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DIRECTORATE OF INTELLIGENCE

November 13, 1987

Recent Soviet Policy on Key Regional Issues:

**Afghanistan, Angola, Cambodia, Arab-Israeli Peace Process,
Persian Gulf, Nicaragua,**

This memorandum was prepared at the request of Under Secretary of State Michael Armacost by analysts of the Regional Policy Division, Office of Soviet Analysis. Comments and queries are welcome and may be directed to the Chief, Regional Policy Division

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Continuing Activism on Regional Issues

Over the past several months the Soviets have intensified their propaganda and diplomatic efforts to convince the world community of the sincerity of their interest in political settlements to regional conflicts.

- o Soviet leaders and diplomats have highlighted their desire for settlements in a variety of forums, including General Secretary Gorbachev's call in a September article in Pravda for a greater United Nations role in conflict mediation and peacekeeping.
- o Soviet political and academic literature has portrayed the political settlement of Third World disputes as an essential component of global security in the nuclear era, a conclusion the Soviets say reflects their "new thinking" on foreign affairs.
- o Moscow has stepped up its rhetoric and diplomatic activity in several specific regional settlement processes, including Afghanistan, Cambodia, Nicaragua, and the Persian Gulf. [REDACTED]

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Several factors appear to be driving the USSR's heightened activity.

- o Moscow would like to improve its international image and prevent its identification with its clients involved in local conflicts from limiting its ability to improve ties with other states.
- o The Soviets are seeking to deny the US the opportunity to use the issue of regional conflicts against them in international forums.
- o They also want to guarantee that the USSR will have a role in any settlements that emerge.
- o The Soviets probably calculate that an image of progress on regional settlements will defuse Western criticism of the USSR and its clients and keep regional issues from complicating negotiations on arms control with the United States.
- o Finally, the Soviets may be genuinely interested in political settlements in situations where they perceive military ones to be either too costly or unattainable, or where they see tangible diplomatic gains to be made, as in an improvement of relations with China that would follow a settlement in Cambodia. [REDACTED]

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To date, however, the rhetorical aspects of Moscow's call for political settlements have run well ahead of meaningful change in the substantive positions of the USSR and its clients.

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- o The USSR has continued to provide its allies with the arms and advisory support needed to sustain their involvement in counterinsurgency wars.
- o Soviet leadership statements and academic writings have consistently justified the USSR's "right" to assist friendly states under "imperialist challenge." [redacted]

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Afghanistan

For most of this year Moscow has pursued a strategy that concentrated on breaking the links between the resistance and its political and material support rather than defeating it militarily.

- o Kabul's more conciliatory negotiating stance at Geneva last spring and its national reconciliation initiatives were apparently designed to court international opinion and to promote division among the opposing players.
- o The Soviet-Afghan campaign of terrorist bombings inside Pakistan aimed specifically to undermine domestic support for Islamabad's policy.
- o On the ground, Soviet forces have had to expend greater effort to maintain the stalemate against the resistance. [redacted]

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This fall, however, Soviet policy has suffered several reverses.

- o Moscow built up international expectations that a 12-month troop withdrawal timetable would be offered at Geneva in September and then failed to deliver, probably because of concern that the Kabul regime was too weak to sustain such an offer.
- o Apparently convinced that the confidence and unity of the regime had to be strengthened--whatever the risk to Moscow's international diplomacy on Afghanistan--the Soviets permitted Najib to assume the presidency, to purge some of his party opponents, and to affirm the party's determination to remain the "leading force" in Afghanistan.
- o Intense Soviet lobbying to reduce the vote for the Afghan resolution in the UN General Assembly or to water it down with amendments backfired this week when the original resolution passed by a slightly improved margin. [redacted]

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Even before this latest setback, Moscow had apparently readjusted its diplomatic strategy: since the letdown at Geneva, the Soviets have tried to shift the focus of discussions from the withdrawal timetable to the composition of the future government, an issue they had declined to address for most of this year.

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[Redacted]

- o The Soviets probably hope to give an impression of continued movement in negotiations while buying time for the regime to get its house in order.
- o Moreover, they may calculate that the pressure to reach a common negotiating position will aggravate divisions within the resistance and between the resistance and Pakistan.
- o By soliciting ideas on a coalition and angling to have Pakistan and the UN take the initiative in setting up talks between the resistance and the regime, Moscow may also hope to probe--without committing itself--how far the other side might bend to provide the Kremlin with a face-saving arrangement. [Redacted]

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Despite hints that the Soviets may be preparing the ground domestically and internationally for entering into serious discussion of solutions that do not provide for the dominance of their client, a decision by the Kremlin to accept less than its original goals is unlikely in the near term.

