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Central Intelligence Agency



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DIRECTORATE OF INTELLIGENCE

24 October 1986

Bulgaria: Prospects for Improved US Relations

Summary

Bulgaria is signalling increased interest in improving relations with the US following several years of unusually severe strains. It has worked to resolve several outstanding bilateral issues in recent months and has taken other steps to show its desire for more active dialogue. We believe Sofia is now susceptible to making further concessions to upgrade political, economic, cultural, and scientific ties to at least the levels of the late 1970's. But, in the broader sense, we believe that Bulgaria's fealty to Moscow, dismal human rights record, and international policies that regularly conflict with US interests will continue to prevent any major breakthrough. [Redacted]

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Bulgaria's relations with the US have long been among the coolest of any of Moscow's East European allies. As one of the most loyal Soviet bloc members, Bulgaria has based its policies toward Washington largely on the Soviet line, echoing Moscow's stances and rarely taking steps that the Kremlin might view with disapproval. Moreover, Bulgaria's represssive human rights policies--symbolized during the past two years by its harsh treatment of its Turkish minority--its continued efforts to steal high technology from the West, and its close ties to radical Third World regimes have further exacerbated relations. Even the interest in closer ties expressed more recently by top Bulgarian officials frequently has not been matched by a willingness to cooperate at the working level. [redacted]

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Bilateral ties have undergone some fluctuations in recent years in response to international and other developments. Following an easing in tensions in the 1970's, as Soviet-US atmospherics improved, they worsened again in the early 1980's as a result of increased strains between Washington and Moscow and allegations of Bulgarian involvement in drug trafficking and the assassination attempt on the Pope. Relations grew so strained between 1982 and 1984, that Bulgarian officials routinely charged Washington with singling out Bulgaria for harsher treatment than the other hardline Soviet bloc countries. [redacted]

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Signs of Thaw

Since late 1984, the Bulgarians have taken increasingly obvious steps to signal interest in improved relations. The steps so far have been limited and in some cases designed to address problems of Sofia's own making. The most notable have been:

- o Narcotics Control. On 3 October, after almost two years of US efforts, Bulgaria formally agreed to cooperate with a US Drug Enforcement Agency signature program under which it would notify the US Embassy of heroin seizures exceeding 1 kilogram and turn over to the USDEA samples of intercepted contraband. Eleven days later, Sofia turned over its first sample from a seizure. It also has signalled its willingness to take part in international conferences on narcotics control, such as one in Vienna next year.
- o Embassy Access. On 26 September, following repeated US complaints, the Bulgarian government removed portable metal barriers that it had placed in front of the US Embassy in Sofia ten months earlier on the pretext of

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protecting the Embassy from an unspecified terrorist threat. The removal has allowed several hundred Bulgarians a day access to a USIS window display.

- o Economic Ties. Sofia recently has shown greater willingness to turn to the US for trade and credits. Bilateral trade during the first six months of 1986 was double that of the same period last year--up from \$50 million to \$99 million. Most of the increase came from a tripling of imports--primarily of US corn, fertilizer, and wheat--to compensate for poor domestic agricultural performance. Last year, after a six-year lull in borrowing from the West, Sofia negotiated \$570 million in new loans from a syndicate which included US and other banks. Bulgaria also stressed its desire for improved economic ties--particularly with individual US firms--during visits this year by a deputy trade minister and a parliamentary delegation.
- o Arms Shipments. Bulgaria this year appears to be adhering to a promise, made by Foreign Minister Mladenov in December 1984, to halt arms shipments to Nicaragua's Sandinista government. Before that pledge, Sofia regularly shipped arms to Managua, and its record last year is ambiguous.
- o Divided Families. The Bulgarian Foreign Ministry has resolved pending divided family cases in most instances, allowing Bulgarian citizens to join their relatives in the US. [redacted]

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Bulgarian officials have accompanied these actions with increased rhetorical and symbolic support for improved relations. Most recently, Bulgarian leader Zhivkov urged expanded scientific ties at a meeting with US scientists in Sofia. Ambassador Zhulev in recent months has called repeatedly for establishing more normal relations. Official Bulgarian attendance at the Embassy's 4 July reception was the highest in recent years. Moreover, Foreign Minister Mladenov chose a Texas clinic for his recent successful heart surgery. The choice, unusual for a high Warsaw Pact official, presumably was made largely on medical grounds, although Sofia probably gauged that it would convey a useful political message. [redacted]

