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Soviet Approach To Seven Regional Issues:

**The Koreas, Cambodia, Nicaragua, Arab-Israeli Peace Process,
Iran-Iraq War, The Horn of Africa, and Southern Africa.**

**This memorandum was prepared for the Undersecretary Of State by the Third
World Activities Division, Office of Soviet Analysis. Comments and queries
can be directed to the Chief, Third World Activities Division**

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The Two Koreas

Soviet-North Korean relations have improved to a marked degree since Kim Il-song's visit to Moscow in May 1984, especially in the military sphere. The Soviets, after refusing for over a decade to provide North Korea with advanced weapons, have delivered 46 MiG-23 aircraft and a number of SA-3 surface-to-air missiles within the past two years. Naval ships from the two countries have exchanged port visits, and air and naval forces of the two countries conducted their first combined exercise last fall. [redacted]

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[redacted] North Korea also has moved closer into line with Moscow's regional goals--endorsing Soviet activities in Afghanistan, while toning down public support for the Cambodian resistance forces under Prince Sihanouk--and become more vocal in supporting Soviet stances on international issues, especially arms control questions. [redacted]

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There are, however, several matters on which the two sides remain apart. The Soviets, for example, have carefully preserved their freedom of action regarding participation in the 1988 Olympics in Seoul. [redacted]

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Other factors also serve to limit Soviet-North Korean collaboration. The Soviets remain wary of Kim's intentions and reluctant to provide the military assistance that would significantly improve the North's offensive capabilities or otherwise alter the balance of power on the peninsula, a development that could raise Moscow's risks and/or reduce its leverage over P'yongyang. [redacted]

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By the same token, P'yongyang's desire to retain an image of independence also will affect its relationship with Moscow. The ongoing Soviet refusal to recognize publicly Kim's plan for his son, Kim Chong-il, to succeed him is yet another significant irritant. The elder Kim must have discussed this question with Gorbachev during their talks in Moscow last October, but the Soviets seem as reluctant as ever to make any public commitments on the matter. [redacted]

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The reasons for Kim's sudden five-day visit to Moscow remain unclear, but the evidence at hand--while sketchy--suggests that:

- The Soviets told Kim they would not boycott the Seoul Games if he did not get his way on the co-hosting issue, and warned him to keep the peace and not be impatient over reunification of the two Koreas.
- Kim reiterated his determination to keep North Korea on an "independent" course between the USSR and China, instead of tilting further toward the USSR by joining CEMA or other Soviet-dominated organizations. [redacted]

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Gorbachev also may have offered additional advanced weapons in return for access to North Korean air or naval bases, or an understanding to conduct even larger joint military exercises in the coming year. But there is no evidence as yet that Moscow has now accepted Kim's longstanding request for T-72 tanks, or agreed to provide more modern surface-to-air missiles, such as the SA-5. [redacted]

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Cambodia

Although the Soviets for the most part have acquiesced in Vietnam's desire to play the dominant role in Cambodia, they are nevertheless resolved to maintain their own independent presence there, in part to exert some leverage on the Vietnamese. [redacted] the Soviet Union is reluctant to see Vietnam as a leader of an Indochinese bloc pursuing an independent policy. Moscow's apparent objective is to keep as high a profile as possible in Cambodia and Laos--through official delegations, direct contact with the Khmer government, sponsorship of Russian language courses and cultural activities, and the like--without offending the Vietnamese. [redacted]

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Soviet economic aid to Cambodia--mostly in the form of project aid--has averaged \$80 million per year over the last six years, and may be rising slightly. The roughly 300 Soviet technicians and advisers among other things help repair and operate the Kampong Saom port facilities, used for military as well as civilian deliveries. Moscow probably sees direct deliveries of aid not only as more efficient, but also as a way of ensuring that credit for the aid is not claimed by Hanoi or that aid is not siphoned off by Vietnam.

[redacted] 25X1

The Soviets play a key role in supporting Vietnam's occupation of Cambodia. They have supplied Vietnam with nearly \$1.5 billion per year in arms since 1982, including tanks and ground attack aircraft useful in counterinsurgency war. Moscow has given Cambodia around \$200 million a year in military aid--including SA-3 SAMs--over the last five years. The Soviets also have provided training in the Soviet Union for around 200 Cambodian pilots since 1981. The Soviets have an estimated 200 military advisers in the country [redacted]