- o The Soviets are continuing to keep their options open by building up their military and political infrastructure in Afghanistan.
- o They probably want time to assess Najibullah's latest efforts to shore up his regime, bilateral discussions with the US and Pakistan, Pakistan's continuing domestic problems, and whether its nuclear weapons controversy with the US might yet work to Soviet advantage.
- o The domestic and military costs remain tolerable, and the international costs--despite the recent embarrassment at the UN--have become less acute.
- o The "loss" of Afghanistan would be a major risk to Gorbachev, who has already spent considerable political capital to push his domestic program past conservative opponents and who is now apparently in a period of political retrenchment in Moscow. [Redacted]

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Angola

The Soviets played a major role in this year's failed government offensive.

[Redacted]

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- o The Soviets apparently took some casualties [Redacted] and the Angolans lost a considerable amount of Soviet military equipment [Redacted]

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[Redacted]

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These developments are not serious enough to make Moscow rethink its commitment to Angola.

- o The government forces held on to Cuito Cuanavale, the forward base of the Angolan army.
- o Soviet interests--maintaining access and influence in Angola under the current regime--are not threatened by the status quo in Angola.

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Moscow probably still intends to support a military solution in Angola.

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The Soviets have been floating ideas about a political settlement in Angola. We do not believe this has been prompted by the failed offensive. Rather, the Soviets appear to be probing for a US reaction to some alternative process to the current US-Angolan negotiations, which do not include the USSR.

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- o Deputy Foreign Minister Adamishin in July suggested that an "international mechanism" is needed to resolve the Namibia/Angola issue but did not elaborate on this idea.
- o Soviet Foreign Ministry African specialists said earlier this month that Moscow does not oppose the US-Angolan talks but believes Havana should be included in the Cuban troop withdrawal negotiations.
- o They also raised the possibility of an international conference, and said that UNITA--excluding Jonas Savimbi--could be integrated into the government, military, and party structure.
- o The interest in a political solution is probably part of the general Soviet effort to be seen as supporting a political solution to regional conflicts worldwide.

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Angolan President dos Santos almost certainly discussed his new plan for Cuban troop withdrawal in exchange for South African troop withdrawal from Namibia while in Moscow last week.

- o Angola has sent representatives to Havana to discuss the proposal.

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[Redacted]

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- o But Moscow will probably avoid pressing Havana on the issue at this time to avoid exacerbating already tense Soviet-Cuban ties. [Redacted]

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There are several indications that the Soviets may be unwilling and unable to expand their nonmilitary aid to meet the needs of Angola's faltering economy.

[Redacted]

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[Redacted]

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Cambodia

Over the last year, Soviet interest in a negotiated settlement to the Cambodian conflict appears to have grown substantially.

- o The Soviets have raised the problem--previously considered by them to be an exclusively Vietnamese concern--to the level of a bilateral issue between Moscow and Hanoi, as indicated by the unusually heavy emphasis on the issue during Vietnamese General Secretary Linh's visit to Moscow in May.

- o [Redacted] the Soviets have emphasized to Hanoi the political and economic costs of the war to both Vietnam and the Soviet Union and have urged the Vietnamese to try to settle the conflict by diplomatic means. [Redacted]

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In recent months, the Soviet Union has intensified its public support for a negotiated settlement.

- o Moscow issued official statements in August and October--the first on Indochina since the end of the Vietnam War--supporting the Heng Samrin regime's national reconciliation proposal and five-point peace program. Soviet commentary on the proposals has been extensive and favorable. [Redacted]

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[Redacted] the Soviets are taking the initiative in promoting diplomatic movement on Cambodia [Redacted] [Redacted] In particular, the Soviets appear to be emphasizing Prince Sihanouk as the key to a settlement.

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- o The Soviet statement in October on the Heng Samrin regime's peace proposal, which for the first time offers Sihanouk a high government

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[Redacted]

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post, emphasized Sihanouk as a potential dialogue partner for the Heng Samrin regime.

[Redacted]

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- o We have no evidence, however, that the Soviets are pressing Vietnam to meet directly with the resistance or to withdraw before national reconciliation is achieved. [Redacted]

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Soviet interest in a settlement probably stems from both political and economic concerns. [Redacted]

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- o The Soviets are aware that their association with Vietnam's actions in Cambodia is the major barrier to improved Soviet-ASEAN relations, as well as China's most important "obstacle" to normalized relations with the USSR.
- o The Soviets also are increasingly dissatisfied with having to bear the burden of supporting Vietnam's crippled economy.

Nevertheless, the Soviets are unlikely to accept any settlement proposal that does not meet Vietnam's basic requirements to prevent the Khmer Rouge from returning to sole power, exclude the top leadership of the Khmer Rouge from a coalition government, and guarantee a continuing role for the current regime.

[Redacted]

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Arab-Israeli Peace Process

The Soviets have not fielded any new ideas about an international conference in recent months but are trying to appear flexible with the old ones.

- o The Soviets still hold participation in any future settlement as their fundamental goal and have tailored their actions to maximize opportunities to play a role in that process. [Redacted]

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The Soviets have continued to move forward gradually in openings to Israel.