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Bulgarian Motivations

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Several factors seem to be prompting Sofia's increased show of interest in better US ties. Chief among them, in our view, is economic necessity. As this year's increased agricultural imports demonstrate, Sofia looks to the West to cover specific shortfalls in performance. But even more importantly, the US and other Western countries are prime sources of the high technology Bulgaria needs to generate long-term growth. This technology is unavailable from Bulgaria's partners in the Soviet Bloc and is, we believe, essential to implementing Sofia's program of economic modernization. Bulgaria also would like to enjoy the benefits of accession to GATT, both as a mouthpiece for Moscow and for its own economic interests. [redacted]

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Political and national image factors also are important. To achieve better ties with the US would appeal to Bulgaria's elevated sense of its own importance and at the same time ease its innate insecurity about its role on the world stage. Bulgarian leader Zhivkov, at age 75 the senior party chief of a Warsaw Pact country, has long believed that small nations such as Bulgaria have an important role to play in international relations. Sofia may also believe that the Soviet-American climate is now more conducive to Bulgarian overtures to the US as long as they do not produce results counter to Soviet interests. Indeed, Moscow may be encouraging such overtures. [redacted]

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Outlook

We believe that Bulgaria will probably carry forward with diplomatic and other initiatives to improve US ties in the coming months, barring a major downturn in Soviet-US relations. We do not expect, however, any change in its close orientation to the Soviet Union and Soviet policies. Nor do we believe it will substantially improve its record on key domestic or foreign policy issues. [redacted]

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Nonetheless, we believe that Sofia is probably more susceptible than it has been at any time during the past several years to making at least marginal improvements in some areas. These areas could include human rights--especially better treatment of Catholic and Protestant religious sects and ending jamming of Western radio broadcasts--further movement on narcotics control, improved commercial climate for US firms, nuclear safety cooperation, and at least discussions on compliance with US technology controls. [redacted]

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Sofia is probably most likely to respond positively in areas that can be discussed on an issue-by-issue basis. The Bulgarians probably would be most responsive to a judicious mixture of

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pressure and incentives. The following are some incentives that could induce movement:

- o Economic Ties. Sofia is interested in intensifying official fora for economic exchanges--such as the US-Bulgarian Economic Council, scientific and trade seminars, and business roundtables. The Bulgarian leadership seems to respect and listen to American business leaders and is eager to bring more American expertise, in the form of joint ventures and consultations, to Bulgarian soil.
- o Technology Sharing. Bulgaria is highly interested in increased access to US technology, even if slightly outmoded. Nuclear safety technology in particular is of increased interest in the wake of the Chernobyl accident. Sofia may be willing in return to improve controls on legal acquisition of advanced technology. In a conversation with the US Ambassador in early October, Deputy Prime Minister Markov expressed interest in a technology control verification system, possibly including end-user checks and plant visits, to determine Bulgaria's compliance with US laws. Nonetheless, Sofia is continuing its illegal diversion of advanced technology from the West, much of which is destined for Moscow.
- o Official Contacts. The Bulgarians would welcome assurances of an increase in the number and level of official bilateral contacts. Sofia especially values exchanges--such as past briefings by US officials on arms control issues--that help it project the image of an important and autonomous player in European political affairs.
- o Other Exchanges. Sofia remains highly interested in stepping up exchanges in culture, science and technology, and other fields. Bulgarian officials recently expressed a willingness to discuss CSCE Basket III human rights issues including information, education, and tourism.