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Moscow continues to support Vietnam's occupation of Cambodia despite the political costs for Soviet relations with China and with ASEAN. Nevertheless, the Soviets are eager to present an image of flexibility and undoubtedly pushed for the recent Vietnamese proposals for negotiations that allowed for participation by the Khmer Rouge (but not by Pol Pot). Moscow's public position is that the problem must be solved by the Cambodian parties, and the Soviets deflect Chinese demands for Moscow to exert pressure on Hanoi by urging the resumption of direct negotiations between Hanoi and Beijing. The Soviets have indicated their willingness to participate in any international conference on the issue that includes the current regime and have stated that they would be prepared to join an international mechanism to guarantee a negotiated settlement. We do not believe, however, that the Soviets would damage their important relationship with Vietnam--and risk losing their base at Cam Ranh Bay--by stopping support for Hanoi's venture in Cambodia without a political arrangement in Phnom Penh that is acceptable to Hanoi and that brings an end to the resistance. [redacted]

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Nicaragua

The Soviets remain strongly committed to the consolidation of a Marxist-Leninist state in Nicaragua, despite the rising costs of economic and military materiel assistance needed to keep the Sandinista regime afloat. In Moscow's eyes, the advantages of a Nicaragua responsive to Soviet political and strategic interests clearly justify the growing Soviet investment, which is still small relative to other Soviet third world aid programs. [redacted]

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Warsaw Pact military support reached a high of \$575 million in 1986. Moscow's direct role in delivering this materiel has steadily increased, as have efforts to tailor assistance to Managua's counterinsurgency needs. In 1986, Moscow provided 23 MI-17 and six MI-25 helicopters to the Sandinistas, more than doubling the helicopter inventory. At least in the near term, Moscow will probably focus the remainder of its military aid on replacing transport vehicles and consumable items such as ammunition. The Soviets may also send new air defense equipment, such as SA-3s, but, sensitive to Washington's stated concerns, will probably refrain from delivering jet fighter aircraft. The Soviets are likely to keep their military advisory presence--about 75--as small and low-profile as possible, preferring to use surrogates, especially Cubans. [redacted]

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Moscow has tried to limit economic assistance to Managua by urging the Sandinistas to seek other sources of financial support. As Western assistance has dried up, however, the USSR and its Warsaw Pact allies have filled in the gap. Soviet Bloc support includes economic credits, virtually all Managua's crucial oil deliveries, and even scarce hard currency. Moscow's credits to Managua in 1986 reached a high of \$325 million, representing a 38 percent increase over 1985. While the Soviets are committed to keeping the Sandinista economy afloat, however, their assistance is not unconditional. Moscow is pressing Managua to reorganize its economic institutions according to the Soviet model. During 1986, Soviet State Planning Committee experts visited Managua to examine Sandinista economic performance, and approximately 500 Soviet Bloc economic advisors are assigned to Nicaragua--some to oversee Nicaragua's economic agencies, and others to work on long-term development projects. [redacted]

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The Soviets reportedly believe that US opposition to Managua will decline and that the next administration will probably accept the Sandinista regime as a fait accompli. Accordingly, they appear to be playing for time: cultivating favorable international opinion on the Sandinistas' behalf, becoming more vocal in support of the stalled Contadora talks, and avoiding provocative behavior-- while counseling Managua to do the same. Nevertheless, the need to avoid direct US intervention remains a major Soviet concern. For example, late last year Moscow issued a government statement--only the second in support of Nicaragua--and made a demarche to the US warning Washington against direct military action against Nicaragua. These unusual moves were probably prompted by an increase in insurgent offensive capability due to renewed Congressional funding, and concern over a perceived regional US military build-up. [redacted]

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[redacted]
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[REDACTED]

The Arab-Israeli Peace Process

In July 1986, Gorbachev renewed the Soviets' longstanding call to convene an international conference on the Arab-Israeli dispute by proposing to French President Mitterand a new vehicle, a preparatory committee meeting, to get the process moving again. The proposal contains no substantive policy changes and is apparently intended to project a new image of Soviet flexibility. The Soviets are also evidently trying to take advantage of what they perceive as an impasse in current US policy. [REDACTED]

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Since the July proposal, Soviet diplomacy has focused less on the substance of the peace process and more on the form a conference would take. Late last summer, Moscow sent emissaries to various Arab capitals to promote the proposal and to get a feel for Arab opinion, and obtained broad, if not enthusiastic, support. In late September, Shevardnadze formally proposed the preparatory conference in his speech to the UN General Assembly. In early December the UNGA passed a resolution calling for an international conference on the Arab-Israeli dispute that includes the Soviet-proposed preparatory conference. A month later a Ministry of Foreign Affairs statement touted the resolution in language crafted to minimize US and Israeli objections, while maintaining traditional Soviet support for professed Arab and Palestinian goals. [REDACTED]