- o Officials met in Bonn in August to discuss the peace process and Foreign Ministers Peres and Shevardnadze discussed that and bilateral issues at the UN in September.
- o The Soviets have maintained a consular delegation in Tel Aviv since July and may eventually allow it to take up political issues.

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- o Hungary and Israel agreed in September to exchange interest sections. [redacted]

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Moscow will probably proceed slowly, however, in the belief that the split in the Israeli Government over the merits of an international conference rules out significant movement on this central issue before Prime Minister Shamir's term expires next fall.

- o Negative Arab reaction also appears to be tempering Moscow's openings, but the Soviets will not let Arab objections halt their initiatives. [redacted]

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Despite media claims, Moscow has not altered its position on Palestinian participation in an international peace conference.

- o In September, Israeli media claimed that in his conversation with Peres at the UN, Shevardnadze did not insist on PLO participation in a conference. However, Soviet officials quickly denied these rumors in a press conference the next day and reaffirmed Moscow's commitment to the PLO as the sole legitimate representative of the Palestinian people.

- o In its coverage of the meeting between Soviet leader Gorbachev and PLO Chairman Arafat in Moscow this month--the first in almost five years--TASS quoted Gorbachev on the need to accommodate the "lawful interests of all the parties involved [in the peace process], including the Palestinian people" rather than "the PLO." Deputy Foreign Minister Petrovskiy, however, debunked rumors of a change in Soviet support for the PLO at a press conference several days later. [redacted]

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The Soviets have no vested interest in any particular form of PLO representation and have long said privately that they are willing to let the PLO and the Arabs decide for themselves who will represent the Palestinians at a conference.

- o Stalled Syrian-PLO reconciliation efforts, however, will continue to thwart Moscow's efforts to deliver its allies to any negotiating table. [redacted]

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Persian Gulf

Moscow has promoted the perception that its activities in the region are solely those of a neutral mediator and that it is the only superpower that can talk to both sides.

- o Although interested in greater influence in Iran for its own sake, the main Soviet goal at the moment is reducing the US naval presence, a goal that Tehran shares.

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- [REDACTED]
- o Moreover, the Soviets seem to be using the prospect of improved ties with Iran as a means of bringing pressure on Washington to cooperate with Moscow in resolving the Gulf situation. [REDACTED]

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Moscow's efforts to postpone voting on any UN action that would impose sanctions--including an arms embargo--on Iran for refusing to agree to a cease-fire has damaged its standing among the Arabs in the region.

- o Shevardnadze's 24 September speech in the UN--calling for the concurrent enforcement of a cease-fire in the Iran-Iraq war and the establishment of a commission to determine blame for the conflict--has aggravated Soviet relations with Iraq and reinforced an Arab perception of a Soviet tilt toward Iran.

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[REDACTED]

Nonetheless, Moscow's unwillingness to press ahead quickly in the UN indicates its greater concern at the moment with eliminating the US military presence in the Gulf and leaving the door open for improved relations with Iran than with upsetting the Arabs.

- o Such a position will be more costly for the Soviets to maintain if a sanctions resolution does come to a vote. [REDACTED]

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We believe the Soviets want to avoid being the only Security Council member to veto a sanctions resolution. The Kremlin may calculate that even an abstention on a sanctions vote would seriously harm Soviet relations with Iraq.

- o But we would not rule out an abstention--particularly if the Soviets believed another Security Council member planned to veto. [REDACTED]

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Nicaragua

The Soviets appear to believe that Nicaraguan compliance with the Central American peace plan is currently the best tactic to legitimize the Sandinista regime and undermine US Congressional support for the insurgents:

- o Soviet media immediately pledged Moscow's support for the plan, stressing its importance as a regional initiative and calling it a "serious diplomatic defeat" for Washington.

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o Soviet advice to Ortega during his recent visit to Moscow is probably responsible for the Sandinistas' sudden willingness to open indirect negotiations with the insurgents, which they had until now refused to do.

o [redacted] Moscow's pressure for compliance and its low profile in Managua have created the impression in the region--including among the Sandinistas--that the Soviets might limit their commitment to Managua in order to improve relations with the US.

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[redacted] 25X1

Moscow's actions, however, do not indicate a lessening of Soviet commitment to the Sandinistas:

o Soviet bloc military aid reached a high of \$537 million in 1986

[redacted] 25X1

Moscow has not made a high-profile direct arms delivery since the peace plan was signed.

o In September, Moscow promised an additional 700,000 barrels of oil--increasing its 1987 deliveries by a third--to Managua this year to alleviate a critical shortage.

o Although the Soviets have reportedly criticized Managua's inefficient use of aid and no major new development projects have been signed this year, they have continued the flow of much-needed consumer goods and foodstuffs to alleviate shortages that could undermine the regime's popularity.

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SUBJECT: Recent Soviet Policy on Key Regional Issues: Afghanistan, Angola, Cambodia, Arab-Israeli Peace Process, Persian Gulf, Nicaragua

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