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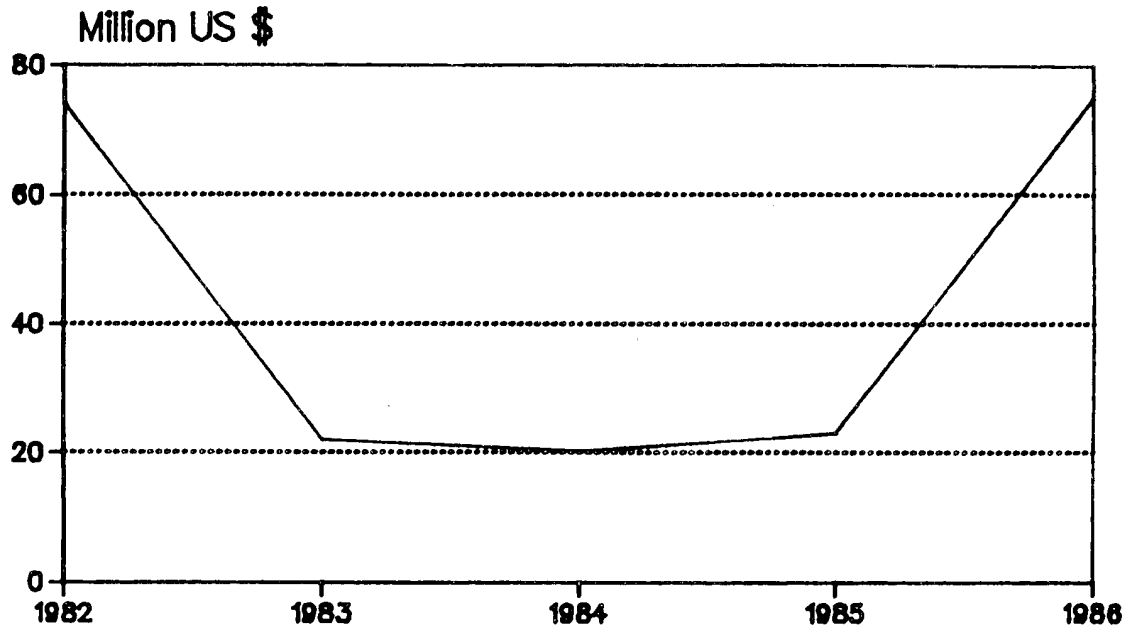
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Regardless of any new agreements, Bulgaria will probably do little more than the minimum to meet US interests and will avoid actions that would interfere with its other policy objectives. Particularly in economic areas, numerous bureaucratic obstacles will continue to exist to hinder even those improvements approved by top Bulgarian officials.

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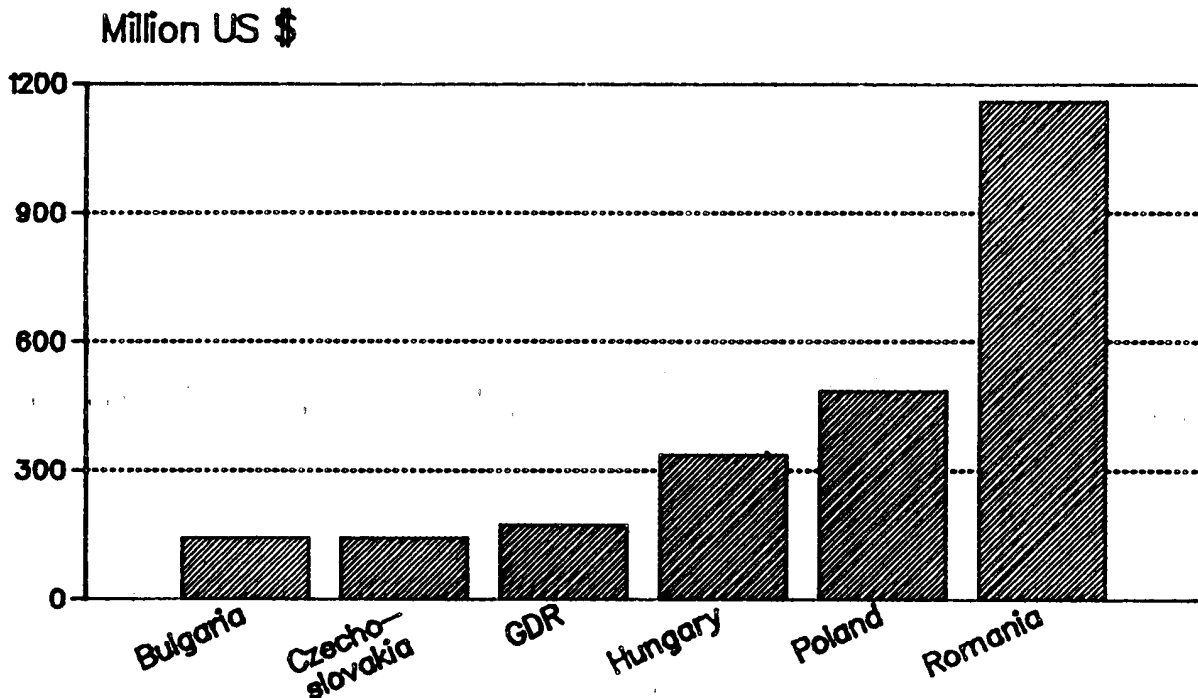
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Bulgaria: Imports from US: 1st 6 Months of the Year^a



^a According to US Statistics.

Bulgaria: Total US Trade with CEMA 6, 1985^a



^a According to US Statistics.



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