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Syria occasionally pays lip service to the Soviet concept of an international conference, but Moscow will probably have great difficulty convincing Damascus to participate. The Syrians did not attend the 1973 Geneva conference, co-sponsored by the US and USSR. Moscow is also working--so far without success--to reconcile competing PLO factions and bring them to a point where they would be able to participate in a conference. [REDACTED]

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In order to obtain Israeli participation in a Soviet-initiated peace process, Moscow apparently has accepted that it must try to improve relations with Tel Aviv. The Soviets and Israelis have met with increased frequency in the past year, including the August meeting in Helsinki and the September Peres-Shevardnadze meeting in New York. Over the last 18 months, Moscow has been tempting Israel on the issue of Soviet Jewish emigration. Last month, the Soviets enacted a new law that they claim is more lax and will result in the release of large numbers of Soviet Jews in the near future. So far, however, there has been no tangible change in emigration policy and Israeli officials remain skeptical; Jewish emigration was at its lowest point in 1985 and did not increase appreciably last year. [REDACTED]

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At the same time, Moscow is also aware that renewing ties carries risks, both in internal policy and in Moscow's relations with its Arab friends. While Moscow and Tel Aviv will probably continue to discuss normalizing relations-- perhaps at a consular level or by setting up interest sections--Moscow will be reluctant to do so without Israeli acceptance of a greater Soviet role in the peace process. [REDACTED]

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Iran-Iraq War

The Gulf war has not served Moscow's overall interest in the region. Instead, it has sparked the formation of the Gulf Cooperation Council which turned to the United States for strategic security assistance. It has also complicated Soviet efforts to achieve greater cooperation among Iraq, Syria, and Libya, diverted Arab attention away from the conflict with Israel and has tended to offset resentment among moderate Gulf Arab states against the US for its pro-Israeli stance. [redacted]

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Despite Moscow's support for Baghdad since Iraq began losing territory to the Iranians in 1982, the Soviets probably do not want either Iran or Iraq to emerge as a clear victor, having long preferred a relative balance between the two countries as the best way to exert Soviet influence in the region. Soviet relations with Tehran have remained cool since 1983, and Moscow probably does not expect Iran to change its anti-Soviet posture appreciably any time soon. Moreover, a victorious Iran would be likely to undermine Soviet influence in Baghdad, with which Moscow has had a Treaty of Friendship and Cooperation since 1972; Iraq purchases approximately half of its arms from the USSR. An Iranian victory would also make Tehran even less susceptible to Soviet inroads or pressure and would free up Iranian assets that could be used to support the Afghan mujahideen or help spread Islamic fundamentalism beyond Iranian borders. Such a victory would also draw the Persian Gulf countries even closer to the United States. [redacted]

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Moscow's inability to influence Tehran and Iraq's inability to force Iran to enter negotiations suggest the USSR will continue to support Iraq in its war effort, especially as long as the United States remains locked out of Iran. [redacted]

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The USSR officially maintains a neutral position on the war and has supported calls for peace negotiations by the United Nations and other international organizations. The Soviets issued their first government statement on the war in early January, calling for an immediate negotiated settlement and the return to pre-war boundaries--a position that coincides with Baghdad's--and charging the United States with fueling the war. But this was largely an attempt to curry favor with the Arabs, who were due to meet at the Islamic Conference held in Kuwait later that month, and particularly the Iraqis, who were struggling to defend Basra and were still irritated over the US arms sales to Iran. [redacted]

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Iranian Foreign Minister Velayati's two-day visit to Moscow in mid-February was marked by strong disagreement over the Iran-Iraq war and Afghanistan. Velayati met with Foreign Minister Shevardnadze, President Gromyko, and Premier Ryzhkov, but Izvestiya noted twice that his three-hour talks with Gromyko were "frank and businesslike" and highlighted the two sides' differences. Even in the realm of economic cooperation--the one area where the USSR and Iran have the most potential to work together--the Velayati visit did not appear to produce any new results. [redacted]

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[redacted]
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The Horn of Africa

Moscow's primary objectives in the Horn of Africa are reducing Western influence and access, preserving Soviet access to military facilities, and building Marxist-Leninist institutions in Ethiopia. The primary Soviet policy tool for pursuing these objectives is maintaining close relations with Addis Ababa, which are underpinned by the extensive military relationship between Ethiopia and the USSR. [redacted]

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The Soviets are Addis Ababa's major source of military assistance, supplying Ethiopia with over \$6 billion in arms and military equipment from 1977-1986, along with 1700 military advisers. [redacted]

