maintenance, Soviet arms often serve LDC basic needs better than more complicated Western equipment.
- Despite frequent complaints to Moscow about expensive maintenance, lack of spares, and unsuitable equipment, sales relationships have not been severed on technical grounds.
- Indeed, clients come back for more.

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Arms and Leverage

14. Arms aid to both nationalist movements and military governments helped the Soviets to obtain a foothold in black Africa; it facilitated Ethiopia's move out of the Western camp, albeit at the loss of Somalia, and it is the basis for the Soviet position in the radical Arab states. As for more tangible benefits, the Soviets have:

- Earned \$4-5 billion in hard currency annually in the past several years.
- Received access to port facilities in Syria, Ethiopia, and South Yemen.
- Established continuing ties with many LDC military leaders.

15. Moscow has discovered, however, that there are limits to the leverage that can be derived from an arms supply relationship. Soviet threats to suspend or reduce shipments have been ineffective against Indonesia (1965), Egypt (1974), Somalia (1977), and Iraq (1980-early 1981).

Outlook

16. We see no let up in the pace of Soviet military assistance to Third World countries in 1982. In January, alone, the Soviets have exported for the first time outside their borders the SA-8 low-altitude surface-to-air missile system. Based on the order books and expected new contracts, it is more than likely that the transfer of Soviet arms will break all previous highs this year.

SECRET/

9

25X1

17. The tempo of future shipments to Cuba, however, is less certain. If Moscow decides to signal greater displeasure over US policy in the Caribbean, the Soviet deliveries could go higher than that seen last year, and would include augmentations of the types of weaponry deliveries last year. The increased inventories can be expected to boost Castro's confidence, to assist Nicaragua, and to continue to offset for Cuba's maintenance of its substantial forces overseas.

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USSR: Military Agreements and Deliveries to Non-Communist LDCs

Billion US \$