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[redacted] Soviet military deliveries fell from \$910 million in 1985 to \$270 million in 1986 and Moscow probably is not keen on massive new injections of military assistance for major offensives against the Eritrean insurgents. The Soviets have nevertheless indicated a willingness to provide further assistance as well as defer indefinitely payment on Ethiopia's estimated \$3.7 billion military debt to Moscow--a clear indication that Moscow is committed to continue supporting the regime. [redacted]

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Political ties are marked by extensive bilateral exchanges and frequent reiterations of mutual support. Ethiopia, however, has complained about shortfalls in economic aid (which totaled \$1.3 billion from 1977-85 and includes 2200 economic advisers), quality problems with military aid, differences over the coup in South Yemen, and the development of the Workers' Party of Ethiopia. Mengistu's distrust of Moscow's motives and disagreements over policy will continue, but almost certainly will not lead either side to reconsider their close bilateral relations. [redacted]

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Soviet relations with Somalia are unlikely to be warm soon, despite the October 1986 meeting between the Somali and Soviet Foreign Ministers--the first official public contacts between the two countries since the bilateral rift in 1977. The Soviets have limited expectations for relations with Somalia and are probably unwilling to make significant moves to improve relations by forgiving Somalia's \$100 million military debt or--even more unlikely--pressuring Ethiopia to be more flexible in peace talks with Somalia. A visit to Somalia by an as yet unspecified Soviet delegation originally scheduled for early this year has meanwhile been delayed. [redacted]

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Soviet ties to Djibouti are limited, but Moscow has shown slightly increased interest in the last few months, signing an agreement to provide TASS news service and training and [redacted] asking Djiboutian permission to stockpile fuel and make port calls, probably as an alternative to South Yemeni port facilities. Djibouti agreed to fuel storage and merchant ship access but not naval port calls. [redacted]

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Southern Africa

Angola is the major Soviet priority in Southern Africa, and its importance has increased further due to US support for UNITA. The Soviets shipped over \$1 billion worth of arms and military equipment to Angola in 1986, and have provided about 1,200 military advisers, while their Cuban allies provide some 36,000 technicians and troops. Luanda helps offset the cost of the aid Moscow and Havana provide by paying for some of their arms with hard currency earned from oil shipments, leading to some \$1 billion in payments in 1985; payments in 1986, however, almost certainly fell due to low oil prices. The Soviets meanwhile continue to build Angolan military strength while encouraging Luanda to keep steady military pressure on UNITA with the aim of gradually containing the insurgency. [redacted]

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Soviet commitment to Mozambique is less intense than its backing of Angola, despite Maputo's treaty of friendship and cooperation with Moscow and consistent support of the Soviets on international issues. Moscow nevertheless continues its military and economic aid, although arms deliveries are down and likely to remain fairly low for the next few years due to Mozambique's inability to absorb or pay for new equipment. Moscow also seeks political and propaganda gains by playing up its support for multilateral--primarily African--military action against RENAMO. [redacted]

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In South Africa, the Soviets anticipate the eventual breakdown of white rule will pave the way for the evolution of a pro-Soviet ANC-dominated government, although Moscow believes this will take a long time. The Soviets and their allies continue supplying arms to the ANC, supporting the South African Communist Party to try to ensure its influence in the ANC, and promoting the ANC role as the leader of the antiapartheid movement. The Soviets use propaganda and disinformation extensively to demonstrate solidarity with black African positions and discredit the United States as a backer of the Pretoria regime. [redacted]

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The status of Soviet relations with other countries in the region varies. Soviet relations with Zimbabwe improved significantly over the past two years. Mugabe visited Moscow for the first time in December 1985, and the two countries since have exchanged delegations to discuss possible arms agreements. Zimbabwe has not yet made a commitment to purchase Soviet arms, however, and lack of funds and Soviet unwillingness to offer generous terms may limit purchases. Once warm Soviet ties to Tanzania have deteriorated because of Dar es Salaam's dissatisfaction with Soviet military and economic aid, but Moscow relies on Tanzania's lack of alternative military suppliers to ensure continued influence, and the two countries signed a new \$190 million arms deal in late 1986. The Soviets have tried to play on Botswana's fear of South African military action to strengthen ties, but neither Botswana nor Zambia, once a purchaser of Soviet arms, have recently turned to the Soviets for significant military assistance. The USSR has almost no influence in Lesotho and no relations with Malawi. [redacted]

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[Redacted]

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DDI/SOVA/TWAD [Redacted] (17 Feb 87)

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SUBJECT: Soviet Approach To Seven Regional Issues:
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